

Scheme Facts

Structure

An open ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds.

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

₹2,620.66 crs

Monthly Average AUM*

₹2,546.16 crs

NAV (as on 30th August 2019)

Growth	₹44.3771
Direct Growth	₹45.1798
Monthly Dividend	₹10.4958
Direct Monthly Dividend	₹10.5981

Launch Date

29th December, 1998

Benchmark

CRISIL Banking and PSU Debt Index

Min. Initial Inv.

Dividend Payout, Dividend Re-investment & Growth ₹5000 & above.

Additional Inv.

₹1000 & in multiples of ₹1

Standard Deviation[^]

2.04%

Average Maturity

3.61 years

Portfolio Modified Duration

2.72 years

YTM

7.47%

Macaulay Duration

2.91

*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: Nil (applicable for all plans)

Note - Units issued on reinvestment of dividends shall not be subject to exit load (applicable for all plans)

About Kotak Banking and PSU Debt Fund

- Kotak Banking and PSU Debt Fund is an Open Ended Debt Scheme.
- The investment objective of the scheme is to generate income by predominantly investing in debt & money market securities issued by Banks & PSUs and Reverse repos in such securities, sovereign securities issued by the Central Government and State Governments, and / or any security unconditionally guaranteed by the Govt. of India.

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 is in line with our estimates and we continue to hold these assets as we expect gradual compression going ahead.

Portfolio Action











- Given the above outlook we intend to maintain the average maturity at the higher end of the indicated band.
- We intend to maintain the modified duration in the range of 2.5 – 3.00 in Sept 2019.

Particulars	30 August 2019	31 July 2019
Avg. Maturity (in yrs)	3.61	3.76
Duration	2.72	2.83
Yield (in %)	7.47	7.30
Macaulay Duration	2.91	3.01

Asset Allocation as on 31st August, 2019

Debentures and Bonds	73.65%
Government Dated Securities	9.63%
Commercial Paper (CP)/Certificate of Deposits (CD)	7.28%
TREP & Term Deposits & Rev.Repo	6.19%
Net Current Assets	3.25%

Top 10 Companies as on 31st August, 2019

State Bank Of India.	CRISIL AA+ /CRISIL AAA		10.95%
Rural Electrification Corporation Ltd.	CRISIL AAA		9.52%
Power Finance Corporation Ltd.	CRISIL AAA / ICRA AAA		8.44%
ICICI Bank Ltd.	ICRA AA+ / CRISIL AA+ /CARE AA+		7.16%
Food Corporation of India	CRISIL AAA(SO)		6.11%
NABARD	CRISIL AAA		5.54%
National Highways Authority Of India	CRISIL AAA		4.81%
Bank Of Baroda	FITCH IND AAA / CARE AA /CARE AA+		4.81%
AXIS Bank Ltd.	CRISIL AA+		4.54%
Indian Railway Finance Corporation Ltd.	CRISIL AAA		4.02%

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.

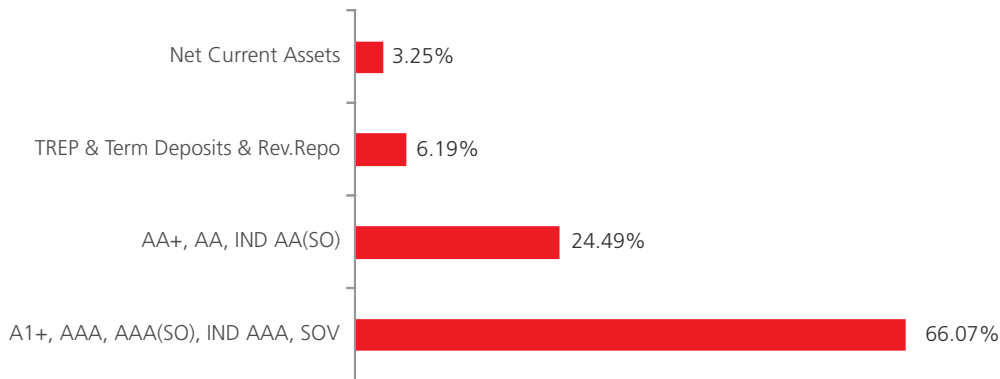
Visit - assetmanagement.kotak.com

Email - mutual@kotak.com

Disclaimer

Kotak Banking and PSU Debt Fund An open-ended debt scheme. Investment Objective: To generate income by predominantly investing in debt & money market securities issued by Banks & PSUs and Reverse repos in such securities, sovereign securities issued by the Central Government and State Governments, and / or any security unconditionally guaranteed by the Govt. of India.

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

Rating Profile as on 31st August, 2019

Kotak Banking and PSU Debt Fund* Performance (%) as on 30th August, 2019

Date	Scheme Returns (%) ^	Crisil Banking and PSU Debt Index ³ # (%)	Alpha	CRISIL 1 Year T-Bill Index ## (%)	Current Value of Standard Investment of ₹10000 in the		
					Scheme # (₹)	Benchmark # (₹)	Additional Benchmark ## (₹)
Kotak Banking and PSU Debt Fund							
Since Inception	7.47	NA	NA	6.69	44,377	NA	38,128
Last 1 Year	11.18	10.66	0.52	8.37	11,118	11,066	10,837
Last 3 Years	8.04	8.16	-0.12	6.79	12,608	12,649	12,176
Last 5 Years	8.45	9.09	-0.64	7.31	15,013	15,464	14,241

Scheme Inception date is 29/12/1998. Mr. Deepak Agrawal has been managing the fund since 14/08/2008.

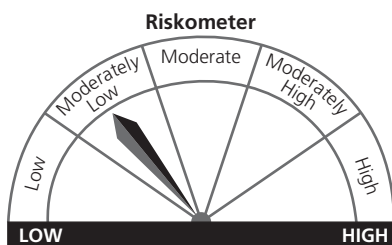
Different plans have different expense structure. The performance details provided herein are of regular plan.

^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. Deepak Agrawal.

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

⁵With Effect from 1st June 2018, the Benchmark is changed to CRISIL Banking and PSU Debt Index from Crisil Short Term Bond Fund Index.

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Investors understand that their principal will be at moderately low risk

This product is suitable for investors who are seeking*:

- Income over a short to medium term investment horizon
- Investment in debt & money market securities of PSUs, Banks & government 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 Dynamic Bond Fund - Growth	12.79	13.31	8.42	7.55	9.30	9.11	8.69	8.46
Kotak Bond Short Term Plan - Growth	9.85	9.76	7.20	7.58	8.05	8.28	7.72	7.92
Kotak Corporate Bond Fund - Growth	9.73	9.89	8.12	7.54	9.34	9.08	8.24	9.40

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

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 Bond Short Term Plan - Growth *Name of the Benchmark - NIFTY Short Duration Debt Index, Scheme Inception date is 02/05/2002. Mr. Deepak Agrawal has been managing the fund since 11/07/2007.

Kotak Corporate Bond Fund - Growth, *Name of the Benchmark - CRISIL Corporate Bond Fund 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 Credit Risk Fund - Growth	7.95	8.90	7.23	8.19	8.40	8.92	8.33	8.96
Kotak Liquid - Regular Plan - Growth	7.17	7.18	6.99	6.90	7.52	7.39	7.42	7.44
Kotak Medium Term Fund - Regular Plan - Growth	5.85	11.11	6.30	7.51	8.11	8.74	8.38	8.92

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

Kotak Credit Risk Fund - Growth (Erstwhile Kotak Income Opportunities Fund), *Name of the Benchmark - CRISIL Composite AA Short Term Bond Index, Scheme Inception date is 11/05/2010. Mr. Deepak Agrawal has been managing the fund since 12/04/2010.

Kotak Liquid - Regular Plan - 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 Medium Term Fund - Regular Plan - Growth, *Name of the Benchmark - NIFTY Medium Duration Debt Index, Scheme Inception date is 21/03/2014. Mr. Deepak Agrawal has been managing the fund since 22/06/2015.

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.