

Scheme Facts

Structure

An open ended debt scheme investing in government securities across maturity

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

₹461.85 crs

Monthly Average AUM*

₹446.68 crs

NAV (as on 30th August 2019)

Growth ₹67.2667

Direct Growth ₹71.8668

PF & T - Growth ₹68.8180

PF & T - Direct Growth ₹73.6021

PF & T - Quarterly ₹12.2586

Quarterly Dividend ₹14.9885

Direct Quarterly Dividend ₹16.2305

Launch Date

Regular. - December 29, 1998

PF & T. - November 11, 2003

Benchmark

Nifty All Duration G-Sec Index

Min. Initial Inv.

₹5000 & in multiples of ₹1

Additional Inv.

₹1000 & in multiples of ₹1

Standard Deviation[^]

Regular. 4.40%

PF & Trust 4.40%

Average Maturity

11.63 years

Portfolio Modified Duration

7.48 years

YTM

6.84%

Macaulay Duration

7.73

*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: (a) Regular Plan - Entry: Nil.

(b) PF & Trust Plan - Entry: Nil.

Exit Load: (a) Regular Plan - Exit: Nil.

(b) PF&Trust Plan - Exit: 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 Gilt Investment

- The investment objective of the scheme is to generate risk free returns through investments in sovereign securities issued by the Central and/or State Government(s) and / or reverse repos in such securities.
- The sovereign nature of government securities offers investor a credit-risk free play on interest rates.
- 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 enables retail participation in the otherwise wholesale government securities market.
- Kotak gilt investment is suitable for investors who do not want to take on credit risk associated with other debt instruments and have an investment horizon of over one year.

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





- Given the above outlook, we intend to maintain the average maturity at the higher end of the indicated band.
- We are positive about the investment opportunities presented by the 10-14 year maturity assets.
- We intend to maintain the modified duration in the range of 5.10 – 7.60 in Sept 2019.

Particulars	30 August 2019	31 July 2019
Avg. Maturity (in yrs)	11.63	7.21
Duration	7.48	5.13
Yield (in %)	6.84	6.48
Macaulay Duration	7.73	5.30

Asset Allocation as on 31st August, 2019

Government Dated Securities	97.85%
Net Current Assets	2.15%

Top Companies as on 31st August, 2019

7.26% Central Government	SOV		58.44%
7.57% Central Government	SOV		22.95%
7.18% State Government-West Bengal	SOV		8.67%
7.69% Central Government	SOV		6.98%
9.36% State Government-West Bengal	SOV		0.37%
9.09% State Government-Maharashtra	SOV		0.34%
8.79% State Government-Maharashtra	SOV		0.04%
9.37% State Government-Gujarat	SOV		0.04%
8.88% State Government-Gujarat	SOV		0.02%

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.

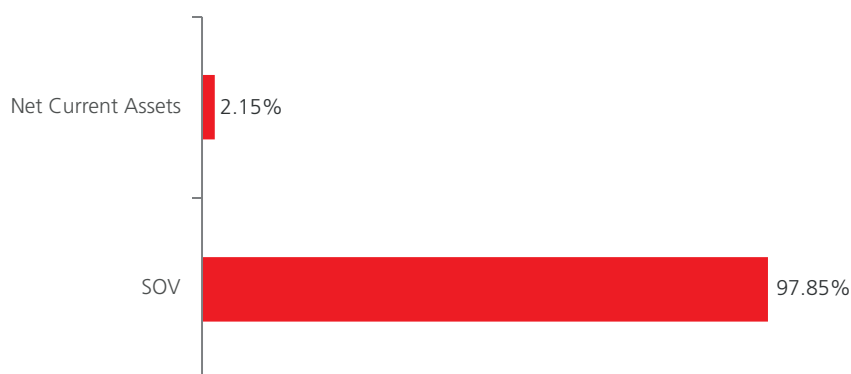
Visit - assetmanagement.kotak.com
Email - mutual@kotak.com

Disclaimer

Kotak Gilt is An open ended debt scheme investing in government securities across maturity
Investment Objective: To generate risk free returns through investments in sovereign securities issued by the Central govt and/or State Government(s) and/or reverse repos in such securities.

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 Gilt Investment *Performance (%) as on 30th August, 2019

Date	Scheme Returns (%) ^	Nifty All Duration G-Sec Index # (%)	Alpha	CRISIL 10 Year Gilt Index ## (%)	Current Value of Standard Investment of ₹10000 in the		
					Scheme # (₹)	Benchmark # (₹)	Additional Benchmark ## (₹)
Kotak Gilt - Investment - Growth							
Since Inception	9.65	NA	NA	NA	67,267	NA	NA
Last 1 Year	14.83	17.60	-2.77	16.35	11,483	11,760	11,635
Last 3 Years	7.17	7.83	-0.66	6.95	12,307	12,535	12,230
Last 5 Years	9.40	9.37	0.03	8.97	15,682	15,664	15,379

Scheme Inception date is 29/12/1998. Mr. Abhishek Bisen has been managing the fund since 15/04/2008.

Date	Scheme Returns (%) ^	Nifty All Duration G-Sec Index # (%)	Alpha	CRISIL 10 Year Gilt Index ## (%)	Current Value of Standard Investment of ₹10000 in the		
					Scheme # (₹)	Benchmark # (₹)	Additional Benchmark ## (₹)
Kotak Gilt Investment PF & Trust Plan - Growth							
Since Inception	7.59	6.01	1.58	5.77	31,816	25,176	24,279
Last 1 Year	14.83	17.60	-2.77	16.35	11,483	11,760	11,635
Last 3 Years	7.17	7.83	-0.66	6.95	12,306	12,535	12,230
Last 5 Years	9.43	9.37	0.06	8.97	15,704	15,664	15,379

Scheme Inception date is 11/11/2003. Mr. Abhishek Bisen has been managing the fund since 15/04/2008.

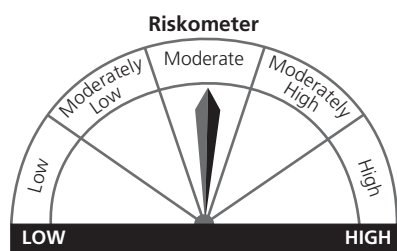
Different plans have different expense structure. The performance details provided herein are of regular plan.

^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. 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 All Duration G-Sec Index from ISEC Composite Index.

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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 a long investment horizon
- Investments in sovereign securities issued by the Central and/or State Government(s) and / or reverse repos in such 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 Bond - Regular Plan - Growth	12.44	13.08	5.94	7.34	8.25	9.14	8.88	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 Bond - Regular Plan - Growth, *Name of the Benchmark - NIFTY Medium to Long Duration Debt Index, Scheme Inception date is 25/11/1999. Mr. Abhishek Bisen has been managing the fund since 01/04/2008.

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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.

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