

## Scheme Facts

### Structure

An open ended hybrid scheme investing predominantly in debt instruments

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

₹252.74 crs

### Monthly Average AUM\*

₹251.84 crs

### NAV (as on 30th August 2019)

Growth ₹31.4848

Direct Growth ₹33.7511

Monthly Dividend ₹11.5944

Direct Monthly Dividend ₹12.1015

Quarterly Dividend ₹13.2111

Direct Quarterly Dividend ₹13.9164

### Launch Date

December 02, 2003

### Benchmark

Crisil Hybrid 85+15 - Conservative Index

### Min. Initial Inv.

(i) Dividend Re-investment & Growth and Dividend Payout (Quarterly) - ₹5000 & above  
(ii) Dividend Payout (Monthly) - ₹50,000 & above

### Additional Inv.

₹1000 & in multiples of ₹1

### Standard Deviation<sup>^</sup>

5.71%

### Average Maturity

5.94 years

### Portfolio Modified Duration

3.88 years

### YTM

8.16%

### Macaulay Duration

4.13

\*Source: MFI Explorer.

<sup>^</sup> as on 30th August, 2019. Source: Value Research.

## Load Structure

Entry Load: Nil

Exit Load: i) For redemption / switch out of upto 10% of the initial investment amount (limit) purchased or switched in within 1 year from the date of allotment: Nil.

ii) If units redeemed or switched out are in excess of the limit within 1 year from the date of allotment: 1%.

iii) If units are redeemed or switched out on or after 1 year from the date of allotment: Nil.

iv) Any exit load charged (net off Goods and Service Tax, if any) shall be credited back to the respective Scheme. Units issued on reinvestment of dividends shall not be subject to entry and exit load.

## About Kotak Debt Hybrid

- The investment objective of the scheme is to enhance returns over a portfolio of debt instruments with a moderate exposure in equity and equity related instruments.
- The scheme invests in a mix of high credit debt market across issuers and money market instruments at the shorter end of the yield curve thereby reducing the interest rate risk as also optimizing the carry yield on the portfolio.
- The scheme also seeks to capitalize on trading opportunities available from time to time.
- On the equity side the scheme seeks to enhance returns by maintaining a core and a dynamic portfolio where some portion is held for the longer term and the remaining is actively churned.

## 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.
- In the medium-term, we expect spread assets like SDLs and corporate bonds and other high yielding credit assets to do well.
- On the basis of these expectations and taking cues from the market, we shall be adjusting our portfolio accordingly.
- We intend to maintain the modified duration in the range of 3.00 – 4.00 in Sept 2019.

Particulars	30 August 2019	31 July 2019
Avg. Maturity (in yrs)	5.94	3.55
Duration	3.88	2.51
Yield (in %)	8.16	7.67
Macaulay Duration	4.13	2.68

## Asset Allocation as on 31st August, 2019

Debentures and Bonds	56.81%
Equities	24.20%
Government Dated Securities	16.06%
TREP & Term Deposits & Rev.Repo	3.90%
Net Current Assets	-0.97%

## Top 10 Companies as on 31st August, 2019

Indian Railway Finance Corporation Ltd.	CRISIL AAA	11.89%
Power Finance Corporation Ltd.	CRISIL AAA	10.97%
7.57% Central Government	SOV	8.39%
Reliable Devices Trust ( Underlying customer Reliance Retail )	ICRA AAA(SO)	6.47%
Punjab & Sind Bank	ICRA A+	5.96%
NABARD	CRISIL AAA	4.18%
7.26% Central Government	SOV	4.15%
United Bank Of India	CRISIL A+	4.06%
Shriram Transport Finance Co Ltd.	CRISIL AA+	3.74%
Rural Electrification Corporation Ltd.	CRISIL AAA	3.33%

## 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](http://assetmanagement.kotak.com)

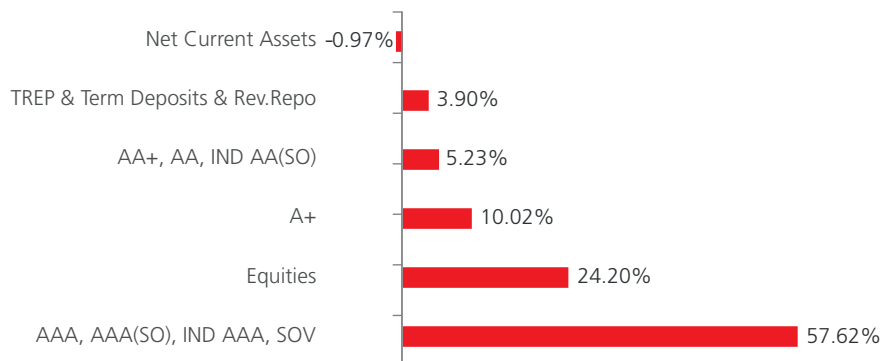
Email - [mutual@kotak.com](mailto:mutual@kotak.com)

## Disclaimer

**Kotak Debt Hybrid** An open ended hybrid scheme investing predominantly in debt instruments.  
**Investment Objective:** To enhance returns over a portfolio of Debt Instruments with a moderate exposure in Equity and Equity related Instruments.

**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](http://mutualfund.kotak.com)**

## Rating Profile as on 31st August, 2019



## Kotak Debt Hybrid \* Performance (%) as on 30th August, 2019

Date	Scheme Returns (%) ^	Crisil Hybrid 85+15 Conservative Index* # (%)	Alpha	CRISIL 10 Year Gilt Index ## (%)	Current Value of Standard Investment of ₹10000 in the		
					Scheme # (₹)	Benchmark # (₹)	Additional Benchmark ## (₹)
<b>Kotak Debt Hybrid - Growth^^</b>							
Since Inception	7.55	8.31	-0.76	5.84	31,485	35,174	24,450
Last 1 Year	4.28	10.07	-5.79	16.35	10,428	11,007	11,635
Last 3 Years	5.62	7.93	-2.31	6.95	11,780	12,569	12,230
Last 5 Years	8.16	9.40	-1.24	8.97	14,810	15,683	15,379

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.

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 & Mr. Devender Singhal.

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.

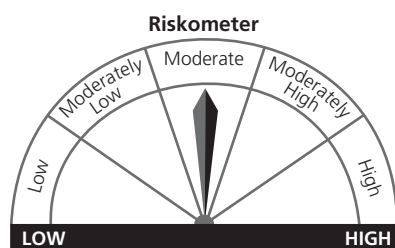
The debt component of the index is TRI since inception. For equity component of the index, as TRI data is not available since inception of the scheme, benchmark performance is calculated using composite CAGR of S&P BSE 200 PRI values series is used till 31st July 2006 and TRI values is used since 1st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

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

^^Kotak Monthly Income Plan is renamed as Kotak Debt Hybrid with effect from 25th May 2018.

§With Effect from 25th May 2018, the Benchmark is changed to Crisil Hybrid 85+15- Conservative Index TRI.

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Investors understand that their principal will be at moderate risk

This product is suitable for investors who are seeking\*:

- Income & capital growth over a long term horizon
- Investment in a portfolio of debt instruments with a moderate exposure in equity & equity related Instruments.

\* 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 (%) <sup>^</sup>	Benchmark Returns (%) <sup>^*</sup>	Scheme Returns (%) <sup>^</sup>	Benchmark Returns (%) <sup>^*</sup>	Scheme Returns (%) <sup>^</sup>	Benchmark Returns (%) <sup>^*</sup>	Scheme Returns (%) <sup>^</sup>	Benchmark Returns (%) <sup>^*</sup>
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

<sup>^</sup>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 (%) <sup>^</sup>	Benchmark Returns (%) <sup>^*</sup>	Scheme Returns (%) <sup>^</sup>	Benchmark Returns (%) <sup>^*</sup>	Scheme Returns (%) <sup>^</sup>	Benchmark Returns (%) <sup>^*</sup>	Scheme Returns (%) <sup>^</sup>	Benchmark Returns (%) <sup>^*</sup>
Kotak Balanced Advantage Fund - Growth	4.35	4.35	NA	NA	NA	NA	4.77	5.51
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 Balanced Advantage Fund - Growth, \*Name of the Benchmark - NIFTY 50 Hybrid Composite Debt 50:50 Index, Scheme Inception date is 03/08/2018. Mr. Harish Krishnan has been managing the fund since . Mr. Arjun Khanna has been managing the fund since 09/05/2019.

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

<sup>^</sup>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.

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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.