

Fund Facts

Investment Objective:

The investment objective of the scheme is to generate capital appreciation from a diversified portfolio of equity and equity related instruments. However, there is no assurance that the objective of the scheme will be realized.

Type of Scheme:

An open-ended equity scheme following contrarian investment strategy

Fund Manager: Mr. Deepak Gupta

Allotment Date: July 27, 2005

Benchmark: NIFTY 100

Plans Available:

There will be two plans under the scheme namely Regular and Direct Plan
Options: Dividend Payout, Dividend Reinvestment & Growth (applicable for all plans)

Minimum Investment:

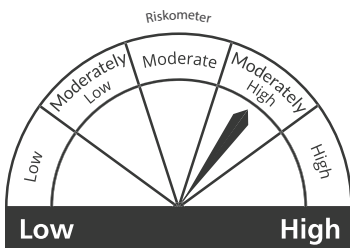
Initial Investment: ₹5000 and in multiples of ₹1 for purchases and for ₹0.01 for switches
Additional Investment: ₹1000 & in multiples of ₹1 for purchases and for ₹0.01 for switches
SIP (Systematic Investment Plan): ₹1000/- (Subject to a minimum of 6 SIP instalments of ₹1000/- each)

Load Structure:

Entry load: Nil. (applicable for all plans)

Exit load: a) For redemptions / switch outs (including SIP/STP) within 1 year from the date of allotment of units: 1%.
b) For redemption/switch outs (including SIP/STP) after 1 year from the date of allotment of units: Nil.

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Investors understand that their principal will be at moderately high risk

KOTAK INDIA EQ CONTRA FUND

(Formerly known as Kotak Classic Equity Scheme)
An open ended equity scheme following contrarian investment strategy

It is suitable for investors who are seeking*:

- Long term capital growth.
- Investment in portfolio of predominantly equity & equity related securities

*Investors should consult their financial advisor if in doubt about whether the product is suitable for them.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.



Kotak India EQ Contra Fund

IT'S IT'S SMART SHARP



An open-ended equity scheme that not only identifies a great stock with the help of IQ but also applies EQ to not get swayed away by emotions during the market ups and downs.

"Individuals who cannot master their emotions are ill-suited to profit from the investment process." – Benjamin Graham

IQ helps to generate stock ideas. EQ complements IQ by highlighting stock/stocks that IQ might have missed out & in taking high conviction bets where IQ & EQ are in sync.

Let's understand with an example:

Normal Approach = Fundamental Outlook
i.e. Intelligent (IQ)



Investor buys 100 shares of Stock A and Stock B

Post 3 months

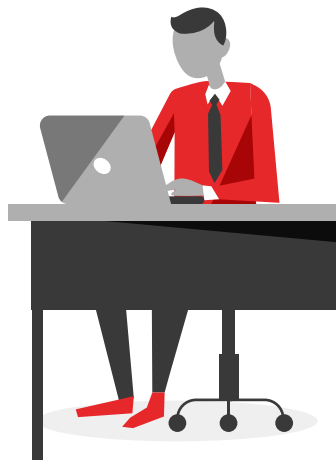
Stock A
up 20%

Stock B
down 20%

Investor now needs money

Stock A
SELL

Stock B
HOLD



This emotion (bias) is called booking profits early and clinging on to losers.

Smart Approach = **IQ** + **EQ**
Fundamental Outlook Quantitative model

Kotak India EQ Contra Fund uses the Quantamental (IQ + EQ) approach of portfolio construction.

Features of EQ Contra



Key intelligence, knowledge and experience of fund manager



Well researched objective inputs of a quantitative model

How does it work?

Approach

Portfolio Construction

IQ

EQ

IQ + EQ

Top Down-Bottom Up approach
+
GARP (Growth at a Reasonable Price)

Quantitative modelling

IQ = EQ (Stocks/ Sectors in sync) = High conviction bets

IQ ≠ EQ (Stocs / Sectors not in sync) = More analysis for decision

The 4 main pillars of Kotak India EQ Contra Fund:



Large cap orientation



Reduce tendency to be hug bias to benchmark



Balances between IQ & EQ to take non-consensus calls/ high conviction calls



Opportunity spotting between spot and futures market on core holdings to generate extra returns

So, invest in Kotak India EQ Contra Fund and obtain diversification by investing in a unique strategy.