

Scheme Facts

Structure

An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years and 4 years

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

₹3,584.13 crs

Monthly Average AUM*

₹3,647.27 crs

NAV (as on 30th August 2019)

Growth	₹15.4997
Direct Growth	₹16.2753
Quarterly Dividend	₹10.8365
Direct Quarterly Dividend	₹10.9028
Annual Dividend	₹10.7261
Direct Annual Dividend	₹16.3147

Launch Date

21st March, 2014

Benchmark

Nifty Medium Duration Debt Index

Min. Initial Inv.

₹5000 & in multiples of ₹1

Additional Inv.

₹1000 & in multiples of ₹1

Standard Deviation[^]

3.12%

Average Maturity

3.70 years

Portfolio Modified Duration

2.69 years

YTM

9.50%

Macaulay Duration

2.92

*Source: MFI Explorer.

[^] as on 30th August, 2019. Source: Value Research.

Load Structure

Entry Load: Nil

Exit Load: i) For redemption / switch out of upto 15% of the initial investment amount (limit) purchased or switched in within 18 months from the date of allotment: Nil.

ii) If units redeemed or switched out are in excess of the limit within 18 months from the date of allotment: 2%.

iii) If units are redeemed or switched out on or after 18 months 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 Medium Term Plan

- Kotak Medium Term Fund, an open-ended debt scheme.
- The investment objective of the scheme is to generate regular income and capital appreciation by investing in a portfolio of medium term debt and money market instruments.
- The fund has an average maturity floor of around 3 years and a ceiling of around 7 years.
- As a result, the fund occupies a mid-segment space between the long duration and the short duration bonds. Likewise, the fund's merits also tend to be a balance of the long term and the short term bond funds.
- The fund operates largely on a Hold-Till-Maturity (HTM) strategy.

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.
- The endeavor is to enhance the portfolio yield by either selling low yield assets or buying high yielding assets by utilizing the cash.
- We intend to maintain a modified duration in the range of 2.00 – 3.00 in Sep 2019.

Particulars	30 August 2019	31 July 2019
Avg. Maturity (in yrs)	3.70	3.20
Duration	2.69	2.34
Yield (in %)	9.50	9.60
Macaulay Duration	2.92	2.55

Asset Allocation as on 31st August, 2019

Debentures and Bonds	89.66%
Commercial Paper (CP)/Certificate of Deposits (CD)	4.29%
TREP & Term Deposits & Rev.Repo	3.34%
Net Current Assets	2.24%
Government Dated Securities	0.47%

Top 10 Companies as on 31st August, 2019

U P Power Corporation Ltd (Guaranteed By UP State Government)	FITCH IND AA(SO)/CRISIL A+(SO)		12.34%
Punjab National Bank	FITCH IND A/CARE AA-		7.39%
Reliance Jio Infocomm Ltd.	CRISIL AAA		7.29%
Coastal Gujarat Power Ltd. (Guaranteed by TATA Power Co. Ltd)	CARE AA(SO)		6.29%
Sikka Ports & Terminals Ltd. (Mukesh Ambani Group)	CRISIL AAA		5.26%
Punjab & Sind Bank	ICRA A+		5.03%
Union Bank of India	CARE AA-/ FITCH IND AA		4.08%
Jamnagar Utilities & Power Private Ltd (Mukesh Ambani Group)	CRISIL AAA		4.01%
Food Corporation of India	CRISIL AAA(SO)		3.73%
Piramal Enterprises Ltd.	CRISIL A1+		3.47%

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

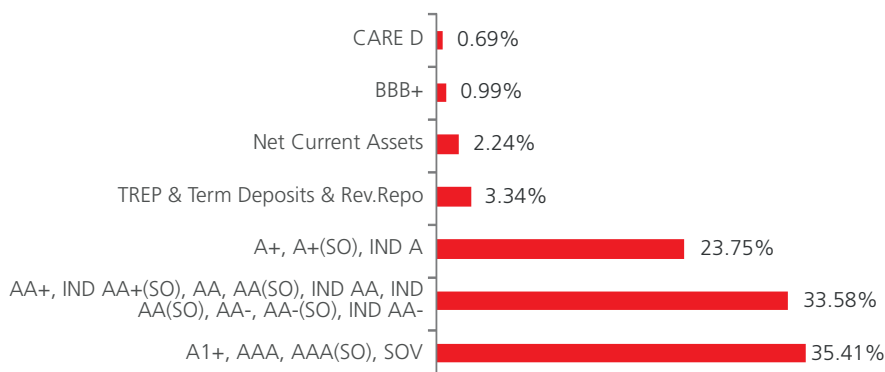
Disclaimer

Kotak Medium Term Fund An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years and 4 years.

Investment objective: of the scheme is to generate regular income and capital appreciation by investing in a portfolio of medium term debt and money market instruments. There is no assurance or guarantee that the investment objective of the scheme will be achieved.

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 Medium Term Fund *Performance (%) as on 30th August, 2019

Date	Scheme Returns (%) ^	Nifty Medium Duration Debt Index* # (%)	Alpha	CRISIL 10 YR Gilt Index ## (%)	Current Value of Standard Investment of ₹10000 in the		
					Scheme # (₹)	Benchmark # (₹)	Additional Benchmark ## (₹)
Kotak Medium Term Fund							
Since Inception	8.38	8.92	-0.54	8.99	15,500	15,929	15,985
Last 1 Year	5.85	11.11	-5.26	16.35	10,585	11,111	11,635
Last 3 Years	6.30	7.51	-1.21	6.95	12,010	12,425	12,230
Last 5 Years	8.11	8.74	-0.63	8.97	14,779	15,213	15,379

Scheme Inception date is 21/03/2014. Mr. Deepak Agrawal has been managing the fund since 22/06/2015.

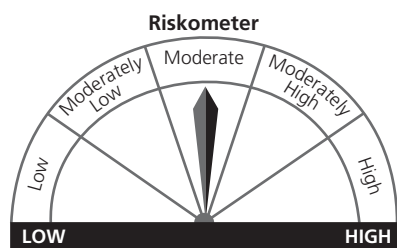
Different plans have different expense structure. The performance details provided herein are of regular plan.

^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 Medium Duration Debt Index from Crisil Composite Bond Fund 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 medium term investment horizon
- Investment in debt, government securities & money market instruments with a portfolio weighted average maturity between 3-7 years

* 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 Banking and PSU Debt Fund - Growth	11.18	10.66	8.04	8.16	8.45	9.09	7.47	NA
Kotak Bond Short Term Plan - Growth	9.85	9.76	7.20	7.58	8.05	8.28	7.72	7.92

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 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 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.

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 Low Duration Fund - Growth	8.08	8.57	7.63	7.51	8.41	8.02	7.75	8.53
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

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

Kotak Low Duration Fund - Growth, *Name of the Benchmark - NIFTY Low Duration Debt Index, Scheme Inception date is 06/03/2008. Mr. Deepak Agrawal has been managing the fund since 01/02/2015.

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.

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