



FINALLY, AN
OPPORTUNITY
THAT CAN
TRULY BE CALLED

GOLDEN

NOW INVEST IN GOLD WITHOUT A DEMAT ACCOUNT AND GET
THE BENEFIT OF SIP.

NFO OPENS 4TH MARCH 2011
NFO CLOSSES 18TH MARCH 2011

KOTAK GOLD FUND



Kotak Gold Fund is an open ended Fund of Funds (FOF) scheme that invests predominantly in the units of Kotak Gold ETF. The scheme may also invest certain portion of its corpus in reverse repo and / or CBLO and / or short-term fixed deposits and / or money market instruments and/or schemes which invest predominantly in the money market securities or liquid schemes*, in order to meet liquidity / redemption requirements from time to time.

Why Invest In Gold?

- During periods of economic concerns or when the market has fallen substantially, gold has historically been perceived by investors as a potential safe heaven and store of value.
- Historically Gold is also used as a hedge against inflation and a weakening currency (dollar).
- In recent times, Gold has shown a low correlation with other asset classes, while at the same time, its return potential has been similar to equity assets performance. As a result, allocation into Gold improves portfolio diversification and can minimize the downside risk of the portfolio.

The table alongside shows the inverse relationship between SENSEX & Gold. Source: Bloomberg, MFI Explorer, ICRA. ▶

Historical Returns (Jan- Dec)		
Year	Gold INR	SENSEX
1982	21.0%	4.0%
1986	29.0%	-1.0%
1987	22.0%	-16.0%
1991	30.8%	82.1%
1993	27.7%	28.6%
1995	13.0%	-21.0%
1998	8.0%	-16.0%
1999	3.3%	63.8%
2000	1.0%	-21.0%
2001	6.0%	-18.0%
2002	24.0%	4.0%
2003	15.8%	72.9%
2004	0.0%	13.1%
2005	21.4%	42.3%
2006	21.6%	46.7%
2007	17.3%	47.2%
2008	26.0%	-53.0%
2009	21.97%	81%
2010	22.87%	17.4%

Historical Performance: Last 10 Years Gold INR SIP Returns:

SIP Returns, with investment of Rs 5,000 per month in Physical Gold						
	1 Year	2 Years	3 Years	5 Years	7 years	10 years
Amount Invested	60,000	1,20,000	1,80,000	3,00,000	4,20,000	6,00,000
SIP Start Date	10/3/2010	10/3/2009	10/3/2008	10/3/2006	10/3/2004	10/3/2001
Gold Value (as on 10/02/2011)	1,997.38	1,997.38	1,997.38	1,997.38	1,997.38	1,997.38
Units Accumulated	32.58	71.712	119.991	249.54	442.49	815.06
Investment Value (as on 10/02/2011)	65,075	1,43,236	2,39,668	4,98,428	8,83,825	16,27,979
Returns	18.85%	19.52%	20.53%	21.01%	21.30%	19.21%

Past performance may or may not be sustained in future. Returns on SIP of Gold are CAGR for each cash flow. Above example is for illustrative purposes for understanding the concept of SIP. Above gold price is LBMA AM Fix closing price. Returns are in CAGR. (Compounded Annualised Growth Rate)Source: Bloomberg

Benefits of investing in Kotak Gold Fund

- **No need to hold or open a demat and trading account:** Investors can invest in this fund through the regular process of investment. The availability of demat account is an added convenience but not necessary for investment in this fund.
- **Convenience of buying / selling / SIP directly with the AMC:** Like any other mutual fund an investor can buy, sell, hold, conduct SIP/STP/SWP in this fund.
- **Liquidity:** An investor can subscribe and redeem the units directly from the AMC on all business days.
- **Low Cost:** Investing in gold through the Kotak Gold Fund in physical application mode enables you to invest at a low cost. The investor does not have to incur the charges for demat account & the brokerage charges. (However, the investors will have to bear the recurring expenses of the scheme, in addition to the expenses of the underlying scheme.)
- **Taxation:** A Gold investment by means of this fund attracts the benefit of long term capital gains tax after one year of investment only in contrast to physical gold where you have to pay short term capital gains tax for a period upto three years. Also the returns of this fund do not attract any wealth tax, which is not the case with physical investment in gold.

Key Features of Gold Investment

Benefits	Physical Gold	Commodity Exchange	Gold ETF	Kotak Gold Fund
Good Control on quality of gold	No	Yes	Yes	Yes
Low cost of holding	Yes	High Brokerage Cost	Yes	Yes
Risk of theft	Yes	No	No	No
Available on small denominations	Yes	Yes	Yes	Yes
Wealth tax	Yes	No	No	No
Long term investment	Yes	Speculation or Trading	Yes	Yes
Long term capital gain tax	After 3 Years	No	After 1 Year	After 1 Year
Auto SIP Facility	No	No	No	Yes

As Kotak Gold Fund gives the similar benefits as Gold ETF, it stands out as the best investment vehicle with an additional SIP feature.

Scheme Features:

NFO Opening Date : 4th March 2011

NFO Closing Date : 18th March 2011

Re-opening For Continuous Sale

and Re-Purchase on or after : 5th April 2011

Scheme Type : An open -ended Fund of Funds Scheme.

Investment Objective : The investment objective of the scheme is to generate returns by investing in units of Kotak Gold Exchange Traded Fund.

Asset Allocation

Investments	Indicative Allocation (% to net assets)		Risk Profile
	Minimum	Maximum	
Units of Kotak Gold ETF	95%	100%	Low
Reverse repo and /or CBLO and/or short-term fixed deposits and /or money market instruments and/or Schemes which invest predominantly in the money market securities or Liquid Schemes*	0%	5%	Low

*The Fund Manager may invest in Liquid Schemes of Kotak Mahindra Mutual Fund. However, the Fund Manager may invest in any other scheme of a mutual fund registered with SEBI, which invest predominantly in the money market securities. When the asset allocation falls outside the range, review and rebalancing will be conducted in 5 working days. The scheme may either invest directly with the underlying fund i.e. Kotak Gold ETF in creation unit size or through the secondary market or a combination of both depending on the market dynamics keeping investors interest in mind. The scheme will not invest in securitized debt.

Minimum Investment

Non SIP	Rs 5,000/- and in multiples of Rs 1 for purchases and for Re 0.01 for switches
Additional Ongoing Purchase (Non-SIP)	Rs. 1,000 and in multiples of Rs. 1
SIP Purchase	Rs. 1,000 (subject to a minimum of 6 SIP installments of Rs. 1,000/- each)

Investment Options : Growth, Dividend Payout and Dividend Reinvestment.

Liquidity : Purchases and redemptions at prices related to applicable NAV, on each business day.

Taxation : As applicable for a Debt fund (Short Term - As per slab & Long Term -10% without Indexation or 20% with Indexation)

Annual Recurring Expenses : Maximum 1.50%. (The annual recurring expenses of the scheme will be 0.75% of the daily average net assets. The total expenses of the scheme including the expenses of the underlying scheme, shall be capped at 1.50% of the daily average net assets of the scheme)

Loads : Entry Load: Nil*
*In terms of SEBI Circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, no entry load will be charged on purchase / additional purchase / switch-in. The upfront commission, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor.

Exit Load:

- 2% if redeemed/switch-out within 6 months from date of allotment.
- 1% if redeemed/switch-out after 6 months and before 1 year from the date of allotment.
- Nil if redeemed/switch-out after 1 year from the date of allotment.

Benchmark Index : Physical Gold Price.

Fund Manager : Mr. Abhishek Bisen

For more details,



SMS : "KGF" to 5676788



visit us at mutualfund.kotak.com



Call us on our toll free number 1800 222 626



kotak Mutual Fund

Risk Factors

Kotak Gold Fund: An open ended Fund of Funds Scheme. Investment Objective: The investment objective of the scheme is to generate returns by investing in units of Kotak Gold Exchange Traded Fund. #Asset Allocation: Units of Kotak Gold ETF - 95% - 100%; Reverse repo and /or CBLO and/or short-term fixed deposits and /or money market instruments and/or Schemes which invest predominantly in the money market securities or Liquid Schemes* - 0% - 5%. *The Fund Manager may invest in Liquid Schemes of Kotak Mahindra Mutual Fund. However, the Fund Manager may invest in any other scheme of a mutual fund registered with SEBI, which invest predominantly in the money market securities. Liquidity: Open-ended. Purchases and redemptions at prices related to Applicable NAV, on each Business Day. Load Structure: Entry Load: NIL; Exit Load: 2%, if redeemed/switch-out within 6 months from date of allotment; 1%, if redeemed/switch-out after 6 months and before 1 year from the date of allotment; Nil, if redeemed/switch-out after 1 year from the date of allotment.

Scheme Risk Factors: The Scheme will predominantly invest in units of Kotak Gold ETF. Hence the Scheme's performance may depend upon the performance of the Kotak Gold ETF. Any change in the investment policies or the fundamental attributes of the underlying scheme could affect the performance of the Scheme. The investors of the Scheme will bear dual recurring expenses and possibly dual loads, viz, those of the Scheme and those of the underlying Scheme.

General Risk Factors: Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objective of the Scheme will be achieved. As with any securities investment, the NAV of the Units issued under the Scheme can go up or down depending on the factors and forces affecting the securities market. Past performance of the Sponsor/AMC/Fund or that of any scheme of the Fund does not indicate the future performance of the Schemes of the Fund. **Kotak Gold Fund is only the name of the Scheme and does not in any manner indicate the quality of the Scheme, future prospects or returns.** **Statutory Details:** Kotak Mahindra Mutual Fund is a Trust (Indian Trust Act, 1882). **Investment Manager:** Kotak Mahindra Asset Management Company Ltd. **Sponsor:** Kotak Mahindra Bank Ltd. (liability Rs. Nil). **Trustee:** Kotak Mahindra Trustee Company Ltd. Kotak Mahindra Bank Limited is not liable or responsible for any loss or shortfall resulting from the operations of the Scheme. **Please read the Scheme Information Document (SID) and Statement of Additional Information (SAI) carefully before investing. SID and SAI are available on mutualfund.kotak.com**