

Scheme Facts

Structure

An Open- Ended Debt Scheme

Month end AUM* (as on 31st Dec 2017)

₹10,053.19 crs

Monthly Average AUM*

₹12,335.67 crs

NAV (as on 31st Dec 2017)

Daily Dividend ₹1222.8100

Daily Dividend Direct ₹1222.8100

Weekly Dividend ₹1000.9455

Weekly Dividend Direct ₹1006.0522

Growth ₹3452.6599

Growth Direct ₹3461.1411

Launch Date

(a) Regular Plan - 4th November 2003

Benchmark

Crisil Liquid Fund Index

Min. Initial Inv.

Regular Plan - ₹5000 & in multiples of ₹1

Additional Inv.

₹1000 & in multiples of ₹1

Standard Deviation[^]

0.11%

YTM

6.45%

Portfolio Modified Duration

0.13 years

Average Maturity

0.13 years

*Source: MFI Explorer.

[^] as on 31st Dec, 2017. Source: Value Research.

Load Structure

Entry Load: Nil

Exit Load: Nil

Note - Units issued reinvestment of dividends shall not be subject to exit load (applicable for all plans)

About Kotak Liquid

- Kotak Liquid is a debt scheme with the objective of providing reasonable returns with high level of liquidity. The scheme seeks to achieve the investment objective through investments in judicious mix of money market instruments, corporate bonds and sovereign securities.

Debt Market Outlook

- The year gone by has displayed excessive pessimism w.r.t. bond yields and has also discounted negative news multiple times. We expect a more muted impact on rates in 2018. We expect crude prices to remain range bound within \$60 - \$70/barrel.
- With crude remaining range-bound, the RBI may overlook the rise in inflation driven by higher prices of food and fuel and settle for a long pause in interest rates for the bulk of CY 2018.
- From the fiscal deficit point of view we expect this year to end with a fiscal deficit of 3.5% ($\pm 0.2\%$). If the deficit target for the next year stays between 3.2% - 3.5%, the same should augur well for market sentiments.
- The yield curve is likely to remain steep till the time we have clarity on peak inflation. 10 yr bond yields are likely to remain elevated at current levels until either inflation shows a peak or monsoon augurs well for the inflation trajectory in the remaining year.
- If there are no negative surprises for the developed economies, then we are conservatively priced on the curve and can deliver superior return across the curve depending on an investor's risk appetite.
- With most events already discounted for and crude remaining range-bound we do not expect to see significant sell-off in bond yields in 2018. We go into the New Year with an expectation of a long pause by RBI.

Portfolio Action











- Given the above outlook we intend to maintain the average maturity at the higher end of the indicated band.
- The focus is to enhance the portfolio yield while maintaining the liquidity and maturity of the portfolio in the indicated band.
- We intend to maintain the modified duration in the range of 0.11 – 0.15 in January 2018.

Particulars	31 Dec 2017	30 Nov 2017
Avg. Maturity (in yrs)	0.13	0.10
Duration	0.13	0.10
Yield (in %)	6.45	6.33

Asset Allocation as on 31st Dec, 2017

Commercial Paper (CP)/Certificate of Deposits (CD)	83.49%
Treasury Bills	19.47%
CBLO & Term Deposits & Rev.Repo	7.28%
Debentures and Bonds	3.30%
Net Current Assets	-13.54%

Top 10 Companies as on 31st Dec, 2017

Bharti Telecom Ltd.	CRISIL A1+		14.30%
National Bank for Agriculture & Rural Development	CRISIL A1+		13.16%
Power Finance Corporation Ltd.	CRISIL A1+		5.95%
HDFC Ltd.	CRISIL A1+		5.36%
329 Days Treasury Bill 12/03/2018	SOV		4.92%
Export-Import Bank of India	CRISIL A1+		4.84%
323 Days Treasury Bill 13/03/2018	SOV		4.18%
AXIS Bank Ltd.	CRISIL A1+		3.95%
Reliance Jio Infocomm Ltd.	CRISIL A1+		3.91%
Piramal Enterprises Ltd.	ICRA A1+		3.68%

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 ₹1923.841bn (as on 31st December, 2017). 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 ₹1,15,441.51cr as on 31st December, 2017.

* 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

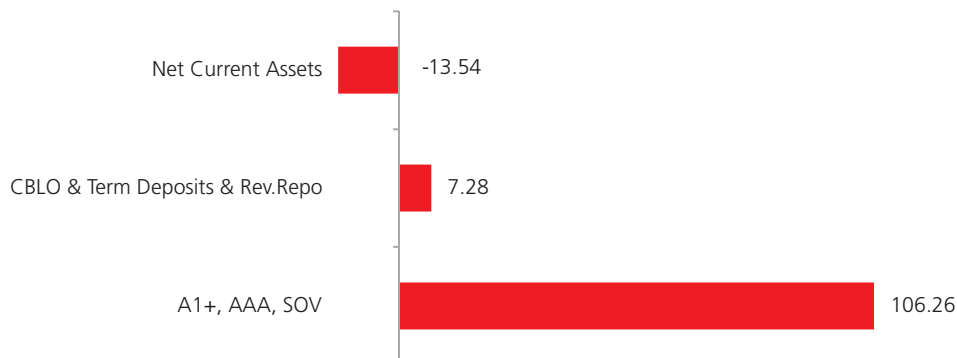
Email - mutual@kotak.com

Disclaimer

Kotak Liquid is an open-ended debt scheme. **Investment Objective:** To provide reasonable returns and high level of liquidity by investing in debt and money market instruments of different maturities so as to spread risk across different kinds of issuers in the debt markets.

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 Dec, 2017



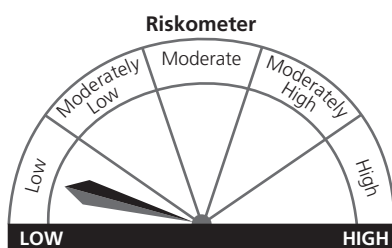
Kotak Liquid *Performance (%) as on 29th December, 2017

Date	Scheme Returns (%) ^	Crisil Liquid Fund Index # (%)	CRISIL 1 Year T-Bill Index ## (%)	Current Value of Standard Investment of ₹ 10000 in the		
				Scheme (₹)	Benchmark # (₹)	Additional Benchmark ## (₹)
Kotak Liquid Scheme - Regular Plan - Growth						
Since Inception	7.45	6.94	5.95	27,669	25,883	22,665
Last 1 Year	6.64	6.66	5.85			
Last 3 Years	7.52	7.45	7.11			
Last 5 Years	8.18	8.12	7.15			

Scheme Inception date is 04/11/2003. Mr. Deepak Agrawal has been managing the fund since 01/05/2007.

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. 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.



Investors understand that their principal will be at low risk

This product is suitable for investors who are seeking*:

- Income over a short term investment horizon
- Investment in debt & money market securities

* 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 Low Duration Fund - Growth	7.14	6.64	8.46	7.46	8.39	8.12	7.76	7.58
Kotak Corporate Bond Fund - Growth	6.90	4.69	8.36	8.71	8.51	8.79	8.17	7.82
Kotak Floater - Short Term - Growth	6.68	6.66	7.60	7.45	8.24	8.12	7.36	6.88

Mr. Deepak Agrawal manages 10 & All FMPs funds of Kotak Mutual fund.

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

Kotak Corporate Bond Fund - Growth, *Name of the Benchmark - CRISIL Composite Bond Fund, Scheme Inception date is 21/09/2007. Mr. Deepak Agrawal has been managing the fund since 01/02/2015.

Kotak Floater - Short Term - Growth, *Name of the Benchmark - CRISIL Liquid Fund, Scheme Inception date is 14/07/2003. Mr. Deepak Agrawal has been managing the fund since 01/11/2006.

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.

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 Banking and PSU Debt Fund - Growth	6.17	6.03	8.23	8.17	8.80	8.64	7.36	NA
Kotak Flexi Debt - Regular Plan - Growth	5.61	4.69	8.77	8.71	9.12	8.79	8.53	7.90
Kotak Bond Short Term Plan - Growth	5.41	6.03	7.71	8.17	8.11	8.64	7.69	7.22

Mr. Deepak Agrawal manages 10 & All FMPs funds of Kotak Mutual fund.

Kotak Banking and PSU Debt Fund - Growth, *Name of the Benchmark - CRISIL Short Term Bond Fund, Scheme Inception date is 29/12/1998. Mr. Deepak Agrawal has been managing the fund since 01/08/2008.

Kotak Flexi Debt - Regular Plan - Growth, *Name of the Benchmark - CRISIL Composite Bond Fund, Scheme Inception date is 26/05/2008. Mr. Deepak Agrawal has been managing the fund since 25/11/2012.

Kotak Bond Short Term Plan - Growth, *Name of the Benchmark - CRISIL Short Term Bond Fund, 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.