KEY INVESTOR INFORMATION

India Midcap Fund

A SUB-FUND OF KOTAK FUNDS | Class B (Acc) GBP LU0511423575 | MANAGEMENT COMPANY: RBS (Luxembourg) S.A.

This document provides you with key investor information about this Sub-Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Sub-Fund. You are advised to read it so you can make an informed decision about whether to invest.

Objectives and investment policy

Objective The Sub-Fund aims to increase the value of your investment over the long term.

Portfolio Securities The Sub-Fund invests mainly in shares of mid-sized companies that are located, registered, or doing significant business in India. The Sub-Fund may also invest in shares of Indian companies of other sizes.

Designed for The Sub-Fund may not be appropriate for investors who plan to withdraw their money within 3 years.

Base currency USD

Dealing You can place orders to buy or sell Sub-Fund shares at any time. The Sub-Fund is open for business every day that is a banking day in Luxembourg and Mumbai, and on which the Bombay Stock Exchange and the National Stock Exchange in India are open. Orders placed before 1 PM Luxembourg time on any Sub-Fund's business day will generally be processed that day.

The Sub-Fund offers both accumulation shares (shares in which any dividend income received are added to the share price) and dividend shares (shares in which any dividend income received are paid out to investors).

Key terms defined

Midcap companies The Sub-Fund defines these as companies that are the within the size range of the companies included in the CNX Midcap Index.

Shares Securities that represent an ownership stake in a company.

Risk and reward profile



Lower potential risk/reward — Higher potential risk/reward

More about this rating

The above rating is calculated using industry-standard methods and is based on medium-term volatility (how sharply the Sub-Fund's actual or estimated share price has gone up and down over five years). Going forward, the Sub-Fund's actual volatility could be higher or lower, and its rated risk/reward level could change. The lowest rating does not mean a risk-free investment. Historical data may not be a reliable indication for the future.

Why is this Sub-Fund in category 7?

The Sub-Fund focuses on a single country i.e India.The Indian stock markets are more volatile than the stock markets of the developed economies of Western Europe and North America. Political and economic challenges may temporarily result in illiquid markets and higher volatility in prices and currencies.

Risks materially relevant not adequately captured by the SRRI

Exchange Rate Risk If your currency as an investor is different from the subscription currency of the Sub-Fund,changes in currency exchange rates could also reduce any investment gains or increase any investment losses.

Tax risk Tax treatment of foreign investments in India may be varied by the Indian Government without notice.

Counterparty risk The Sub-Fund could lose money if an entity with which it does business becomes unwilling or unable to honor its obligations to the fund.

Liquidity risk Certain securities could become hard to value, or to sell at a desired time and price.

Focused strategy risk Funds with a narrow or concentrated investment strategy may experience higher risk and return volatility than funds with a more diversified approach.

Charges

One-off charges taken before or after you invest	
Entry Charge	None
Exit Charge	None
Charges taken from the Sub-Fund over a year	
Ongoing Charges	3.84%
Charges taken from the Sub-Fund under specific conditions	
Performance Fee	N/A

The charges you pay as an investor in the Sub-Fund are used to pay the fund operating costs, including marketing and distribution costs. These charges reduce the potential growth of the investment.

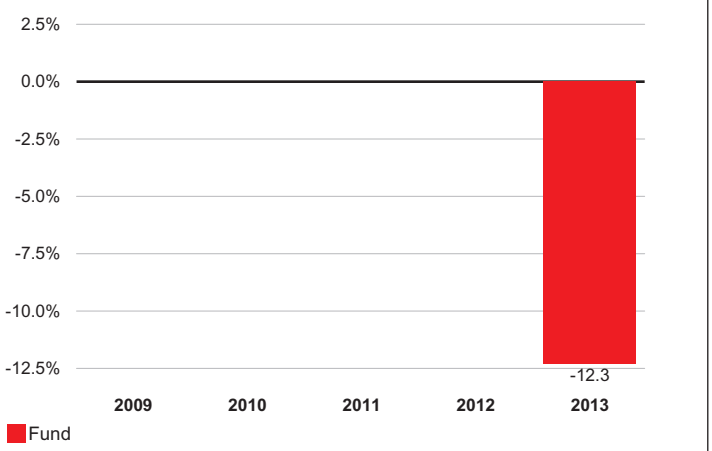
The Entry and Exit charges shown are the maximum that may be charged. In some cases you may pay less than the maximum amounts shown. Consult your financial adviser. Class B Shares have no entry charge, but a contingent deferred sales charge of up to 5% is payable if redeemed within 5 years from the date of purchase, as set forth in Annex 2 of the Prospectus. Ongoing charges are based on figures for the preceding financial year ended on 31 December 2013. This percentage may vary from time to time and does not include portfolio transaction costs. Class B Shares are subject to an additional distribution fee of up to 1% per annum of the Net Asset Value of such Class B Shares.

For more information about charges, see the section "Fees and Expenses" in the prospectus (available at www.investindia.kotak.com/kotakfunds).

Past performance

India Midcap Fund Class B (Acc) *In GBP*

Share class inception: 04/10/2012



Past performance is no guarantee of future performance. The figure for a given year shows how much the Sub-Fund increased or decreased in value during that year. These results reflect ongoing charges taken from the Sub-Fund, but do not reflect any entry and exit charges you might have to pay.

Practical information

Custodian, Administrator and Registrar and Transfer Agent: HSBC Securities Services (Luxembourg) S.A., 16, boulevard d'Avranches, L-1160 Luxembourg

Further Information: This key investor information document may not contain all the information you need. For any additional information on the Sub-Fund, on other share classes of this Sub-Fund and on other Sub-Funds, or to obtain a free copy of the Fund's prospectus or the annual and semi-annual shareholder reports, please contact the Fund at its registered office at Kotak Funds, 16, boulevard d'Avranches, L-1160 Luxembourg or from www.investindia.kotak.com/kotakfunds. The prospectus and shareholder reports are available in English.

The key investor information document describes a single compartment of Kotak Funds whereas, the prospectus and periodic reports are prepared for Kotak Funds as a whole.

Most recent share price may be obtained from registered office of the Fund.

Tax treatment: Luxembourg tax legislation may have an impact on your personal tax position.

The Fund: Kotak Funds (the "Fund") may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.

Segregated Liability: The Fund is a UCITS and has other sub-funds in addition to this one. The assets of each sub-fund are segregated under Luxembourg law, meaning that holdings of one sub-fund are kept separate from the holdings of the other sub-funds and your investment in the Sub-Fund cannot be used to pay the liabilities of any other sub-fund.

To place transaction orders: You can place orders to buy, convert or redeem shares of this Sub-Fund by contacting the Fund or the Transfer Agent. Shares of this Sub-Fund may be converted to the same class of shares in any other sub-fund within the Fund. Details as to how to place orders with the Transfer Agent can be found in the prospectus under section "Subscriptions", "Redemptions" and "Conversions".

Authorizations: The Sub-Fund and its Management Company, RBS (Luxembourg) S.A.,are authorised in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier.

Publication Date: This key investor information is accurate as at: 04 February 2014.