

Kotak Funds
16, Boulevard d'Avranches
L-1160 Luxembourg
Grand Duchy of Luxembourg
R.C.S. Luxembourg: B 131.576
(the "**Company**")

NOTICE TO SHAREHOLDERS OF THE COMPANY

Luxembourg, 10 March 2017

Dear Shareholders,

We are writing to you as shareholders of the Company. We would like to inform you of the following changes:

- I. Effective 1 April 2017, Kotak Mahindra Asset Management (Singapore) Pte. Ltd. ("KMAMS") will be appointed as the investment manager of all the sub-funds of the Company (the "Sub-Funds") in replacement of Kotak Mahindra (UK) Limited.

This appointment will have no impact on the investment objective and policy of the Company and its Sub-Funds, the composition of the portfolios of the Sub-Funds, the manner in which the Sub-Funds' portfolios are managed, nor result in an increase of any fees or charges payable.

KMAMS is a private company limited by shares incorporated on 7 March 2014 and is organised under the laws of Singapore having its main place of business at 16 Raffles Quay, #35-02 Hong Leong Building, Singapore 048581. KMAMS is authorised and regulated in Singapore by the Money Authority of Singapore since 14 March 2016.

- II. Investments in India

Shareholders are also informed that the Company intends to make use of the possibility foreseen in the current version of the prospectus to undertake investments directly in India. Shareholders are invited to read the disclosures contained in the prospectus as to the implications of such direct investments.

III. Update of an investment restriction.

As of 15 April 2017, the second paragraph of section under section “Investment Restrictions, VI,c)” of the prospectus (which reads as indicated below) will be deleted.

In respect of a Fund’s investments in UCITS and other UCIs linked to the Management Company as described in the preceding paragraph, either no management fee (excluding any performance fee) is charged by the Fund to that portion of the asset invested in UCITS and other UCIs linked to the Fund or a reduced management fee of maximum 0.25% may be charged to the Fund. Alternatively, where a Fund invests in UCITS and other UCIs linked to the Management Company that have a lower management fee than the Fund, the difference between the percentage of the Fund’s management fee and the UCITS and UCIs management fee may be charged to that portion of assets invested in such UCITS and UCIs.

If you do not agree with the change under III above, you may redeem your shares in the Company, free of charge, by sending a redemption request to be received by the Registrar and Transfer Agent (as defined in the Prospectus) of the Company before 14 April 2017 at 13:00 (Luxembourg time) so as to be processed as of the Valuation Date of 14 April 2017.

If you have questions, please contact your financial adviser or the Fund Administrator HSBC Bank plc Luxembourg Branch, by calling +352 40 46 46 766.

On behalf of the board of directors of the Company.