

KOTAK FUNDS

Société d'Investissement à Capital Variable (SICAV)

R.C.S. Luxembourg B 131.576

**SEMI-ANNUAL REPORT AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 JUNE 2024**

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KOTAK FUNDS

MANAGEMENT AND ADMINISTRATION

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Christopher Daniel
(Chairman), Senior Executive Vice President
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Registered Office

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Singapore 048581

Depository Bank

Brown Brothers Harriman (Luxembourg) S.C.A.
80, Route d'Esch
L-1470 Luxembourg
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Management Company

FundRock Management Company S.A.
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Global Distributor

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London, W1U 7EU
United Kingdom

Independent Auditor

Ernst & Young, S.A.
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L-1855 Luxembourg
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Administrator, Depository, Registrar, Transfer Agent and Domiciliary Agent

Brown Brothers Harriman (Luxembourg) S.C.A.
80, Route d'Esch
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For the Mauritius Subsidiaries

IQEQ (Mauritius)
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Legal Advisers in Luxembourg

Elvinger Hoss Prussen, société anonyme
2, place Winston Churchill
L-1340 Luxembourg
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KOTAK FUNDS

MANAGEMENT AND ADMINISTRATION (CONTINUED)

Legal Advisers in India

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One Indiabulls Centre
13th Floor, Tower 1
841 Senapati Bapat Marg
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KOTAK FUNDS

INVESTMENT OBJECTIVES

Kotak Funds - India ESG Fund

The objective of the Sub-Fund is to achieve long term capital appreciation by primarily investing at least two thirds of its total assets in equity and equity linked securities of companies registered in India or deriving a significant portion of their business from India. The Sub-Fund will invest at least 50% of its total assets in equity securities.

The Sub-Fund will invest directly and/or indirectly in equity and equity-linked securities of companies that in the opinion of the Investment Manager have one or more of the following characteristics:

- a) Companies which are expected to sustain high growth due to their ability to create new markets, develop nascent business segments, operate successfully in niche segments with scale-up potential.
- b) Companies expected to create and deliver long term value due to innovation and intellectual property rights development.
- c) Companies with the potential for value unlocking in the medium to long term due to strategic sale, change in management, deregulation, economic legislation and reform.
- d) Companies which are sectoral leaders and enjoy leadership in their respective segments.
- e) Companies which are strong asset plays.
- f) Companies which are expected to witness operational and financial improvement due to positive swing in their business cycles.

The Sub-Fund will seek to deliver returns in a socially responsive manner by combining a value and growth oriented investment philosophy with an Environmental Social and Governance (“ESG”) principle overlay. The Investment Manager integrates ESG factors in its investment management process and evaluates companies on the basis of these factors before an investment decision is made, thereby promoting, among other characteristics, environmental and social characteristics within the meaning of Article 8 of SFDR. While identifying investee companies, the Investment Manager will seek to incorporate ESG considerations within the fundamental analysis and seek to gain an understanding of the relevant ESG issues applicable to such companies.

The Investment Manager will seek to limit and/or exclude direct investment (as applicable) in corporate issuers which, in its opinion have exposure to, or ties with, certain sectors including but not limited to:

- a) the production of certain types of controversial weapons such as cluster munitions;
- b) the distribution or production of firearms or small arms ammunition intended for retail civilians;
- c) the extraction and distribution of certain types of fossil fuel (excluding distribution of gas) and/or the generation of power from them for onward sale;
- d) the production of tobacco products;
- e) production of alcohol products;
- f) the ownership or operation of gambling-related activities or facilities; and
- g) production of adult entertainment materials.

The assessment of the level of involvement in each activity may be based on percentage of revenue or any other parameter connected to a restricted activity.

In line with its ESG methodology, the Sub-Fund promotes, inter alia, the aforementioned environmental criteria but does not commit to invest in taxonomy-aligned environmentally sustainable activities which contribute to the environmental objectives set out under Article 9 of Regulation (EU) 2020/852.

KOTAK FUNDS

INVESTMENT OBJECTIVES (CONTINUED)

Kotak Funds - India ESG Fund (continued)

The Sub-Fund can invest up to one third of its total assets temporarily in liquid assets, including money- market instruments having a residual maturity not exceeding twelve months and demand or time deposits.

The Sub-Fund may also invest, for the exclusive purposes of hedging and efficient portfolio management, in financial derivative instruments such as futures, equity swaps, options and forward currency contracts and in other currency and equity derivatives including index based derivative instruments.

Kotak Funds - India Midcap Fund

The objective of the Sub-Fund is to achieve long term capital appreciation by investing at least two thirds of its total assets (excluding cash) in equity and equity linked securities of mid-capitalisation companies (as defined by the Investment Manager from time to time) registered in India or deriving a significant portion of their business from India.

The Sub-Fund will have the flexibility to invest up to a third of its assets in equity and equity-linked instruments of large-capitalisation companies. Large-capitalisation companies are those that have a market capitalisation greater than or equal to that of the company which has the 50th largest market capitalisation amongst the companies listed in India at the time of making an investment in that company. The Sub-Fund will invest at least 50% of its total assets in equity securities.

The Investment Manager integrates Environmental Social and Governance (“ESG”) factors in its investment management process and evaluates companies on the basis of these factors before an investment decision is made, thereby promoting, among other characteristics, environmental and social characteristics within the meaning of Article 8 of SFDR. In addition, the Investment Manager is systematically engaging with companies in which the Sub-Fund invests to promote ESG awareness. However, given the lack of long term disclosures levels and lower level of coverage by external agencies on mid and small cap stocks, the ESG analysis may be limited to some extent/ or may not be available for the entire portfolio. Therefore, ESG factors are not binding upon the Investment Manager in the allocation of the Sub-Fund’s portfolio.

The Investment Manager will seek to limit and/or exclude direct investment (as applicable) in corporate issuers which, in its opinion have exposure to, or ties with, certain sectors including but not limited to:

- a) the production of certain types of controversial weapons such as cluster munitions;
- b) the distribution or production of firearms or small arms ammunition intended for retail civilians;
- c) the extraction and distribution of certain types of fossil fuel (excluding distribution of gas) and/or the generation of power from them for onward sale;
- d) the production of tobacco products;
- e) the ownership or operation of gambling-related activities or facilities; and
- f) production of adult entertainment materials.

The assessment of the level of involvement in each activity may be based on percentage of revenue or any other parameter connected to a restricted activity.

In line with its ESG methodology, the Sub-Fund promotes environmental characteristics but does not commit to invest in taxonomy-aligned environmentally sustainable activities which contribute to the environmental objectives set out under Article 9 of Regulation (EU) 2020/852.

KOTAK FUNDS

INVESTMENT OBJECTIVES (CONTINUED)

Kotak Funds - India Midcap Fund (continued)

The Sub-Fund can invest up to one third of its total assets temporarily in liquid assets, including money-market instruments having a residual maturity not exceeding twelve months and demand or time deposits.

The Sub-Fund may also invest, for the exclusive purposes of hedging and efficient portfolio management, in financial derivative instruments such as futures, equity swaps, options and forward currency contracts and in other currency and equity derivatives including index based derivative instruments.

Kotak Funds - India Fixed Income Fund

The objective of the Sub-Fund is to generate total returns by primarily investing in debt securities issued by the central or state governments of India or issued by companies of Indian origin or deriving a significant portion of their business in India.

The Sub-Fund will principally gain exposure to the following instruments:

- a) Debt securities issued by the Central and State Governments in India (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- b) Debt securities issued by Indian governmental agencies and statutory bodies, which may or may not carry a Central/ State Government guarantee in India.
- c) Corporate debt securities denominated in INR and issued by companies of Indian origin or deriving a significant portion of their business from India (including but not limited to Commercial Paper, Non-Convertible Debentures and bonds including zero coupon bonds).
- d) Corporate debt securities denominated in currencies other than INR and issued by companies of Indian origin or deriving a significant portion of their business from India.
- e) Mutual funds domiciled in India and regulated by Securities and Exchange Board of India.

The Sub-Fund will principally invest, directly or indirectly, in debt securities issued by the Central Government of India, State Governments of India, Indian governmental agencies, or by companies of Indian origin or deriving a significant portion of their business in India. The Sub-Fund will gain exposure to INR denominated debt securities and/or denominated in currencies other than in INR.

The Sub-Fund may invest more than 35% of its net asset value in debt securities issued and/or guaranteed by the Indian government in accordance with section III c) of the Investment Restrictions as laid down in Prospectus of the Fund. If such limit of 35% is exceeded, section III f) of the Investment Restrictions as laid down in Prospectus of the Fund will apply.

The Sub-Fund may on an ancillary basis, invest directly or indirectly in sovereign debt securities issued by developed world countries (including US treasury bills and bonds) denominated in any currency.

The Investment Manager may convert all or part of non INR exposure of the portfolio of the Sub-Fund to INR through the use of financial derivative instruments. The Sub-Fund may also use financial derivative instruments for the purposes of hedging risks (such as currency and/or interest rates) as well as for efficient portfolio management purposes.

KOTAK FUNDS

INVESTMENT OBJECTIVES (CONTINUED)

Kotak Funds - India Fixed Income Fund (continued)

Where the Sub-Fund invests in INR denominated debt securities of issuers of Indian origin, at least 85% of such investments will, under normal circumstances, be in instruments having a domestic rating of at least AA or A1+ or equivalent by any one of the domestic rating agencies such as CRISIL / Fitch / CARE / ICRA.

On an ancillary basis, the Sub-Fund may hold cash and cash equivalents. In exceptional circumstances and on a temporary basis only, the Sub-Fund may hold up to 100% of its assets in cash or cash equivalents, money market instruments or UCIs investing in such assets if the Investment Manager believes that this is in the best interest of Shareholders.

All three Sub-Funds will not invest more than 10% of their assets in other Undertaking for Collective Investments (UCIs).

KOTAK FUNDS

DIRECTORS' REPORT

Despite a slight pullback in the mid of March driven by regulatory vigilance by the Securities and Exchange Board of India (SEBI) where SEBI raised concerns about 'frothy' valuations in the mid-and-small cap stocks, the initial jitters with rising Brent crude oil prices, increased volatility due to India's Lok Sabha elections and Nifty witnessing the sharpest single-day decline on June 4 as the Bharatiya Janata Party (BJP) fell short of majority on its own, the index rebounded in subsequent sessions as the formation of BJP-led National Democratic Alliance (NDA) government reassured investors of policy continuity and political stability. Indian stock market continued its upward journey with Nifty50 hitting new high of 24,000 mark and Sensex nearing 80,000 mark. Most parts of the sectors and stocks have scaled new highs as well. The market cap of Indian listed universe crossed USD 5 trillion in May'24 accounting for near ~5% of global market cap.

One of the continued feature of Indian market resilience has been the domestic equity flows. Domestic institutional investors in the past 3.5 years have invested close to \$100bn wherein global investors have largely been neutral in the same period. The first half of 2024 period saw net FII inflows to the tune of around USD0.6 billion to the Indian equity market and inflows of around USD28.5 billion from the DIIs.

On the macro side, Fitch Ratings raised India's GDP forecast for FY2025 to 7.2% from 7% earlier. Real GDP growth came in much higher than expected at 7.8% in the January 2024 to March 2024 quarter (4QFY24) vs. 8.6% (revised higher from 8.4%) in the previous quarter and 6.2% in the same period last year. The number is much higher than the market consensus. Higher-than-expected GDP growth was led by higher government consumption and a higher contribution of net exports. Private consumption witnessed some improvement in 4QFY24. In other words, robust growth in real net indirect taxes and higher discrepancies explained higher-than-expected real GDP growth.

Regarding policy decision, the Reserve Bank of India (RBI) has enough space for holding repo rate steady, with its FY2025 GDP growth estimate being strong at 7.2% while inflation forecast remains above the 4% mark. The domestic inflation-growth mix along with asynchronous global monetary policy cycles gives RBI space to focus on the 4% inflation target and remaining on pause.

Indian markets have had a good first half on the back of strong economic and earnings growth backed by continued strong flows from domestic investors. The return of Mr. Narendra Modi/ BJP to power augurs well for the economy and capital markets. The overall macro environment continues to improve and the earnings outlook remains strong. India remains in a very good shape with almost a mini-Goldilocks moment with excellent macros (GDP growth of 8.2% in FY24 on the back of ~7% growth in FY23, inflation at ~5%, both current account and fiscal deficits well within tolerance band, stable currency, etc.).

This calendar year is going to be a year where there will be elevated political and thus policy risk globally. We have already seen some of that playing out in major Emerging Markets namely, Taiwan, Indonesia, Mexico, as well as India. Corporate earnings outcome and the India's Union Budget will be the near term market drivers and the outcome of global elections can lead to further volatility moving forward.

Kotak Funds - India ESG Fund

For the year half year ended June 2024, Kotak Funds: India ESG Fund returned 15.81%^ (Net of fees and gross of Tax) and the MSCI India Index returned 16.90% for the same period. The fund witnessed net inflow of USD 7.27 million during the period January 2024 to June 2024 and ended with an asset under management of USD 124.80 million.

KOTAK FUNDS

DIRECTORS' REPORT (CONTINUED)

Kotak Funds - India Midcap Fund

For the half year ended June 2024, Kotak Funds: India Midcap Fund yielded a return of 21.78%^ (Net of fees and gross of Tax) with the MSCI India Midcap Index returning 21.75% for the same period. The fund witnessed net outflow of USD 93.47 million during the period January 2024 to June 2024 and ended with an asset under management of USD 4,445.89 million.

Kotak Funds - India Fixed Income Fund

For the half year ended June 2024, Kotak Funds: India Fixed Income Fund yielded a return of 2.59%*. The fund witnessed net outflow of USD 0.46 million during the period January 2024 to June 2024 and ended with an asset under management of USD 5.35 million.

^ The performance mentioned for the sub-funds are for Class A USD Accumulation Shares.

** The performance mentioned for the sub-funds are for Class I USD Accumulation Shares.*

All percentage (%) returns mentioned above are in USD.

Corporate Governance Statement

The Board of Directors confirms its adoption of the principles of the ALFI (Association Luxembourgeoise des Fonds d'Investissement) Code of Conduct for Luxembourg Investment Funds and its compliance with such principles for the half year ended June 2024.

Date: 16th August 2024

KOTAK FUNDS

STATEMENT OF NET ASSETS AS AT 30 JUNE 2024

		COMBINED USD	INDIA ESG FUND USD	INDIA MIDCAP FUND USD	INDIA FIXED INCOME FUND USD
Investments					
Investments in securities at cost		2,844,069,714	85,657,996	2,752,881,797	5,529,921
Unrealised appreciation/(depreciation)		1,865,689,538	39,353,874	1,826,754,032	(418,368)
Investments in securities at market value	2.d	4,709,759,252	125,011,870	4,579,635,829	5,111,553
Other Assets					
Cash at bank		87,270,127	3,576,560	83,504,392	189,175
Cash held with brokers and counterparties		6,431,011	–	6,431,011	–
Receivable resulting from sales of securities		8,357,783	1,563,121	6,794,662	–
Unrealised appreciation on forward foreign exchange contracts	2.f, 9	10,124	–	–	10,124
Unrealised appreciation on future contracts	2.g, 10	488,295	–	488,295	–
Due from shareholders on subscriptions		15,117,031	1,051,728	14,061,223	4,080
Dividends receivable		3,001,655	207,482	2,794,173	–
Interest receivable		98,999	–	–	98,999
Receivable for expense reimbursement		6,986	–	–	6,986
		120,782,011	6,398,891	114,073,756	309,364
Total Assets		4,830,541,263	131,410,761	4,693,709,585	5,420,917
Liabilities					
Unrealised depreciation on forward foreign exchange contracts	2.f, 9	1,019	–	–	1,019
Payable resulting from purchases of securities		14,965,341	1,760,999	13,204,342	–
Due to shareholders on redemptions		1,915,675	479,223	1,408,361	28,091
Capital gain tax payable	6	233,595,028	4,112,518	229,482,510	–
Sundry creditors and accruals		4,025,024	256,756	3,721,742	46,526
Total Liabilities		254,502,087	6,609,496	247,816,955	75,636
Net Assets		4,576,039,176	124,801,265	4,445,892,630	5,345,281

The accompanying notes form an integral part of these financial statements.

KOTAK FUNDS

STATEMENT OF OPERATIONS FOR THE PERIOD ENDED 30 JUNE 2024

		COMBINED USD	INDIA ESG FUND USD	INDIA MIDCAP FUND USD	INDIA FIXED INCOME FUND USD
Income					
Dividend income, net of withholding taxes	2.e	9,581,449	353,007	9,228,442	–
Interest income from fixed income securities	2.e	149,677	–	–	149,677
Interest income from bank deposits	2.e	2,370,193	53,540	2,313,479	3,174
Other income		82	–	–	82
Total income		12,101,401	406,547	11,541,921.00	152,933
Expenses					
Investment management fees	3	17,453,529	743,426	16,686,515	23,588
Administration and depositary fees	4	545,400	51,888	480,666	12,846
Audit and professional fees		401,190	43,498	346,450	11,242
Management company fees	8	652,806	27,310	624,096	1,400
Subscription tax	5	853,613	19,425	833,607	581
Transaction costs		27,008	7,791	15,812	3,405
Directors' fees and expenses	7	17,935	2,674	15,121	140
Other expenses		46,072	8,215	33,553	4,304
Total expenses		19,997,553	904,227	19,035,820	57,506
Expense reimbursement	3	21,601	–	–	21,601
Net (Loss)/Profit from Investments		(7,874,551)	(497,680)	(7,493,899)	117,028
Net (loss)/profit realised on:					
- investments portfolio	2.d	213,243,274	8,356,265	204,897,191	(10,182)
- forward foreign exchange contracts	2.f	15,427	–	–	15,427
- future contracts	2.g	2,359,617	–	2,359,617	–
- foreign exchange transactions	2.c	(30,406,553)	(1,240,330)	(29,166,659)	436
- capital gain tax	6	(107,038,113)	(2,320,664)	(104,717,449)	–
Net Realised Profit		78,173,652	4,795,271	73,372,700	5,681
Net change in unrealised appreciation/(depreciation) on:					
- investment portfolio	2.d	655,168,110	10,265,131	644,881,253	21,726
- forward foreign exchange contracts	2.f	(1,008)	–	–	(1,008)
- future contracts	2.g	224,214	–	224,214	–
- foreign exchange transactions	2.c	26,329	3,243	23,276	(190)
Net Change in Unrealised Appreciation		655,417,645	10,268,374	645,128,743	20,528
Results from Operations		725,716,746	14,565,965	711,007,544	143,237

The accompanying notes form an integral part of these financial statements.

KOTAK FUNDS

STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 30 JUNE 2024

	NOTES	COMBINED USD	INDIA ESG FUND USD	INDIA MIDCAP FUND USD	INDIA FIXED INCOME FUND USD
Net Assets at beginning of the period		3,975,099,816	102,813,758	3,866,626,186	5,659,872
Increase in Net Assets as a Result of Operations		725,716,746	14,565,965	711,007,544	143,237
Capital Transactions					
Subscriptions received		266,419,222	19,274,407	246,629,462	515,353
Redemptions paid		(360,834,987)	(11,832,060)	(348,029,746)	(973,181)
Dividends and distributions					
Dividends paid	2.j	(30,361,621)	(20,805)	(30,340,816)	-
Net Increase/(Decrease) in Net Assets as a Result of Capital Transactions		(124,777,386)	7,421,542	(131,741,100)	(457,828)
Total Increase/(Decrease) in Net Assets in the period		600,939,360	21,987,507	579,266,444	(314,591)
Net Assets at end of the period		4,576,039,176	124,801,265	4,445,892,630	5,345,281

The accompanying notes form an integral part of these financial statements.

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STATISTICAL INFORMATION

	INDIA ESG FUND USD	INDIA MIDCAP FUND USD	INDIA FIXED INCOME FUND USD
Net asset value			
30 June 2024	USD 124,801,265	USD 4,445,892,630	USD 5,345,281
31 December 2023	USD 102,813,758	USD 3,866,626,186	USD 5,659,872
31 December 2022	USD 85,276,877	USD 1,652,382,481	USD 7,682,503
Number of shares			
30 June 2024			
Class A Distribution Shares GBP	26,952	38,851	–
Class A Distribution Shares USD	–	41,130	–
Class A Shares EUR	4,984	59,183	–
Class A Shares GBP	58,483	158,997	–
Class A Shares USD	1,911,943	4,007,142	72,443
Class B Shares EUR	19,081	–	–
Class B Shares GBP	–	12,168	–
Class B Shares USD	763,897	136,848	–
Class C Distribution Shares GBP	–	96,626	9,241
Class C Shares GBP	120,420	677,361	6,320
Class C Shares USD	135,731	2,941,738	22,690
Class I Distribution Shares EUR	–	–	149,623
Class I Shares USD	138,680	3,016	143,511
Class J Shares EUR	–	619,011	–
Class J Shares USD	–	19,141,505	–
Class P Shares USD	3,688,511	–	–
Class S Shares USD*	–	24,600,231	–
Class X Distribution Shares JPY	–	6,104,920	–
31 December 2023			
Class A Distribution Shares GBP	14,406	33,612	–
Class A Distribution Shares USD	–	81,347	–
Class A Shares EUR	19,932	37,036	–
Class A Shares GBP	51,509	144,803	–
Class A Shares USD	1,993,490	3,643,929	101,613
Class B Shares EUR	19,081	–	–
Class B Shares GBP	–	467	–
Class B Shares USD	283,754	101,664	–
Class C Distribution Shares GBP	–	59,174	9,976
Class C Shares GBP	79,967	504,824	4,337
Class C Shares USD	118,629	1,983,807	12,585
Class I Distribution Shares EUR	–	–	150,623
Class I Shares USD	144,829	3,433	160,718
Class J Shares EUR	–	690,781	–
Class J Shares USD	–	17,901,120	–
Class P Shares USD	3,650,446	–	–
Class S Shares USD*	–	22,576,468	–
Class X Distribution Shares JPY	–	6,602,202	–
31 December 2022			
Class A Distribution Shares GBP	13,895	31,509	–
Class A Distribution Shares USD	–	39,662	–
Class A Shares EUR	20,355	1,237	–
Class A Shares GBP	50,457	136,196	–
Class A Shares USD	2,368,897	3,296,341	106,310
Class B Shares EUR	19,081	–	–
Class B Shares GBP	–	468	–
Class B Shares USD	120,725	91,797	–
Class C Distribution Shares GBP	–	49,517	11,466
Class C Shares GBP	61,977	375,231	25,405
Class C Shares USD	77,998	1,570,623	12,033
Class I Distribution Shares EUR	–	–	165,546
Class I Shares USD	271,983	103,055	294,917
Class J Shares EUR	–	1,065,501	–
Class J Shares USD	–	23,564,358	–
Class P Shares USD	2,553,936	–	–
Class X Distribution Shares JPY	–	2,744,423	–

*Share Class S USD of India Midcap Fund launched during 2023 reporting year.

KOTAK FUNDS

STATISTICAL INFORMATION (CONTINUED)

	INDIA ESG FUND USD	INDIA MIDCAP FUND USD	INDIA FIXED INCOME FUND USD
Net asset value per share			
30 June 2024			
Class A Distribution Shares GBP	GBP 28.04	GBP 39.91	–
Class A Distribution Shares USD	–	USD 12.37	–
Class A Shares EUR	EUR 19.93	EUR 19.38	–
Class A Shares GBP	GBP 32.48	GBP 43.93	–
Class A Shares USD	USD 26.74	USD 41.31	USD 11.94
Class B Shares EUR	EUR 12.47	–	–
Class B Shares GBP	–	GBP 51.19	–
Class B Shares USD	USD 16.41	USD 47.02	–
Class C Distribution Shares GBP	–	GBP 25.20	GBP 12.82
Class C Shares GBP	GBP 27.64	GBP 32.13	GBP 16.16
Class C Shares USD	USD 17.91	USD 27.00	USD 12.48
Class I Distribution Shares EUR	–	–	EUR 11.29
Class I Shares USD	USD 34.75	USD 38.81	USD 14.71
Class J Shares EUR	–	EUR 23.29	–
Class J Shares USD	–	USD 34.73	–
Class P Shares USD	USD 12.46	–	–
Class S Shares USD*	–	USD 15.07	–
Class X Distribution Shares JPY	–	JPY 81,475.77	–
31 December 2023			
Class A Distribution Shares GBP	GBP 25.40	GBP 34.49	–
Class A Distribution Shares USD	–	USD 10.74	–
Class A Shares EUR	EUR 17.06	EUR 15.83	–
Class A Shares GBP	GBP 28.54	GBP 36.85	–
Class A Shares USD	USD 23.63	USD 34.85	USD 11.66
Class B Shares EUR	EUR 10.68	–	–
Class B Shares GBP	–	GBP 42.95	–
Class B Shares USD	USD 14.51	USD 39.67	–
Class C Distribution Shares GBP	–	GBP 21.67	GBP 12.42
Class C Shares GBP	GBP 24.17	GBP 26.81	GBP 15.66
Class C Shares USD	USD 15.75	USD 22.66	USD 12.16
Class I Distribution Shares EUR	–	–	EUR 10.65
Class I Shares USD	USD 30.56	USD 32.73	USD 14.34
Class J Shares EUR	–	EUR 18.93	–
Class J Shares USD	–	USD 29.15	–
Class P Shares USD	USD 10.93	–	–
Class S Shares USD*	–	USD 12.64	–
Class X Distribution Shares JPY	–	JPY 60,994.58	–
31 December 2022			
Class A Distribution Shares GBP	GBP 24.47	GBP 30.77	–
Class A Distribution Shares USD	–	USD 8.84	–
Class A Shares EUR	EUR 15.14	EUR 13.02	–
Class A Shares GBP	GBP 25.83	GBP 30.87	–
Class A Shares USD	USD 20.26	USD 27.67	USD 10.89
Class B Shares EUR	EUR 9.48	–	–
Class B Shares GBP	–	GBP 35.98	–
Class B Shares USD	USD 12.44	USD 31.49	–
Class C Distribution Shares GBP	–	GBP 19.14	GBP 12.20
Class C Shares GBP	GBP 21.65	GBP 22.24	GBP 15.38
Class C Shares USD	USD 13.37	USD 17.82	USD 11.32
Class I Distribution Shares EUR	–	–	EUR 10.27
Class I Shares USD	USD 25.93	USD 25.97	USD 13.34
Class J Shares EUR	–	EUR 15.40	–
Class J Shares USD	–	USD 22.90	–
Class P Shares USD	USD 9.23	–	–
Class X Distribution Shares JPY	–	JPY 45,771.96	–

*Share Class S USD of India Midcap Fund launched during 2023 reporting year.

KOTAK FUNDS

SCHEDULE OF INVESTMENTS

INDIA ESG FUND

30 June 2024

Number of shares/ Nominal Value	Security	Market Value USD	Market Value as a percentage of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market			
Equities			
India			
151,639	Apollo Pipes	1,149,027	0.92
302,033	Apollo Tyres	1,963,745	1.57
1,118,857	Ashok Leyland	3,247,163	2.60
420,000	Axis Bank	6,375,837	5.11
14,948	Bharti Airtel	187,041	0.15
350,000	Bharti Airtel	6,064,037	4.86
186,412	Bikaji Foods International	1,600,500	1.28
174,272	Brigade Enterprises	2,819,408	2.26
164,129	Carborundum Universal	3,288,125	2.63
146,649	Century Plyboards India	1,343,471	1.08
105,272	Cipla/India	1,870,341	1.50
225,271	Exide Industries	1,525,741	1.22
588,951	Fortis Healthcare	3,358,956	2.69
165,000	Godrej Consumer Products	2,723,746	2.18
449,187	HDFC Bank	9,074,637	7.27
253,755	ICICI Bank	3,652,268	2.93
225,000	ICICI Bank ADR	6,528,375	5.23
101,831	ICICI Lombard General Insurance	2,186,429	1.75
396,290	Indus Towers	1,784,446	1.43
176,975	IndusInd Bank	3,109,660	2.49
177,000	Infosys ADR	3,298,395	2.64
73,977	InterGlobe Aviation	3,752,917	3.01
118,190	Larsen & Toubro	5,031,889	4.03
211,042	Max Financial Services	2,460,440	1.97
262,713	Max Healthcare Institute	2,964,976	2.38

The accompanying notes form an integral part of these financial statements.

KOTAK FUNDS

SCHEDULE OF INVESTMENTS (CONTINUED)

INDIA ESG FUND (CONTINUED)

30 June 2024

Number of shares/ Nominal Value	Security	Market Value USD	Market Value as a percentage of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market			
Equities (continued)			
India (continued)			
81,000	Nestle India	2,479,806	1.99
57,822	Oberoi Realty	1,224,994	0.98
685,465	Power Grid Corp. of India	2,721,819	2.18
85,000	PVR Inox	1,455,664	1.17
216,951	Reliance Industries	8,149,455	6.53
86,559	Sobha	2,032,062	1.63
11,050	Sobha Rights, 7/4/2024	39,018	0.03
166,131	Sun Pharmaceutical Industries	3,031,438	2.43
180,000	Tech Mahindra	3,089,061	2.48
38,587	Thermax	2,477,351	1.99
29,276	UltraTech Cement	4,098,416	3.28
189,817	UNO Minda	2,487,077	1.99
1,641,607	Zomato	3,950,255	3.17
United States			
61,566	Cognizant Technology Solutions Corp.	4,169,557	3.34
Total Equities		122,767,543	98.37
Total Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market		122,767,543	98.37

The accompanying notes form an integral part of these financial statements.

KOTAK FUNDS

SCHEDULE OF INVESTMENTS (CONTINUED)

INDIA ESG FUND (CONTINUED)

30 June 2024

Number of shares/ Nominal Value	Security	Market Value USD	Market Value as a percentage of Net Assets
	Other transferable securities		
	Investment funds		
	Ireland		
192	Goldman Sachs PLC - US\$ Liquid Reserves Fund	2,244,327	1.80
	Total Investment funds	2,244,327	1.80
	Total Other transferable securities	2,244,327	1.80
	Total Investments	125,011,870	100.17
	Other Net Assets and Liabilities	(210,605)	(0.17)
	Net Asset Value	124,801,265	100.00

No schedule of investment changes has been included into the report. Such information is available upon request from Brown Brothers Harriman (Luxembourg) S.C.A., the Fund's Administrator.

The accompanying notes form an integral part of these financial statements.

KOTAK FUNDS

SCHEDULE OF INVESTMENTS (CONTINUED)

INDIA MIDCAP FUND

30 June 2024

Number of shares/ Nominal Value	Security	Market Value USD	Market Value as a percentage of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market			
Equities			
India			
1,176,292	Alkem Laboratories	70,444,122	1.58
261,242	Amber Enterprises India	14,172,979	0.32
1,574,539	Apollo Hospitals Enterprise	116,856,767	2.63
9,163,867	Apollo Tyres	59,581,238	1.34
12,053,924	Ashok Leyland	34,983,073	0.79
264,558	Atul	20,567,144	0.46
5,393,894	AU Small Finance Bank	43,492,621	0.98
2,454,885	Axis Bank	37,266,541	0.84
1,571,721	Balkrishna Industries	60,891,278	1.37
17,006,104	Bank of Baroda	56,192,759	1.26
1,513,750	Bata India	27,492,859	0.62
438,620	Bharti Hexacom	5,877,530	0.13
5,975,745	Birlasoft	49,492,743	1.11
5,775,781	Brigade Enterprises	93,441,769	2.10
3,951,827	Carborundum Universal	79,170,059	1.78
4,827,478	Cholamandalam Investment & Finance	82,449,754	1.85
15,103,256	City Union Bank	30,276,568	0.68
335,400	Coforge	21,967,055	0.49
4,288,713	Container Corp. Of India	53,638,050	1.21
1,545,328	Coromandel International	29,681,299	0.67
11,681,071	Crompton Greaves Consumer Electricals	56,802,946	1.28
3,180,549	Cummins India	151,376,849	3.41
3,293,076	Dabur India	23,734,002	0.53
730,000	Dixon Technologies India	104,851,770	2.36
3,485,560	Emami	28,826,534	0.65

The accompanying notes form an integral part of these financial statements.

KOTAK FUNDS

SCHEDULE OF INVESTMENTS (CONTINUED)

INDIA MIDCAP FUND (CONTINUED)

30 June 2024

Number of shares/ Nominal Value	Security	Market Value USD	Market Value as a percentage of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market			
Equities (continued)			
India (continued)			
6,280,618	Exide Industries	42,538,083	0.96
34,739,344	Federal Bank	73,878,735	1.66
9,435,919	Fortis Healthcare	53,815,737	1.21
61,508	Honeywell Automation India	41,851,597	0.94
165,924	Indegene	1,107,266	0.03
4,477,335	Indian Bank	29,303,935	0.66
3,034,522	IndusInd Bank	53,320,137	1.20
55,159	Info Edge India	4,490,888	0.10
3,450,394	Ipca Laboratories	46,767,420	1.05
4,822,610	Jindal Steel & Power	60,431,113	1.36
1,061,482	JK Cement	55,897,168	1.26
3,676,054	JK Tyre & Industries	18,954,370	0.43
5,131,182	Jubilant Foodworks	34,676,097	0.78
120,000	Juniper Hotels	609,526	0.01
2,876,612	Kajaria Ceramics	48,600,619	1.09
7,183,282	Laurus Labs	36,590,079	0.82
3,282,361	Mahindra Lifespace Developers	23,497,279	0.53
2,435,154	Mankind Pharma	62,209,180	1.40
6,313,955	Max Financial Services	73,611,434	1.66
9,809,865	Max Healthcare Institute	110,714,036	2.49
572,429	Metro Brands	8,437,395	0.19
6,973,816	Minda	40,279,879	0.91
31,028,419	Motherson Sumi Wiring India	28,036,506	0.63
2,916,864	Mphasis	85,971,277	1.93
10,699	MRF	16,618,336	0.37

The accompanying notes form an integral part of these financial statements.

KOTAK FUNDS

SCHEDULE OF INVESTMENTS (CONTINUED)

INDIA MIDCAP FUND (CONTINUED)

30 June 2024

Number of shares/ Nominal Value	Security	Market Value USD	Market Value as a percentage of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market			
Equities (continued)			
India (continued)			
477,954	Navin Fluorine International	20,496,637	0.46
3,447,247	Oberoi Realty	73,032,002	1.64
7,243,842	PB Fintech	121,438,020	2.73
2,060,759	Persistent Systems	104,870,454	2.36
924,118	PI Industries	42,119,163	0.95
3,494,941	PNC Infratech	20,188,434	0.45
19,038,013	Power Finance	110,806,308	2.49
1,154,530	Rolex Rings	34,598,485	0.78
53,615,647	Samvardhana Motherson International	122,423,489	2.75
3,272,339	Sansera Engineering	50,694,798	1.14
1,979,829	Sapphire Foods India	37,229,860	0.84
1,596,903	Schaeffler India	90,826,855	2.04
2,760,416	Sheela Foam	30,306,163	0.68
4,599,944	Shriram Finance	160,687,069	3.61
642,169	SKF India	49,830,743	1.12
2,662,631	SRF	77,823,144	1.75
2,779,488	Sundram Fasteners	45,122,197	1.02
1,511,595	Supreme Industries	108,017,578	2.43
4,530,124	Syngene International	38,590,467	0.87
5,171,771	Tech Mahindra	88,755,076	2.00
1,902,331	The Ramco Cements	19,091,395	0.43
1,791,397	Thermax	115,010,736	2.59
1,448,100	Torrent Pharmaceuticals	48,497,199	1.09
788,030	Trent	51,811,124	1.17
3,094,729	TVS Motor	87,808,754	1.98

The accompanying notes form an integral part of these financial statements.

KOTAK FUNDS

SCHEDULE OF INVESTMENTS (CONTINUED)

INDIA MIDCAP FUND (CONTINUED)

30 June 2024

Number of shares/ Nominal Value	Security	Market Value USD	Market Value as a percentage of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market			
Equities (continued)			
India (continued)			
2,208,819	United Breweries	52,633,457	1.18
3,947,378	United Spirits	60,456,239	1.36
1,844,151	Varroc Engineering	14,403,091	0.32
2,176,579	Vedant Fashions	27,463,587	0.62
6,501,194	V-Guard Industries	33,626,583	0.76
3,574,670	Voltas	63,141,422	1.42
71,519,123	Zomato	172,098,899	3.87
Total Equities		4,579,635,829	103.01
Total Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market		4,579,635,829	103.01
Total Investments		4,579,635,829	103.01
Other Net Assets and Liabilities		(133,743,199)	(3.01)
Net Asset Value		4,445,892,630	100.00

No schedule of investment changes has been included into the report. Such information is available upon request from Brown Brothers Harriman (Luxembourg) S.C.A., the Fund's Administrator.

The accompanying notes form an integral part of these financial statements.

KOTAK FUNDS

SCHEDULE OF INVESTMENTS (CONTINUED)

INDIA FIXED INCOME FUND

30 June 2024

Number of shares/ Nominal Value	Security	Market Value USD	Market Value as a percentage of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market			
Debt Instruments			
India			
200,000	Adani Ports & Special Economic Zone 4.20% 04/08/2027	185,586	3.47
200,000	Export-Import Bank of India 5.50% 18/01/2033	202,394	3.79
250,000	HDFC Bank 5.18% 15/02/2029	249,413	4.67
30,000,000	India Government Bond 5.79% 11/05/2030	338,866	6.34
20,000,000	India Government Bond 6.19% 16/09/2034	224,935	4.21
50,000,000	India Government Bond 6.22% 16/03/2035	562,839	10.53
40,000,000	India Government Bond 6.79% 15/05/2027	477,372	8.93
60,000,000	India Government Bond 7.26% 14/01/2029	727,072	13.60
10,000,000	India Government Bond 8.34% 22/09/2033	123,218	2.31
200,000	Indian Railway Finance 2.80% 10/02/2031	171,743	3.21
200,000	Muthoot Finance 7.13% 14/02/2028	202,415	3.79
200,000	Power Finance 3.90% 16/09/2029	185,549	3.47
13,000,000	Power Finance 9.46% 01/08/2026	161,032	3.01
200,000	REC 4.63% 22/03/2028	194,894	3.65
250,000	Reliance Industries 3.63% 12/01/2052	178,570	3.34
Mauritius			
200,000	CA Magnum Holdings 5.38% 31/10/2026	191,043	3.57
Singapore			
200,000	ABJA Investment Pte Ltd. 5.45% 24/01/2028	198,762	3.72
350,000	TML Holdings Pte 4.35% 09/06/2026	337,877	6.32
United States			
200,000	Periama Holdings LLC/DE 5.95% 19/04/2026	197,973	3.70
Total Debt Instruments		5,111,553	95.63

The accompanying notes form an integral part of these financial statements.

KOTAK FUNDS

SCHEDULE OF INVESTMENTS (CONTINUED)

INDIA FIXED INCOME FUND (CONTINUED)

30 June 2024

Security	Market Value USD	Market Value as a percentage of Net Assets
Total Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market	5,111,553	95.63
Total Investments	5,111,553	95.63
Other Net Assets and Liabilities	233,728	4.37
Net Asset Value	5,345,281	100.00

No schedule of investment changes has been included into the report. Such information is available upon request from Brown Brothers Harriman (Luxembourg) S.C.A., the Fund's Administrator.

The accompanying notes form an integral part of these financial statements.

KOTAK FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

1. General information

Kotak Funds (the “Fund”) is an investment company organised under the laws of the Grand Duchy of Luxembourg and is qualified as a Société d’Investissement à Capital Variable (“SICAV”). The Fund, incorporated on 12 September 2007, is registered under Part I of the Luxembourg Law of 17 December 2010 regarding undertakings for collective investment, as amended.

The Fund offers investors the choice between several classes of shares (each a “class”) in a number of Sub-Funds. As at 30 June 2024, the Fund was composed of the following Sub-Funds:

- Kotak Funds - India ESG Fund;
- Kotak Funds - India Midcap Fund; and
- Kotak Funds - India Fixed Income Fund.

The following share classes were in issue as at 30 June 2024:

- (i) Class A shares which are available to all investors.
- (ii) Class I, Class J and Class S shares which are reserved to institutional investors in the meaning of article 174 of the Luxembourg Law of 17 December 2010, as amended. The Class J shares is only available in India Midcap Fund.
- (iii) Class B shares which are available to investors who at the time the relevant subscription order is received are customers of certain distributors appointed by the Global Distributor specifically for the purpose of distributing the Class B shares. The class is only available in India ESG Fund and India Midcap Fund.
- (iv) Class X shares which are only available in certain jurisdictions and shall be offered at the discretion of the Global Distributor.
- (v) Class C Shares may be offered in certain limited circumstances for distribution in certain countries and through certain distributors or sub-distributors who at the discretion of the Global Distributor, are considered wholesale investors providing services to other investors.
- (vi) Class P shares are reserved to certain institutional investors, in certain circumstance, at the recommendation of the Global Distributor.

The main objective of the Sub-Funds is to invest in sufficiently liquid transferable securities and other eligible assets in order to provide returns for investors.

The Fund has incorporated India Bluechip (Mauritius) Ltd (the “Bluechip Subsidiary”) on 14 December 2009 and India Midcap (Mauritius) Ltd (the “Midcap Subsidiary”) on 19 April 2010.

2. Summary of significant accounting policies

a) Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with the Luxembourg legal and regulatory requirements applicable to investment funds.

b) Financial statements

Financial statements for India ESG Fund and India Midcap Fund are presented on a consolidated basis. The statements of net assets, operations and changes in net assets are presented in USD for each Sub-Fund.

KOTAK FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024 (CONTINUED)

2. Summary of significant accounting policies (continued)

b) Financial statements (continued)

The combined statement of net assets, the combined statement of operations and the combined statement of changes in net assets are the sum of the statements of each Sub-Fund. As wholly-owned subsidiaries of the Fund all assets and liabilities, income and expenses of the subsidiaries are consolidated in the statements of net assets and operations of the respective Sub-Funds. Investments held by the subsidiaries are disclosed in the schedule of investments of the respective Sub-Funds.

c) Foreign currency translation

Assets and liabilities in currencies other than the Sub-Funds' base currency have been translated into that currency at exchange rates ruling at the date of these financial statements. Transactions occurring during the period in currencies other than the base currency are translated at rates of exchange ruling at the transaction dates. The exchange rates applicable as at 30 June 2024 are:

USD/CHF	0.8993
USD/EUR	0.9341
USD/GBP	0.7904
USD/INR	83.3467

d) Investments

Securities listed on Regulated Markets, which are recognized, operate regularly and are open to the public, are valued at the last available price of the main market for the relevant security.

Securities listed on the Indian stock exchanges are valued at the closing price on the National Stock Exchange failing which the closing price on the Stock Exchange, Mumbai (BSE) failing which the closing price on any other exchange whereat the security is traded shall be considered.

Securities not listed on Regulated Markets, which are recognized, operate regularly and are open to the public, are valued on the basis of their last available price.

In the event that extraordinary circumstances render such a valuation impracticable or inadequate, the Directors may, at their discretion, prudently and in good faith follow other methods of valuation to be used if they consider such method of valuation better reflects the value and is in accordance with good accounting practice in order to achieve a fair valuation of the assets of the Fund.

Gains or losses arising on the disposal of investments are calculated by reference to the net sales proceeds and the average cost attributable to those investments.

e) Income and expenses

Dividends arising on the Fund's equity investments are credited to the statement of operations when the security is quoted ex-dividend, net of withholding taxes where applicable. Interest income is recognised as the interest accrues (taking into account the coupon rate on the asset) unless recoverability is in doubt. Interest income is accrued on a daily basis and may include the amortization of premiums and accretions of discounts. Bank deposits interest

KOTAK FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024 (CONTINUED)

2. Summary of significant accounting policies (continued)

e) Income and expenses (continued)

income is recognized on an accrual basis. Where the Fund incurs an expense which relates to any particular Sub-Fund or to any action taken in connection with a particular Sub-Fund, such liability shall be allocated to the relevant Sub-Fund. In the case where any expense of the Fund cannot be considered as being attributable to a particular Sub-Fund, such expense shall be allocated to all the Sub-Funds pro rata to their NAV's or in such other ways that the Directors deem equitable.

Notwithstanding the provisions of the preceding paragraph, all liabilities of the Fund, whatever Sub-Fund they are attributable to, shall, unless otherwise agreed upon with the creditors, be binding upon the Fund as a whole.

f) Forward foreign exchange contracts

The Fund may enter into forward foreign exchange contracts to hedge against exposures to foreign currency fluctuations. The carrying value of these contracts is the gain or loss that would be realised if the position were closed out on the valuation date, and is recorded as an unrealised gain or loss. Upon the closing of the contract, the gain or loss is recorded in the net realised gain or loss on forward foreign exchange contracts.

g) Future contracts

Financial future contracts are valued at the exchange quoted settlement price. Initial margin deposits are made upon entering into the contracts and can be either in cash or securities. During the period the contracts are open, changes in the value of the contracts are recognised as unrealised gains and losses by "marking-to-market" on a daily basis to reflect the market value of the contracts at the end of each business day's trading. Variation margin payments are made or received, depending upon whether losses or gains are incurred. When a contract is closed, the Sub-Fund records a realised gain or loss equal to the difference between the proceeds from, or cost of, the closing transaction and the initial cost of the contract.

h) Option contracts

Premiums received on issued options are recorded as liabilities and premiums paid on the purchase of options are recorded as assets in the statement of net assets. Option contracts outstanding as at period end are valued at the last known price on the stock exchanges or regulated markets. Realised and change in unrealised gains and losses are recorded in the statement of operations. There were no open contracts as at 30 June 2024.

i) Swap Agreements

The Fund may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Fund's exposure to strategies, equity securities, long term or short term interest rates, foreign currency values, corporate borrowing rates or other factors. Swap agreements can take many different forms and are known by a variety of names. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Fund. The most significant factor in the performance of swap agreements is the change in the individual equity values, the Fund's net asset value, specific interest rate, currency or other factors that determine the amounts of payments due to and from the counterparties. If a swap agreement calls for payments by the Fund, the Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses to the Fund. There were no open swap agreements as at 30 June 2024.

KOTAK FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024 (CONTINUED)

2. Summary of significant accounting policies (continued)

j) Dividends distribution

Within each Sub-Fund, there may be created different Classes which are entitled to regular dividend payments ("Distribution Shares") or with earnings reinvested ("Accumulation Shares"). If a dividend is declared by the Fund, it will be paid to each Shareholder concerned in the currency of the relevant Sub-Fund or Class.

During the period ended 30 June 2024, the Fund distributed the following dividends:

India ESG Fund	Ex Date	Pay date	Dividend per share	Total dividend paid (USD)
Class A Distribution Shares GBP	13 February 2024	21 February 2024	USD 0.4783	7,303
Class A Distribution Shares GBP	13 May 2024	21 May 2024	USD 0.5022	13,502
				20,805
India Midcap Fund	Ex Date	Pay date	Dividend per share	Total dividend paid (USD)
Class A Distribution Shares GBP	13 February 2024	21 February 2024	USD 0.6419	21,810
Class A Distribution Shares USD	13 February 2024	21 February 2024	USD 0.1500	12,244
Class C Distribution Shares GBP	13 February 2024	21 February 2024	USD 0.4028	24,749
Class X Distribution Shares JPY	13 February 2024	21 February 2024	USD 2.1595	14,110,383
				14,169,186
Class A Distribution Shares GBP	13 May 2024	21 May 2024	USD 0.6905	21,834
Class A Distribution Shares USD	13 May 2024	21 May 2024	USD 0.1700	6,905
Class C Distribution Shares GBP	13 May 2024	21 May 2024	USD 0.4394	36,317
Class X Distribution Shares JPY	13 May 2024	21 May 2024	USD 2.5680	16,106,574
				16,171,630
				30,340,816

k) Swing Pricing

Under certain circumstances (for example, large volumes of deals) investment and/or disinvestment costs may have an adverse effect on the Shareholders' interests in a Sub-Fund. In order to prevent this effect, called "dilution", the Directors have the authority to allow for the Net Asset Value per Share to be adjusted, taking into account the bid/ask spread on securities and forex as well as transaction costs and taxes which would be payable on the effective acquisition or disposal of assets in the relevant Sub-Fund if the net capital activity exceeds, as a consequence of the sum of all subscriptions, redemptions or conversions in such a Sub-Fund, such threshold percentage (the "Threshold") as may be determined from time to time by the Directors, of the Sub-Fund's total net assets on a given Valuation Day. Such adjustment may vary from Sub-Fund to Sub-Fund and will not exceed 0.5% of the original Net Asset Value per Share.

The adjustment is applied on the capital activity at the level of the Sub-Funds and does not address the specific circumstances of each individual investor transaction.

The Fund currently applies the adjustment to all of its Sub-Funds.

KOTAK FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024 (CONTINUED)

2. Summary of significant accounting policies (continued)

k) Swing Pricing (continued)

Description of the swing pricing procedure:

If the net capital activity on a given Valuation Day leads to a net inflow of assets in excess of the Threshold in the relevant Sub-Fund, the Net Asset Value used to process all subscriptions, redemptions or conversions in such a Sub-Fund is adjusted upwards by the swing factor that shall be determined from time to time by the Directors.

If the net capital activity on a given Valuation Day leads to a net outflow of assets in excess of the Threshold in the relevant Sub-Fund, the Net Asset Value used to process all subscriptions, redemptions or conversions in such a Sub-Fund is adjusted downwards by the swing factor that shall be determined from time to time by the Directors.

As at 30 June 2024, no Sub-Fund has applied swing price adjustments.

The following table summarises the maximum swing factor applicable by the Sub-Funds during the period ended 30 June 2024:

Sub-Fund	Maximum swing factor
India ESG Fund	0.353%
India Midcap Fund	0.353%
India Fixed Income Fund	0.115%

3. Investment management fees

Kotak Mahindra Asset Management (Singapore) Pte. Ltd as Investment Manager is entitled to receive fees from the Fund in respect of their respective investment management services. The investment management fees are calculated based on a certain percentage per annum of the net asset values of the various Sub-Funds.

The maximum percentages of investment management fees at 30 June 2024 are as follows:

Kotak Funds - India ESG Fund

Class A: 2.00% Class I: 1.00% Class B: 2.00% Class X: 1.00% Class C: 1.00% Class S: 0.85% Class P: 1.50%*

Kotak Funds - India Midcap Fund

Class A: 2.00% Class I: 2.00% Class B: 2.00% Class X: 1.00%** Class J: 1.00% Class C: 1.00% Class S: 0.85% Class P: 1.50%*

Kotak Funds - India Fixed Income Fund

Class A: 1.20%*** Class I: 0.75%*** Class C: 0.75%*** Class P: 1.00%*

*The Investment Manager has agreed with the Fund to contractually waive 1.00% of the investment management fees on behalf of Class P of the India ESG Sub-Fund and India Midcap Sub-Fund and 0.50% on behalf of Class P of the India Fixed Income Sub-Fund, since the launch of the Class.

**The Investment Manager has agreed with the Fund to contractually waive 0.25% of the investment management fees on behalf of Class X of the India Midcap Sub-Fund since the launch of the Class.

KOTAK FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024 (CONTINUED)

3. Investment management fees (continued)

***With respect to the fund's Class A, Class C and Class I shares, to the extent the total annual fund operating expenses of the Fund attributable to a particular Class (exclusive of brokerage expenses, interest expenses, taxes and extraordinary expenses), exceed 1.60% for Class A shares and 1.20% for Class C and Class I shares, the Investment Manager has agreed to waive the management fee payable to it by the Fund to the extent that such excess exceeds the amount of the management fee attributable to the particular Class and the Investment Manager has agreed to reimburse the Fund with respect to such Class in the amount that such excess exceeds the amount of the management fee attributable to the Class. This is included in the Statement of Net Assets under receivable for expenses cap reimbursement and Statement of Operations under expense reimbursement of expense cap.

Investment management fees for the period ended 30 June 2024 amounted to USD 743,426 for the India ESG Fund, USD 16,686,515 for the India Midcap Fund and USD 23,588 for the India Fixed Income Fund.

4. Administration and depositary fees

Brown Brothers Harriman (Luxembourg) S.C.A., as administrator and depositary bank, is entitled to receive from the Fund fees based on the aggregate Net Asset Value of the Fund. These fees are as follows:

	Administration fee rate	Depositary fee rate	Custody fee rate (India and US Markets)
USD 0 - USD 500,000,000	0.025%	0.0045%	0.010%
USD 500,000,000 - USD 1,000,000,000	0.020%	0.0045%	0.010%
Above USD 1,000,000,000	0.015%	0.0045%	0.010%

Administration and depositary fees are subject to a minimum annual fee of USD 10,000 per Sub-Fund.

The fees for each Sub-Fund are disclosed separately in the statement of operations.

The Administrator of the subsidiaries, IQEQ (Mauritius), is entitled to the following fees per annum:

- (i) For administration, registrar and company secretary services: For the Midcap Subsidiary USD 10,000 p.a. for NAV up to USD 20 million, USD 20,000 p.a. for NAV up to USD 50 million and USD 30,000 p.a. for NAV above USD 50 million. For the Bluechip Subsidiary USD 25,000 p.a.
- (ii) For services relating to the preparation and filing of annual tax returns in Mauritius: USD 1,000.
- (iii) For services relating to the tax residency certificate: USD 500.
- (iv) For directorship: USD 2,000 per director.
- (v) For the service of the Money Laundering Reporting officer: USD 800.
- (vi) For the license fees, for the Midcap Subsidiary USD 6,960 and for the Bluechip Subsidiary USD 2,425.

5. Subscription tax

Under current law and practice, the Fund is not liable to Luxembourg taxes on income or capital gains. The Fund is subject to the "taxe d'abonnement" (subscription tax) at the rate of 0.05% per annum, except for the share classes dedicated to institutional investors which benefit from a reduced tax rate of 0.01%.

KOTAK FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024 (CONTINUED)

6. Taxation

Tax implications for direct investments

The Fund may invest directly in India or through the Subsidiaries. In case of direct investments in India, the Fund may be subject to taxes on revenue and/or capital gains as well as potentially other taxes or levies due in accordance with applicable Indian legislation. Some or all of such amounts due may not be recoverable and/or not covered by double tax treaty between the Grand Duchy of Luxembourg and India.

Tax implications for investments through Subsidiaries

The taxation of the return on investments of the Mauritius Subsidiaries is governed by the provisions of the Income Tax Act, 1961 as amended by Finance Act, 2015 (“ITA”), read with the provisions of the India/Mauritius Tax Treaty as amended by the Protocol dated 10 May 2016 (“India/Mauritius Tax Treaty”). As per Section 90(2) of the ITA, the provisions of the ITA would apply only to the extent they are more beneficial than the provisions of the India/Mauritius Tax Treaty.

However, there can be no assurance that the India/Mauritius Tax Treaty will continue to be in full force and effect during the existence of the Mauritius Subsidiaries or that the Mauritius Subsidiaries are entitled to or will continue to enjoy the benefit of the India/Mauritius Tax Treaty.

In order to claim the beneficial provisions of the India/Mauritius Tax Treaty, the Mauritius Subsidiaries must be tax residents of Mauritius. All the Mauritius Subsidiaries currently hold a Mauritius tax residency certificate from the Mauritius tax authorities and are required to renew such tax residency certificate on annual basis.

General Anti-Avoidance Rules (“GAAR”) related provisions of the ITA came into effect on 1 April 2017. GAAR should not apply to any income accruing or arising to or deemed to accrue or arise to or received or deemed to be received by any person, from transfer of investments made before 1 April 2017. However, GAAR applies to any arrangement, irrespective of the date on which it has been entered into, in respect of tax benefits obtained from the arrangement on or after 1 April 2017. GAAR may be applied by tax authorities to a transaction in order to override the benefits available under any tax treaty including the India-Mauritius Tax Treaty. GAAR provisions should not apply to a person, being a non-resident, in relation to investment made by him by way of offshore derivative instruments or otherwise, directly or indirectly, in a Foreign Portfolio Investor (FPI). Further GAAR provisions should not apply to an FPI, where the FPI have not claimed tax treaty benefits and invest in Indian securities with prior permission of the competent authority under SEBI (FPI) regulations.

The Mauritius Subsidiaries may have income in the form of capital gains, income from dividends and income from interest. The tax consequences for the Mauritius Subsidiaries on account of the application of the India/Mauritius Tax Treaty, read with the provisions of the ITA are as follows:

- (i) For investments made up to 31 March 2017

Capital gains of the Mauritius Subsidiaries resulting from the transfer/sale of Indian securities issued by Indian companies will not be subject to tax in India.

- (ii) For investment made on or after 1 April 2017 and transferred/sold up to 31 March 2019

Capital gains of the Mauritius Subsidiaries resulting from the transfer/sale of shares of an Indian company will be subject to tax in India at the tax rate which may be limited to 50% of the domestic capital gains tax rate in India, subject to the Limitations of Benefits clause being met.

KOTAK FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024 (CONTINUED)

6. Taxation (continued)

Tax implications for investments through Subsidiaries (continued)

(iii) For investment made on or after 1 April 2017 and transferred/sold on or after 1 April 2019

Capital gains of the Mauritius Subsidiaries resulting from the transfer/sale of shares of an Indian company will be subject to tax in India at the applicable rate of domestic capital gains tax in India.

Capital gains of the Mauritius Subsidiaries resulting from the transfer/sale of any other Indian securities (including FCCBs or GDRs or ADRs) issued by Indian companies (except shares of Indian companies), albeit the date of investment, will not be subject to tax in India.

Exemption of long-term capital gains (“LTCG”) on transfer of listed equity shares in an Indian company or a unit of equity-oriented mutual fund or a unit of a business trust (“specified securities”) was withdrawn from financial year beginning 1 April 2018. Such LTCG exceeding Rs 100,000, from notified purchases, is taxable at 10% (plus surcharge and cess). The cost of acquisition of specified security which is acquired before 1 February 2018, is the higher of (1) actual cost of acquisition and (2) lower of (a) the fair market value as at 31 January 2018 and (b) full value of the consideration received on the transfer of the security.

Dividends on shares received from an Indian company on which dividend distribution tax has been paid are exempt from tax in the hands of the Shareholders. Dividend declared or distributed on or after 1 April 2021 would not be subject to DDT in the hands of the distributing Indian company and would be taxed in the hands of non-resident Shareholders at 20% plus surcharge and cess subject to benefits under the tax treaty, if any.

Interest income earned by the Luxembourg Sub-Funds and Mauritius Subsidiaries from rupee denominated bonds of an Indian company or a Government security would be taxed at the rate of 5% (plus applicable surcharge and cess) subject to conditions. The concessional rate of tax on interest payable was available until 30 June 2024.

7. Directors’ fees and expenses

In addition to Directors’ fees, Directors are entitled to be reimbursed for reasonable traveling, hotel and other incidental expenses in respect of attending meetings of the Directors or General Meetings of the Fund. Total Directors’ fees and expenses paid for the period ended 30 June 2024 amounted to EUR 16,591.

8. Management company fees

On 12 September 2007, the Management Company, FundRock Management Company S.A. was appointed in order to meet the requirements of the UCITS III (Undertakings for Collective Investment in Transferable Securities) Directive 85/611/EEC of 20 December 1985.

The Management Company is responsible on a day-to-day basis, under the supervision of the Directors of the Fund, for providing administration, marketing and investment management services in respect of all Sub-Funds of the Fund.

The Management Company delegated its investment management duties to Kotak Mahindra Asset Management (Singapore) Pte. Ltd, the Investment Manager of the assets of the Fund.

Brown Brothers Harriman (Luxembourg) S.C.A. has been appointed to perform central administration duties for the Fund pursuant to a delegation of such duties to them by the Management Company.

KOTAK FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024 (CONTINUED)

8. Management company fees (continued)

FundRock Management Company S.A. is entitled to receive a fee for the provision of the Management Company services rendered to the Fund as follows:

Fund assets up to EUR 100 million: 0.05% per annum

Fund assets over EUR 100 million up to EUR 500 million: 0.04% per annum

Fund assets over EUR 500 million: 0.03% per annum

A minimum monthly fee of EUR 5,000 (USD 5,353) will apply at Fund level if the total basis point fee for the Fund does not reach the minimum fee applicable. An additional minimum monthly fee of EUR 1,250 (USD 1,338) at Fund level will be applied for every new sub-fund, if the total basis point fee for the Fund does not reach the minimum fee applicable.

9. Forward foreign exchange contracts

As at 30 June 2024, Kotak Funds - India Fixed Income Fund was engaged into the following forward exchange contracts with HSBC Bank Plc, London:

Counterparty	Maturity Date	Currency Bought	Bought Amount	Currency Sold	Sold Amount	Unrealised appreciation (depreciation)	
						USD	USD
HSBC Bank Plc, London	29 July 2024	USD	100,000	INR	(8,369,730)	-	(339)
HSBC Bank Plc, London	29 July 2024	USD	100,000	INR	(8,371,880)	-	(365)
HSBC Bank Plc, London	29 July 2024	INR	41,806,700	USD	(500,000)	1,194	-
HSBC Bank Plc, London	18 September 2024	INR	12,506,925	USD	(150,000)	-	(315)
HSBC Bank Plc, London	3 October 2024	INR	33,545,480	USD	(400,000)	1,277	-
HSBC Bank Plc, London	16 October 2024	INR	29,378,090	USD	(350,000)	1,243	-
HSBC Bank Plc, London	23 October 2024	INR	58,901,710	USD	(700,000)	4,027	-
HSBC Bank Plc, London	8 November 2024	INR	46,244,275	USD	(550,000)	2,383	-
						10,124	(1,019)

10. Future contracts

As at 30 June 2024, Kotak Funds - India Midcap Fund was engaged into the following future contracts:

Currency	Number of Contracts Bought/(Sold)	Underlying	Expiration Date	Counterparty	Notional Commitment	Unrealised appreciation (depreciation)	
						USD	USD
USD	300	Nifty 50 Index	25 July 2024	Morgan Stanley PLC	14,423,435	72,265	-
USD	445	Nifty 50 Index	25 July 2024	Goldman Sachs PLC	21,085,925	416,030	-
					35,509,360	488,295	-

KOTAK FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024 (CONTINUED)

11. Risk transparency disclosures

The Board of Directors has decided to implement the following methodology to calculate the global exposure for each of the below mentioned Sub-Funds.

Sub-Fund	Methodology applied for measuring the Global Exposure
India ESG Fund	Commitment approach
India Midcap Fund	Commitment approach
India Fixed Income Fund	Commitment approach

12. Events during the period

There have not been any significant events during the reporting period affecting the Fund.

13. Remuneration policy

The European Union Directive 2014/91/EU (known as the “UCITS V Directive”) came into effect on 18 March 2016. The Management Company is required to operate a remuneration policy in accordance with applicable requirements of the UCITS V Directive. Details of the management company’s remuneration and associated financial disclosures will be made within the annual report for the period to 31 December 2024.

14. Information concerning the distribution of shares in or from Switzerland

Legal Representative and Paying Agent of the Fund in Switzerland: BNP PARIBAS, Paris, Zurich branch, Selnaustrasse 16, 8002 Zurich, Switzerland. The Prospectus, the Key Information Documents (KIDs), the Articles of Association, the semi-annual report and annual report of the Fund can be obtained free of charge upon request from the Legal Representative in Switzerland. A breakdown of all transactions carried out on behalf of each Sub-Fund for the period under review can be obtained, free of charge, from the Legal Representative in Switzerland.

The total expense ratio (‘TER’) has been calculated in accordance with the requirements of the Asset Management Association Switzerland (AMAS) guideline for calculating and publishing the TER. The TER has been calculated for the period 01.07.2023 to 30.06.2024.

ISIN	CLASS	TER %
LU0487136375	IUS	1.23%
LU0487137696	BUS	2.28%
LU0487138314	BEU	2.27%
LU0487139049	AUS	2.27%
LU0487139478	AGB	2.27%
LU0487139718	AEU	2.26%
LU0487140138	AGD	2.27%
LU0863495239	CUS	1.27%
LU0863495312	CGB	1.27%
LU2347393873	PUS	0.73%
LU0511422684	IUS	2.08%

KOTAK FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024 (CONTINUED)

LU0511422924	AGB	2.13%
LU0511423146	AUS	2.13%
LU0511423229	AEU	2.13%
LU0511423492	AGD	2.13%
LU0511423575	BGB	2.14%
LU0511423658	BUS	2.13%
LU0675382856J	EU	1.09%
LU0675383409	JUS	1.09%
LU0675778764	XJD	0.88%
LU0863494851	CUS	1.14%
LU0863494935	CGB	1.13%
LU0863495155	CGD	1.13%
LU1611113413	AUD	2.11%
LU2126068639	SUS	0.94%
LU0996346937	IUS	1.20%
LU0996347661	IED	1.20%
LU0996347828	CUS	1.20%
LU0996348040	CGB	1.20%
LU0996348552	CGD	1.20%
LU0996348800	AUS	1.60%

15. Securities Financing Transactions

The Sub-Funds have not entered into securities financing transactions as defined in Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) 648/012, namely total return swaps, repurchase and reverse repurchase agreements and securities lending transactions.

16. Sustainable Finance Disclosure Regulation ("SFDR")

As at 30 June 2024, India Fixed Income Fund is not taking into account the EU criteria for environmentally sustainable economic activities in their investment strategy.

India ESG Fund and India Midcap Fund are now Article 8 products of Regulation (EU) 2020/852. In line with their ESG methodology, these Sub-Funds promote environmental characteristics but do not commit to invest in taxonomy-aligned environmentally sustainable activities, which contribute to the environmental objectives set out under Article 9 of Regulation (EU) 2020/852.

17. Subsequent events

There were no significant events after financial period end.