

Kotak Active Momentum Fund



NFO Period: 29th July to 12th August 2025

Why Factor-Based Investing Is Important?

Just like a great javelin throw is the result of speed, angle, and timing..

Factor Investing may consider well-researched factors, such as Momentum, Value, Low Volatility, Growth, Quality & Size to enhance returns potential.

Why Factor-Based Investing?

A 3D illustration of a silver javelin with a blue and red stripe, planted into a green oval field with a brown base. The javelin is angled upwards from the bottom right towards the top left.

Rule based
framework

Adjusts risk-return
profile based on
appetite

Mitigates
Human Bias

What Is Momentum Investing & Its Types?

Typically, momentum investing is a strategy where investors buy stocks whose prices are going up, expecting the trend to continue. However, momentum isn't just price...

Price Momentum



Identifies stocks showing strong price trends across time periods



Uses stock price movements



Based on investor behavior and market sentiment

Earnings Momentum



Selects stocks based on earnings revisions and analyst ratings



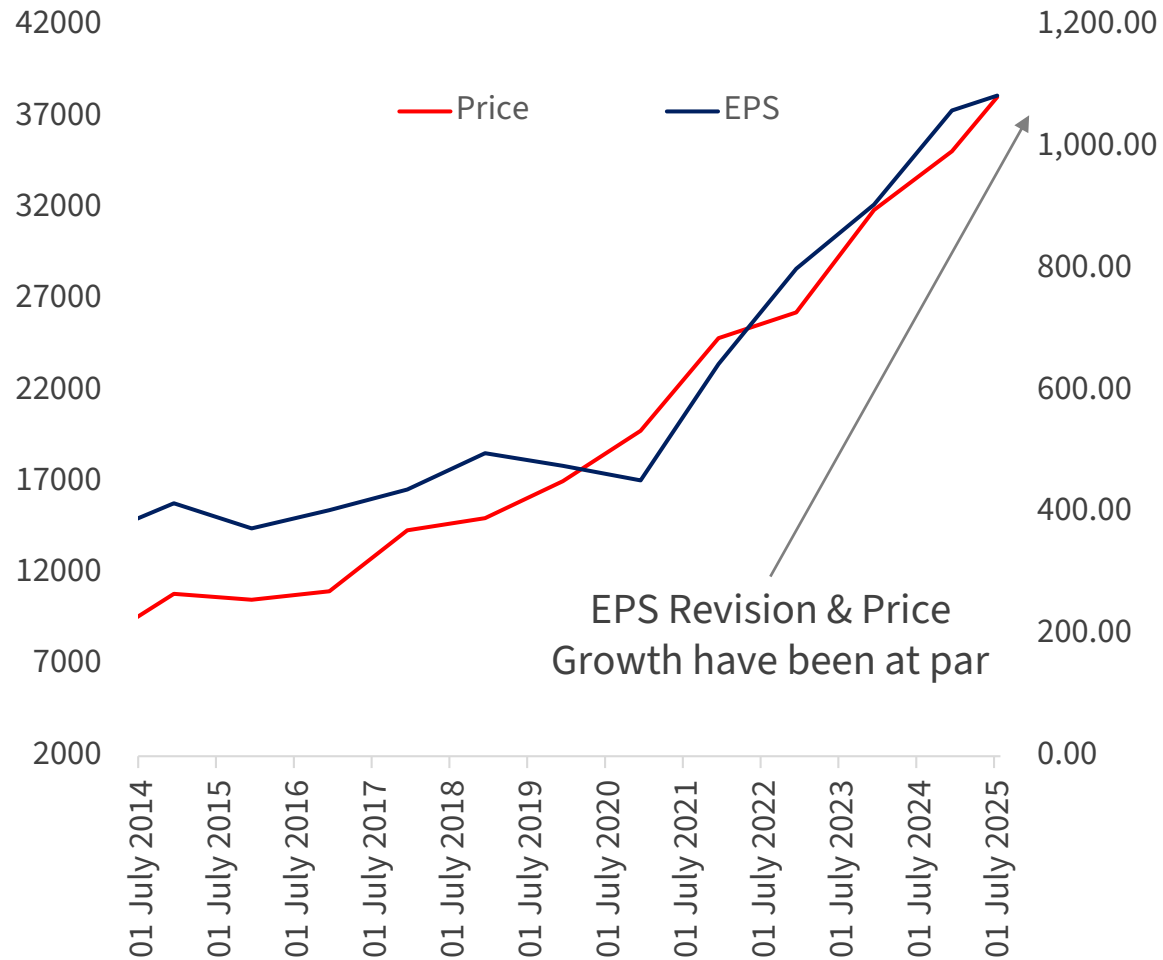
Uses EPS growth, EBIT growth, Sales growth etc. i.e. backed by fundamentals



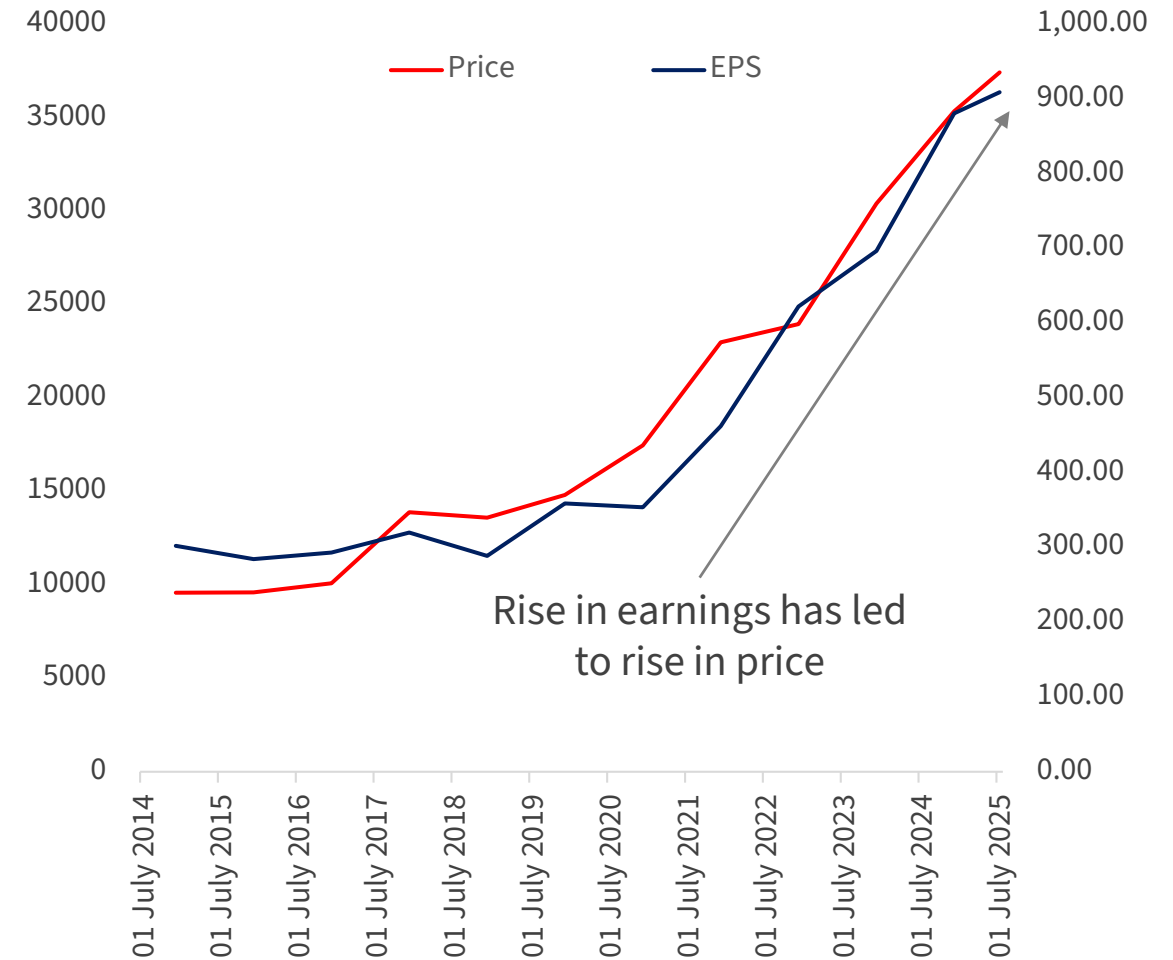
Based on improvement in quality of earnings

Price Has Been A Slave Of Earnings

Nifty 50 TRI: Price & Earnings



Nifty 500 TRI: Price & Earnings



What is Earnings Momentum?

Increasing earnings estimates + unexpected earnings surprises = strong indicator of earnings momentum.

Instead of tracking just stock price trends, this approach looks at:



Stocks where analysts
are upgrading
earnings forecasts



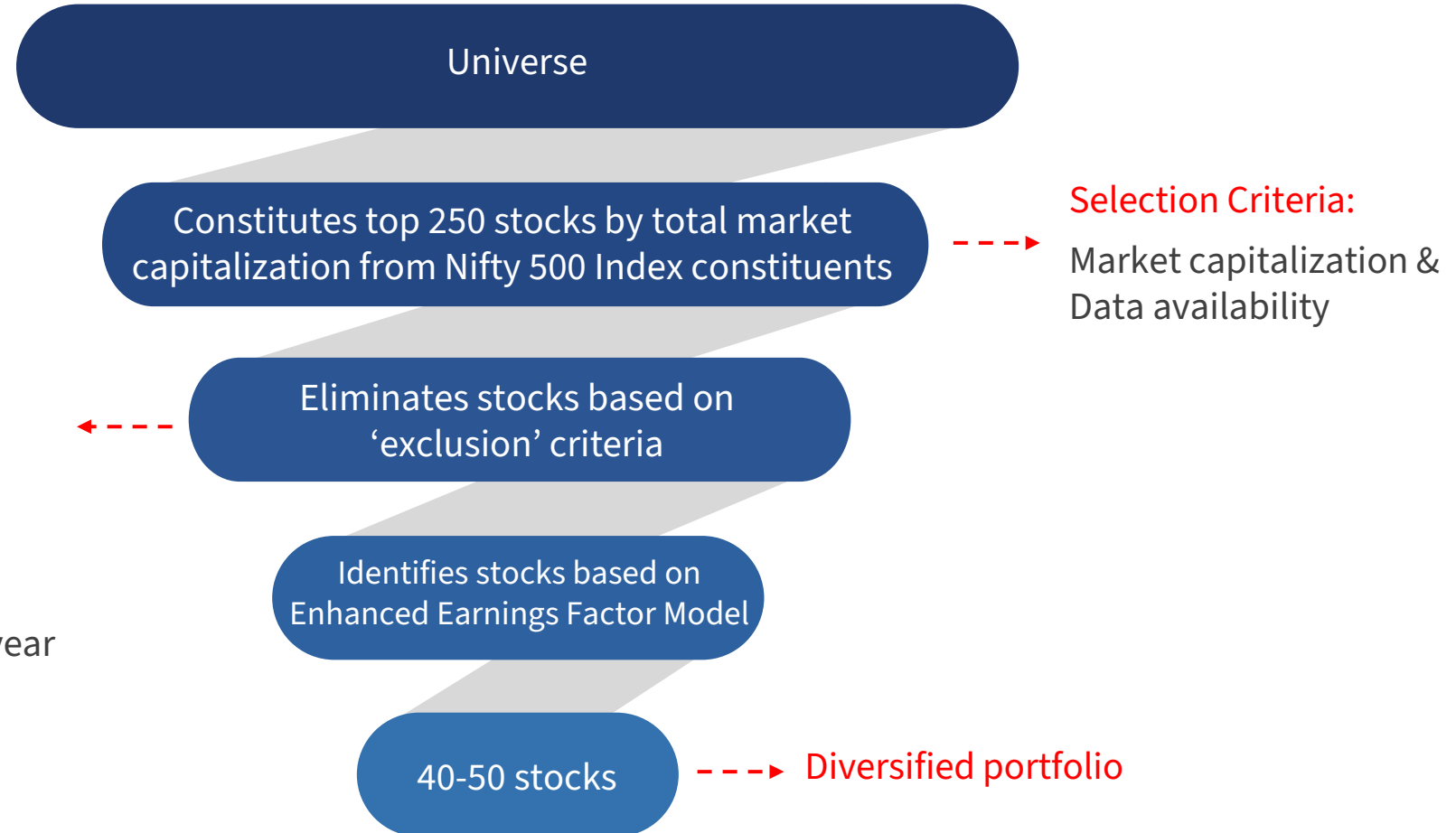
Companies whose profits
(earnings per share -
EPS) are increasing



Companies with positive
earnings surprises
during quarterly results

Investment Strategy Of The Fund

- Non-availability of analyst estimates.
- Score poorly on governance standards
- Score poorly on excessive leverage and rapid growth in balance sheets
- Stocks traded for less than 1 year
- Highly illiquid stocks

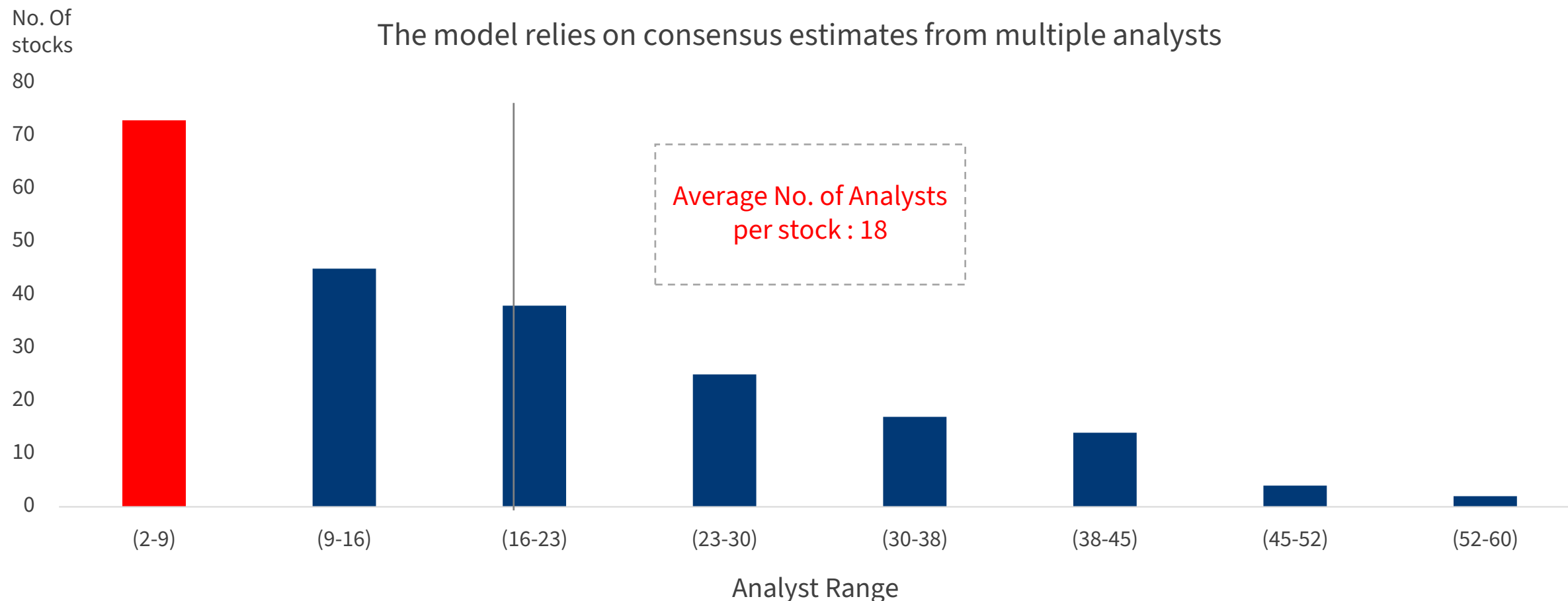


The scheme may look to include some other behavioral parameters in due course*

Stock Selection Through Enhanced Earnings Factor Model

The model uses uptick in earnings and sales along with analyst upgrades & downgrades as the factors for evaluating momentum in the stocks.

The model relies on consensus estimates from multiple analysts

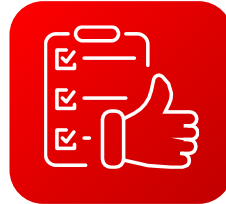


The above data is for the rebalanced portfolio of Apr'25, As per latest data available as the model is rebalanced on a quarterly basis. The information given above is for explaining the model. The actual model and the Scheme portfolio shall be constructed based on the provisions in the Scheme Information Document. The fund manager at his discretion may modify parameters to be used in model.

What Does Backtesting Reveal?



The model performance is derived based on back tested result considering various financial parameters. The back tested result does not in any way indicate the performance of the Scheme

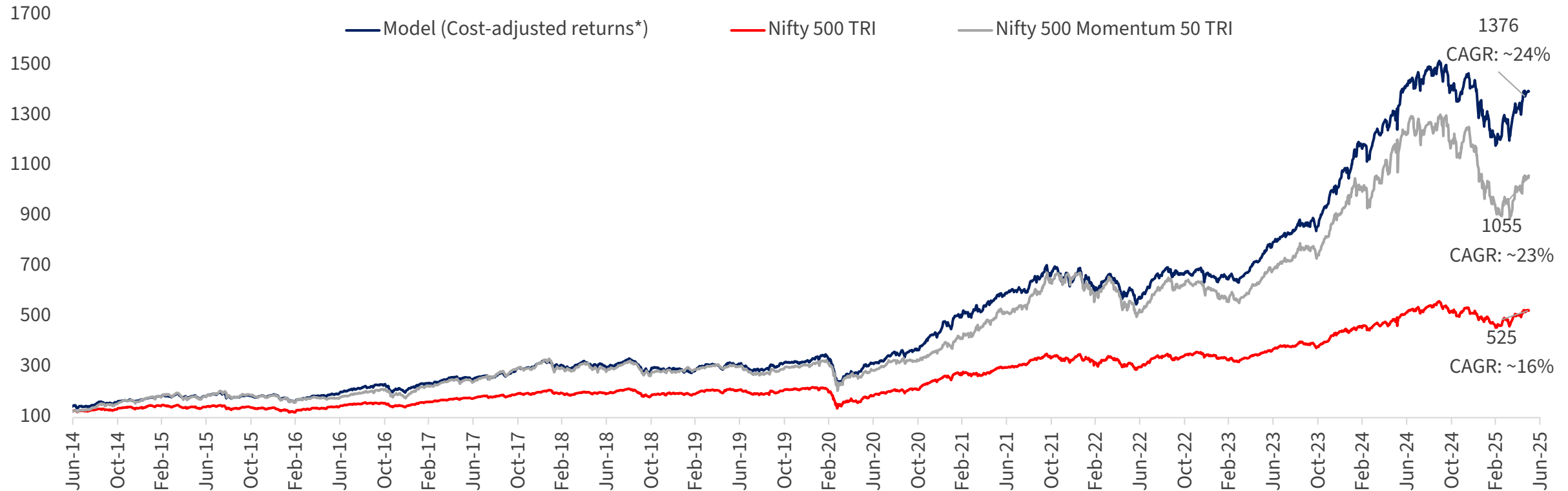


The results are based on back-tested data of Kotak Enhanced Earnings Factor Model & are theoretical in nature & do not represent the NAV of the fund.



While Kotak Active Momentum Fund shall endeavor to follow the theoretical model, there may be deviations. Hence, the results may vary & are not suggestive of future performance.

Performance Of Kotak Enhanced Earnings Factor Model v/s Benchmark



The results are based on back-tested data of Kotak Enhanced Earnings Factor Model & are theoretical in nature & do not represent the NAV of the fund. The back tested result does not in any way indicate the performance of the Scheme.

^Since Inception of Model Data i.e., 1st January, 2014 till 30 Jun 2025. Model returns are cost-adjusted. Cost is assumed 2.5% annual charged (including GST & Transaction costs) on daily NAV; The cost may be higher or lower depending on prevailing regulations and actual expenses. For Indices, no cost is assumed. **Source: KMAMC-Internal, Bloomberg, NSE.** Past performance may or may not sustain in future. All information contained is for illustration purpose only to show how the model functions. The model performance is derived based on back tested result considering various financial parameters. The actual model and the Scheme portfolio shall be constructed based on the provisions in the Scheme Information Document. Kotak Mahindra Asset Management Company Limited (KMAMC) is not guaranteeing or promising any returns/futuristic returns. The performance of the index shown does not in any manner indicate the performance of the Scheme.

Risk Adjusted Returns: Model Vs Benchmark

Period	Enhanced Earnings Factor Model – Cost Adjusted*	Nifty 500 TRI	Alpha
1 Year	1.5%	5.7%	-4.1%
3 Year	34.4%	22.0%	12.4%
5 Year	33.7%	24.0%	9.7%
Since Inception^	23.9%	15.9%	8.0%

Sharpe Ratio

Enhanced Earnings Factor Model – Cost Adjusted*	Nifty 500 TRI
1.01	0.61

Sortino Ratio

Enhanced Earnings Factor Model – Cost Adjusted*	Nifty 500 TRI
1.16	0.72

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Calendar Year Wise Returns : Kotak Enhanced Earnings Factor Model v/s Benchmark



Calendar Year	Enhanced Earnings Factor Model* (cost-adjusted)	Nifty 500 TRI	Alpha
CY2014	67.9%	39.3%	28.6%
CY2015	9.5%	0.2%	9.3%
CY2016	7.0%	5.1%	1.9%
CY2017	49.5%	37.7%	11.8%
CY2018	-9.2%	-2.1%	-7.0%
CY2019	7.1%	9.0%	-1.8%
CY2020	33.6%	17.9%	15.7%
CY2021	45.4%	31.6%	13.8%
CY2022	0.3%	4.2%	-4.0%
CY2023	52.5%	26.9%	25.6%
CY2024	33.6%	16.2%	17.4%
CYTD2025	1.4%	6.1%	-4.7%

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Model Has Generated Alpha, With No Instances Of Negative Rolling Returns In The Longer Term

	Enhanced Earnings Factor Model* (cost-adjusted)	Nifty 500 TRI	Alpha
1 Year	28.4%	16.7%	11.8%
3 Years	23.3%	14.6%	8.7%
5 Years	22.5%	14.0%	8.4%

Model had No Instances Of Negative Rolling returns for 3 years & above horizon

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Daily Rolling Average since Inception of Model Data i.e., 1st January, 2014 till 30 Jun 2025. Model returns are cost-adjusted. Cost is assumed 2.5% annual charged (including GST & Transaction costs) on daily NAV; The cost may be higher or lower depending on prevailing regulations and actual expenses. For Indices, no cost is assumed. Source: KMAMC-Internal, Bloomberg, NSE. The Performance is for Total Return Indices (TRI); Past performance may or may not sustain in future. Investment strategy of the fund is rule-based, driven by algorithms developed basis historical relations of multiple factors with stock price movements. One of the risks in a model based fund would be the time taken by the algorithm to adapt to new development or change in how certain factors influence market or stock dynamics. The success of the model is based on systematic investment approach and therefore it may not be able to leverage short term opportunities available in the market from time to time. Another risk that can emanate from a rule based systematic investment strategy would be the inability to perfectly time the market which might impact performance of the fund . There is no guarantee that the model will generate higher returns as compared to the benchmark. The performance of the index shown does not in any manner indicate the performance of the Scheme. Returns >= 1 year: CAGR (Compounded Annualised Growth Rate). Alpha is difference of scheme return with benchmark return. Risk free rate considered for ratio calculations is 6%

Enhanced Earnings Factor Model: Gaining More & Losing Less?

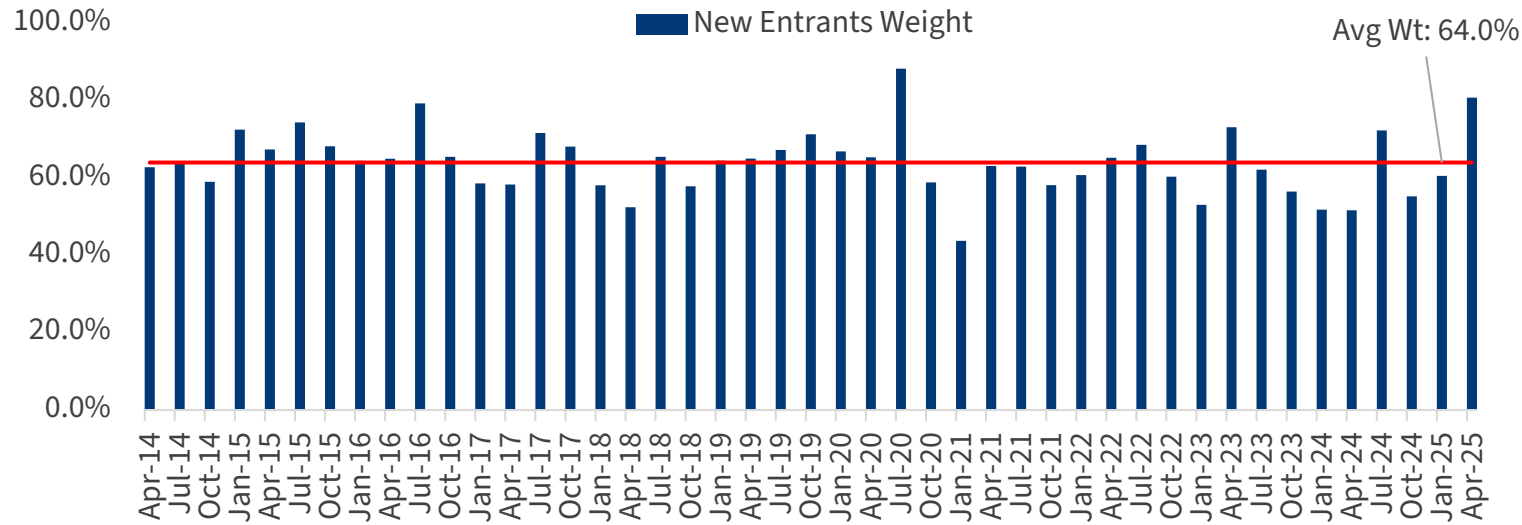
Crisis	Enhanced Earnings Factor Model	Nifty 500 TRI	Nifty 500 Momentum 50 TRI
Rising NPAs (31 st Aug 2018 to 25 th Oct 2018)	-15%	-16%	-17%
NBFC Crisis (23 rd Oct 2015 to 25 th Feb 2016)	-17%	-15%	-18%
COVID (19 th Feb 2020 to 23 rd Mar 2020)	-35%	-37%	-37%
Current Market Fall (26 th Sept 2024 to 28 th Feb 2025)	-22%	-19%	-30%

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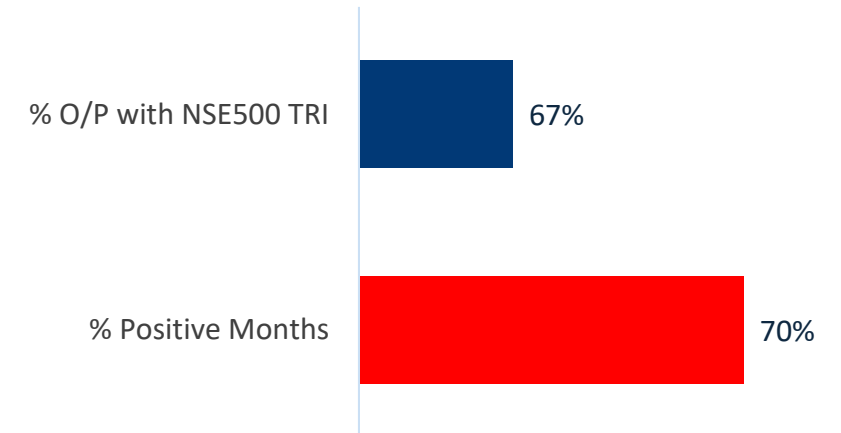
^Since Inception of Model Data i.e., 1st January, 2014 till 30 June 2025. Source: KMAMC-Internal, Bloomberg, NSE. Past performance may or may not sustain in future. All information contained is for illustration purpose only to show how the model functions. The model performance is derived based on back tested result considering various financial parameters. The actual model and the Scheme portfolio shall be constructed based on the provisions in the Scheme Information Document. Kotak Mahindra Asset Management Company Limited (KMAMC) is not guaranteeing or promising any returns/futuristic returns. The performance of the index shown does not in any manner indicate the performance of the Scheme

How Have New Stock Entrants In The Model Contributed To Portfolio Returns?

New Opportunities on the Horizon



Hit Ratio Of The Model Outperformance vs Benchmark*



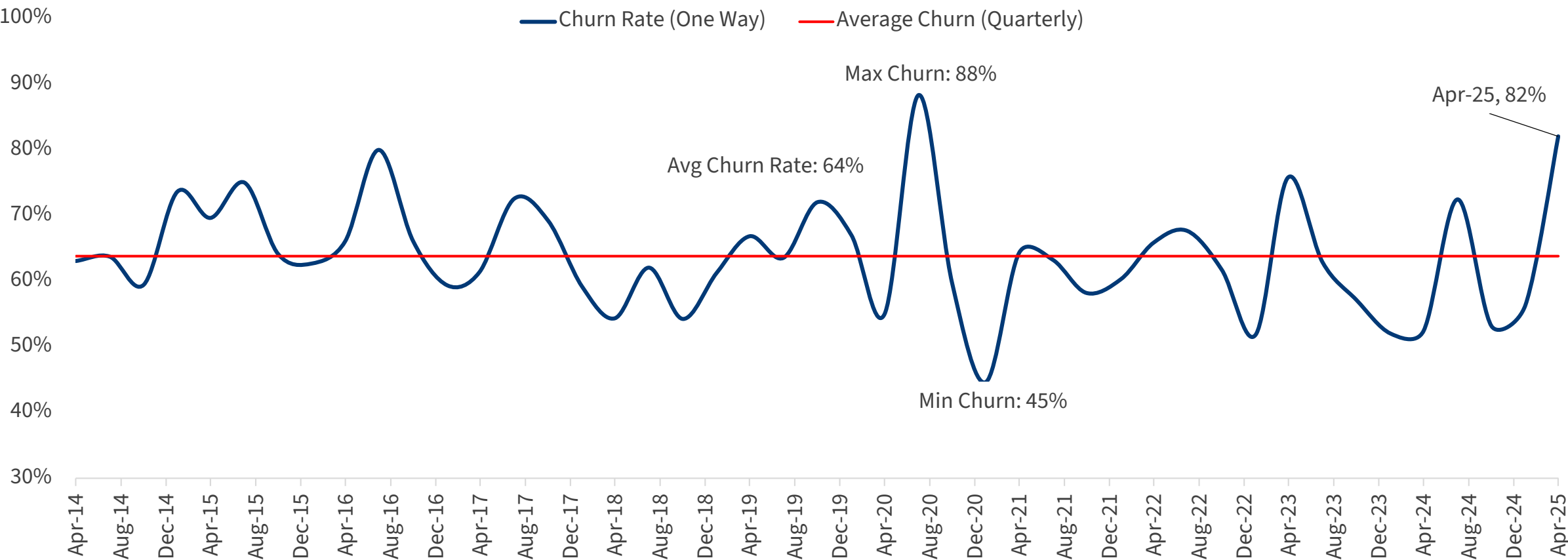
New entrants are stocks that entered the model portfolio on re-balancing. These new entrants contributed 60% to the total return, whereas existing stocks contributed 40%

***The results are based on back-tested data of Kotak Enhanced Earnings Factor Model & are theoretical in nature & do not represent the NAV of the fund. The back tested result does not in any way indicate the performance of the Scheme.**

Hit Ratio is as on 30th Jun'25, Portfolio data is as on 30th Apr'25 as the model is updated on a quarterly basis. Source: KMAC-Internal, Bloomberg, NSE. The Performance is for Total Return Indices (TRI); Past performance may or may not sustain in future. Investment strategy of the fund is rule-based, driven by algorithms developed basis historical relations of multiple factors with stock price movements. One of the risks in a model based fund would be the time taken by the algorithm to adapt to new development or change in how certain factors influence market or stock dynamics. The success of the model is based on systematic investment approach and therefore it may not be able to leverage short term opportunities available in the market from time to time. Another risk that can emanate from a rule based systematic investment strategy would be the inability to perfectly time the market which might impact performance of the fund . There is no guarantee that the model will generate higher returns as compared to the benchmark.

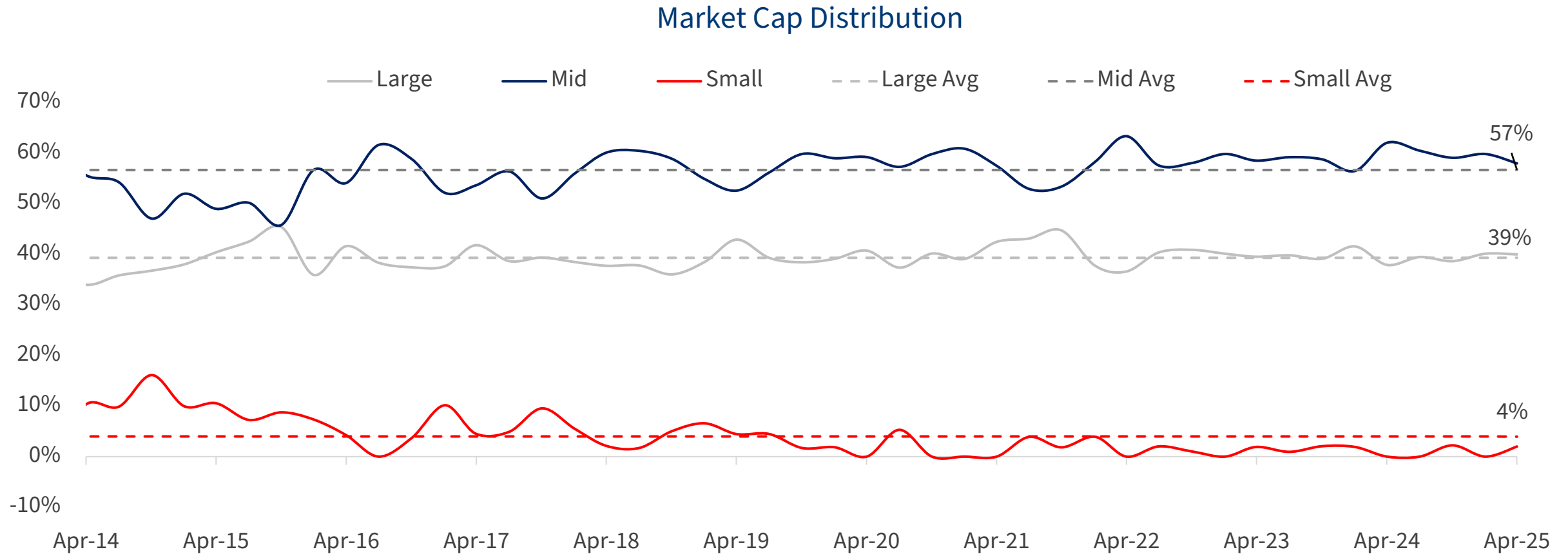
New Entrants In The Model Have Lead To A Higher Churn Rate

Churn Rate on Rebalancing Days



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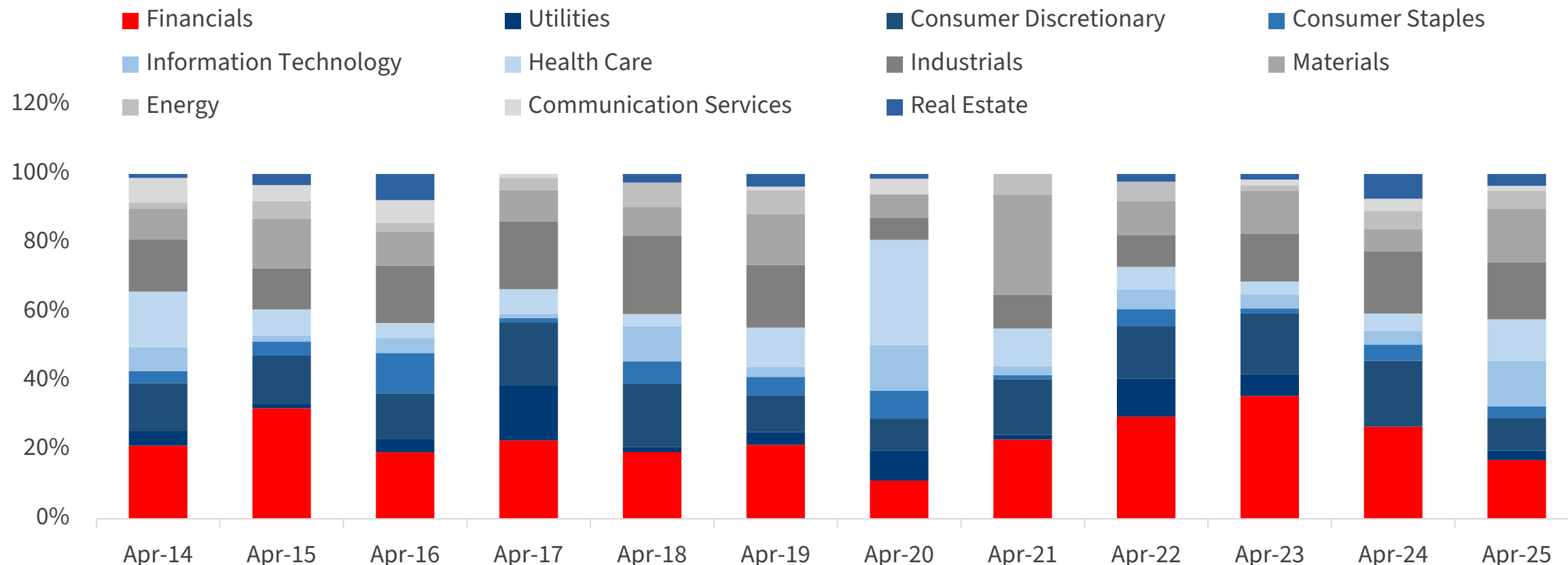
How Is The Model Portfolio Spread Across Market Caps?



Data is as on 30th Apr'25, As per latest available data as the model is updated on a quarterly basis. **Source: KAMMC-Internal, Bloomberg, NSE.** Investment strategy of the fund is rule-based, driven by algorithms developed basis historical relations of multiple factors with stock price movements. One of the risks in a model based fund would be the time taken by the algorithm to adapt to new development or change in how certain factors influence market or stock dynamics. The success of the model is based on systematic investment approach and therefore it may not be able to leverage short term opportunities available in the market from time to time. Another risk that can emanate from a rule based systematic investment strategy would be the inability to perfectly time the market which might impact performance of the fund . There is no guarantee that the model will generate higher returns as compared to the benchmark. As per para 2.7 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, Large Cap: 1st -100th company in terms of full market capitalization. Mid Cap: 101st -250th company in terms of full market capitalization. Small cap: 251st company onwards in terms of full market capitalization.

Model Portfolio Is Also Diversified Across Sectors

Sectoral Representation in Portfolios



Data is as on 30th Apr'25, As per latest available data as the model is updated on a quarterly basis. Sector wise classification is as per Bloomberg. The results are based on back-tested data of Kotak Enhanced Earnings Factor Model & are theoretical in nature & do not represent the NAV of the fund. The actual model and the Scheme portfolio shall be constructed based on the provisions in the Scheme Information Document. Kotak Mahindra Asset Management Company Limited (KMAMC) is not guaranteeing or promising any returns/futuristic returns. The performance of the index shown does not in any manner indicate the performance of the Scheme. Sector classification is as per Bloomberg. The stocks/sectors mentioned in the presentation ahead do not constitute any kind of recommendation and are for information purpose only. Kotak Mahindra Mutual Fund may or may not hold position in the mentioned stock(s)/sector(s).

Why Kotak Active Momentum Fund?



The Enhanced Earnings Factor Model used by the fund has shown better performance than price momentum*



Invests in stocks showing positive earnings surprises



Follows a model-based framework for stock selection and exit



Benefit from timely review and rebalancing to capture market opportunities



Aims to reduce concentration risk by investing across sectors

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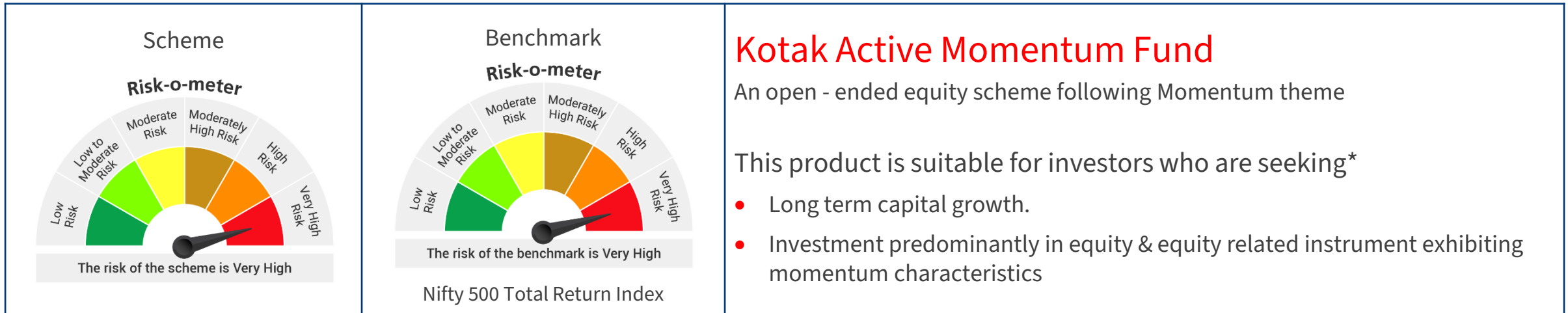
Mr. Rohit Tandon

Fund Manager

- With Kotak Mahindra AMC since January 2024
- 21 years of industry experience including that in JP Morgan, Max Life Insurance, Reliance Nippon Life
- PGDM - IIM Bangalore and B.E.(Mechanical)
- Mr. Rohit Tandon manages the following schemes- Kotak Balanced Advantage Fund, Kotak Large Cap Fund & Kotak Quant Fund

Key Features

Fund Name	Kotak Active Momentum Fund
Type of Fund	An open - ended equity scheme following momentum theme
Benchmark	Nifty 500 Total Return Index
Investment Objective	The scheme shall seek to generate long term capital appreciation by investing predominantly in equity and equity related securities selected based on momentum theme, following an in-house model i.e. enhanced earnings factor model. However, there is no assurance that the objective of the scheme will be achieved.
Fund Manager	Mr. Rohit Tandon for Equity & Overseas Investment Mr. Abhishek Bisen for Debt Investment
Minimum Application Amount During NFO	Initial Purchase: Rs. 5,000/- and any amount thereafter SIP Purchase: Rs. 500/- (Subject to a minimum of 10 SIP installments of Rs. 500/- each)
Exit Load	For redemption / switch out within 90 days from the date of allotment:0.5% If units are redeemed or switched out on or after 90 days from the date of allotment -Nil.
Options	Growth and Income Distribution cum Capital Withdrawal (IDCW) (Payout and Reinvestment)



*Investors should consult their financial advisors if in doubt about whether the product is suitable for them

(The product labelling assigned during the New Fund Offer is based on internal assessment of the Scheme Characteristics or model portfolio and the same may vary post NFO when actual investments are made)

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Past performance may or may not be sustained in future. For detailed portfolio and related disclosures for the scheme please refer our website <https://www.kotakmf.com/Information/forms-and-downloads>. The portfolio and its composition is subject to change and the same position may or may not be sustained in future. The fund manager may make the changes, as per different market conditions and in the best interest of the investors.

A full-page background image of a male athlete in a red singlet and black shorts, captured in the middle of a javelin throw on a running track at night. A large, semi-transparent red 'C' is overlaid on the image, centered over the athlete's torso.

Thank You

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL
SCHEME RELATED DOCUMENTS CAREFULLY.