

KOTAK FUNDS

Société d'investissement à capital variable

Registered office: 16, Boulevard d'Avranches,
L-1160 Luxembourg, Grand Duchy of Luxembourg
(the "**Company**")

R.C.S. Luxembourg B 131.576

NOTICE TO SHAREHOLDERS OF THE COMPANY (the "Shareholders")

Luxembourg, 21 April 2021

Dear Shareholder,

The Company's board of directors (the "**Board**") would like to inform you about the following changes to the Company with effect from 25 May 2021 (the "**Effective Date**").

1. Change of depositary and paying agent, administrative, domiciliary, registrar and transfer agent

- As from the Effective Date, Brown Brothers Harriman (Luxembourg) S.C.A. ("**BBH**") will take over the functions as depositary and paying agent, administrative and domiciliary agent and registrar and transfer agent of the Company currently performed by HSBC Continental Europe, Luxembourg (formerly named HSBC France, Luxembourg Branch) ("**HSBC**"). BBH is licensed and regulated by the Commission de Surveillance du Secteur Financier ("CSSF") as a credit institution in Luxembourg and hereby authorized to provide the above services.

On the same date, the dealing contact details will change as follows:

For deals placed by fax and email:

Phone: +352 474 066 6763 Fax: +352 474 066 401

Email: kotak.ta@bbh.com

For deals placed with SWIFT connectivity:

Phone: +352 474 066 6763 Fax: +352 474 066 401

Email: kotak.ta@bbh.com

SWIFT ID: BBHCUS3IMTA / ou=mta,o=bbhcus3i,o=swift

This change of service provider is mainly motivated by the fact that BBH provides a superior technological set up to help the Company scale up for future business

requirements at lower fees which would be in the interest of the Company and its Shareholders. Furthermore, this change will result in a decrease of the annual fees charged by the service provider, even though the Company has to bear some one time additional costs associated with the migration including, but not limited to, audit costs, publishing costs and legal fees.

Further to the change of service provider, the section "*Fees and expenses - Depositary Bank, Administrator, Registrar and Transfer Agent and Domiciliary Agent fees*" of the Company's prospectus (the "**Prospectus**") has been amended as follows:

*"The Depositary Bank will receive from each Sub-Fund, in addition to fees for transaction based fees, custody fees**processing and safekeeping, fees for the supervision of the assets of the Fund, including oversight, cash flow monitoring and asset supervision duties**, which will be calculated daily and paid monthly. The asset supervision fees will not exceed 0.01% of the Net Asset Value of the Sub-Fund per Annum, and the custody fees in respect of the safekeeping of a Sub-Fund's assets will not exceed ~~0.04~~**0.03**% of Net Asset Value of the Sub-Fund per annum, based on the value of the assets at each valuation day.*

The Administrator and Registrar and Transfer Agent will receive from each Sub-Fund a fee which will be calculated daily and paid monthly. The fee will be on a reducing scale of charges, based on the Net Asset Value of the Sub-Fund on each Valuation Day and will not exceed 0.05% of the Net Asset Value of the Sub-Fund per annum.

*The Custody ~~and~~**Fees**, Administration **Fees and Transfer Agent** Fees payable are subject to a minimum total annual fee of ~~EUR 15,000~~ **USD 84,000** for the Fund ~~per Sub-Fund~~.*

*~~The~~**For the avoidance of doubt, the** fees of the Domiciliary Agent are included in the Administration Fees **but are not covered by the abovementioned minimum total annual fee.***

Each of the Depositary Bank, the Administrator, the Registrar and Transfer Agent, the Domiciliary Agent will be reimbursed for reasonable out-of-pocket expenses relating to the services provided."

The following settlement rules should apply:

- Subscriptions and redemptions with a trade date before the Effective Date should be settled at HSBC. HSBC will inform and provide BBH with any outstanding cash payments.
- Subscriptions and redemptions with a trade date on or after the Effective Date should be settled at BBH. The portfolio managers can send trade instructions as from the Effective Date to BBH.

- In the context of the changes of service providers described under point 1 above (hereinafter the "**Migration**"), in order to simplify the operational procedure of the Migration and to avoid the risks inherent therein, subscription, redemption, conversion and transfer orders will have to be sent for all Compartments to BBH (i.e. the new contact details as indicated above) starting 1 pm (Luxembourg time) on 21 May 2021.

2. Change of domiciliary agent

As a consequence of the termination of the contractual relationship with HSBC, the Company will change its domiciliary agent and will appoint BBH to provide these services.

On the Effective Date, the address of the Company's registered office will change to 8-80, route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg.

3. Update of the Prospectus

The Prospectus has been updated, *inter alia*, to reflect the change of depositary bank, administrative agent and registrar and transfer and domiciliary agent.

4. Information in relation to the transfer of personal data

HSBC will in principle transfer all necessary information or data on the Company's shareholders to BBH. Should you not agree with such transfer, please object by notifying the Company at transferagency@lu.hsbc.com by 21 May, 2021.

If you do not agree on the changes mentioned above, you may request the redemption of your shares free of charge until 1.00 PM (Luxembourg time) on 21 May, 2021.

The planned changes are shown in detail in the draft of the revised Prospectus made available at the registered office of the Company upon request and free of charge.

Yours sincerely,

On Behalf of the Board of the Company