



Kotak Mahindra Bank

STOCK INFO.	BLOOMBERG
BSE SENSEX: 9,788	KMB IN
S&P CNX: 2,886	REUTERS CODE
	KTKM.BO

31 October 2008

Buy

Previous Recommendation: Buy

Rs337

Equity Shares (m)	344.7
52-Week Range	1,436/239
1,6,12 Rel.Perf.(%)	-15/-14/-16
M.Cap. (Rs b)	116.2
M.Cap. (US\$ b)	2.4

YEAR	NET INCOME	PAT	EPS	EPS	P/E	P/BV	CAR	ROE	ROA	P/ABV
END	(RS M)	(RS M)	(RS)	GROWTH (%)	(X)	(X)	(%)	(%)	(%)	(X)
3/07A	23,111	5,814	17.8	47.2	18.9	3.4	15.6	21.2	2.5	3.6
3/08A	40,465	10,444	30.3	70.0	11.1	2.0	20.3	23.5	3.0	2.1
3/09E	42,129	8,092	23.5	-22.5	14.4	1.8	16.0	12.8	1.8	1.8
3/10E	49,927	10,365	30.1	28.1	11.2	1.6	13.0	14.6	2.0	1.6

Kotak Mahindra Bank's consolidated PAT declined 40% in 2QFY09 to Rs1.5b (pre-insurance business). Including insurance business, earnings declined by 33% YoY to Rs1.6b. Key highlights are 1) significant decline in earnings from capital market related businesses (down 66% YoY and 6% QoQ) and loss of market share in broking, 2) loan book growth slows down to ~30%; growth guidance revised down to 15-20% for FY09, 3) margins up 80bp YoY to 6% and aim to sustain higher margins in current environment, 4) cost containment and rationalization measures visible; expansion of branch network deferred, and 5) a strong 127% growth in new business premiums in Kotak Life during 2QFY09.

✍ Consolidated loans grew 30% YoY and ~4% QoQ to Rs240b in 2QFY09 and NIM improved to 6% from 5.2% a year ago and 5.9% in 1QFY09. Management's focus in FY09 continues to be on asset quality and higher margins.

✍ PMS, offshore fund AUMs, and equity MF have declined QoQ due to decline in capital markets. Total assets managed and advised by Kotak were Rs372b as of September 2008, flat YoY.

Cutting estimates and target price: We have cut our earnings estimates for Kotak Mahindra Bank (standalone) by ~22% for FY09 and ~28% for FY10 considering the lower business growth, muted fees, lower recoveries and cost pressures. We are cutting earnings estimates for Kotak group by 13% for FY09 and 17% for FY10. Adjusted for Kotak Life's value at Rs101/share on FY09 basis and Rs121/share on FY10 basis, the stock trades at 10x FY09E EPS and 7x FY10E EPS. We are lowering valuation multiples for each of the businesses in our SOTP valuation. Our revised target price on SOTP basis stands reduced to Rs555/share - an upside of 65%. Maintain **Buy**.

KOTAK EARNINGS SNAPSHOT (RS M)

	BUSINESS	2QFY09	2QFY08	YoY Gr %	1QFY09	QoQ Gr %
Kotak Mahindra Bank (Standalone)	Retail focused bank	479	754	-36	545	-12
Kotak Mahindra Prime	Auto loans, debt capital markets	354	193	84	413	-14
Kotak Mahindra Investments	Primarily LAS	72	61	18	45	59
Lending Business		905	1,007	-10	1,003	-10
Kotak Mahindra Capital Company	Investment banking	89	492	-82	96	-8
Kotak Securities	Broking and distribution	410	991	-59	435	-6
Capital Market Business		499	1,483	-66	531	-6
International subsidiaries	Asset management and inv. banking	62	59	4	89	-31
Kotak Mahindra AMC & Trustee Co	Mutual funds management	7	36	-82	12	-46
Kotak Investment Advisors	Alternate asset management	116	2	7,144	131	-11
Asset Management Business		184	97	89	232	-21
Others		0	-1		4	-103
Consol. PAT Ex Kotak Life		1,588	2,587	-39	1,766	-10
Consol. PAT inc Kotak Life		1,610	2,415	-33	1,499	7

Source: Motilal Oswal Securities

Kotak Mahindra Bank's consolidated PAT declined 40% in 2QFY09 to Rs1.5b (pre-insurance business). Including insurance business, earnings declined by 33% YoY to Rs1.6b. Key highlights are 1) significant decline in earnings from capital market related businesses (down 66% YoY and 6% QoQ) and loss of market share in broking, 2) loan book growth slows down to ~30%; growth guidance revised down to 15-20% for FY09, 3) margins up 80bp YoY to 6% and aim to sustain higher margins in current environment, 4) cost containment and rationalization measures visible; expansion of branch network deferred, and 5) a strong 127% growth in new business premiums in Kotak Life during 2QFY09.

Consolidated loans grew 30% YoY and ~4% QoQ to Rs240b in 2QFY09 and NIM improved to 6% from 5.2% a year ago and 5.9% in 1QFY09. The capital raising of Rs16.2b during FY08, lower leverage and higher lending rates led to improvement in margins despite tight monetary conditions. Management's focus in FY09 continues to be on asset quality and higher margins.

Kotak's consolidated net worth has increased to ~Rs62b and consolidated CAR at 19%. Management believes credit opportunities are immense and the lenders have pricing power due to tight liquidity. However, it aims to preserve capital and be selective in its loan book growth considering the increased macro risk. Management has scaled down its growth projections for FY09 from 25-30% earlier to 15-20%. The volatile liquidity environment and Kotak's higher dependence on bulk resources is leading to a conscious slowdown on asset growth.

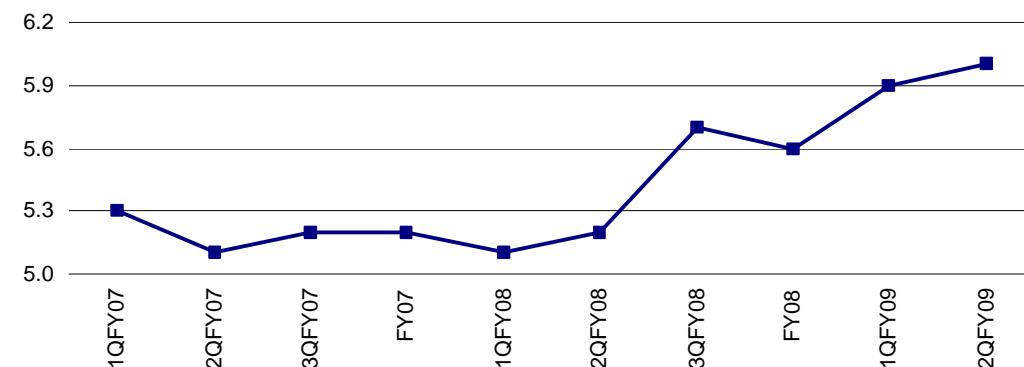
While the management does not see any issues on asset quality, net NPAs excluding stressed asset portfolio are up to 0.53% from 0.47% as of June 2008.

CONSOLIDATED ASSET BOOK (RS M)

	FY07	1H FY08	FY08	1QFY09	1HFY09	YOY GR %	QOQ GR %
Commercial Vehicles	25,781	30,658	36,285	37,311	37,430	22.1	0.3
Car Finance	36,108	39,969	47,354	49,032	49,531	23.9	1.0
Personal Loans	19,763	25,442	31,127	31,248	31,328	23.1	0.3
Home Loans	17,533	20,147	26,400	29,822	32,542	61.5	9.1
Corporated Banking	23,785	24,908	23,867	27,584	29,505	18.5	7.0
Stressed Assets acquired	5,123	5,037	5,496	5,585	5,760	14.4	3.1
Agri Loans	27,642	9,633	16,643	15,984	15,669	62.7	-2.0
Others		29,608	32,676	35,129	38,504	30.0	9.6
Total Advances	155,734	185,401	219,848	231,695	240,269	29.6	3.7
Invest ments	91,285	131,055	125,697	104,728	101,677	-22.4	-2.9

Source: Company/MOSL

MARGINS IMPROVED TO 6%



Source: Company/MOSL

Bank: Lower fees and recoveries, credit card operations impact earnings

KMB's standalone profit declined 36% YoY in 2QFY09 on account of 1) subdued fee/treasury income, 2) lower NPA recoveries from stressed assets portfolio, and 3) higher costs due to the launch of credit card operations. NII grew by 29% YoY on the back of 33% loan book growth and improved margins. Loan book growth expectations have been brought down to 15-20% for FY09.

Other income dropped 50% YoY due to subdued fees (especially retail and forex), lower treasury income and muted stressed asset recovery during 2QFY09. Management highlighted that there is a deep value in the acquired NPA portfolio despite the fall in value of underlying collateral (real estate). Couple of large settlements is in advanced stages of finalization and some spike in recoveries could be seen in 2HFY09.

Retail fees and forex income is under stress considering the decline in overall markets for these businesses. We have reduced our fees and recoveries estimates by 20-30% considering the poor environment.

Operating costs increased merely 20% YoY and flat QoQ due to cost rationalization measures and slower roll out of branches. Kotak is deploying surplus manpower of the broking business to its banking and insurance businesses to improve group productivity and contain costs. Kotak has also cut down its branch expansion plan - against its earlier aim of reaching 250-275 branches by FY0, it now aims to be at 225-230 branches. It expects rentals to fall going forward, which would lead to lower branch addition costs in future.

Profit in 2QFY09 was also affected due to investments made in credit card operations, which kicked off in April 2008. Credit cards segment reported a loss of Rs217m in 2QFY09 v/s a loss in Rs123m in 1QFY09. Compared to its earlier expectations, it has lowered its growth plan for credit cards, which would impact profitability even in FY10 as fixed costs would continue to hurt.

Asset quality remains clean with gross NPA at 1.4% and net NPA at 0.6%. Management does not see any stress on its asset book currently.

KOTAK MAHINDRA BANK: QUARTERLY PERFORMANCE (STANDALONE)

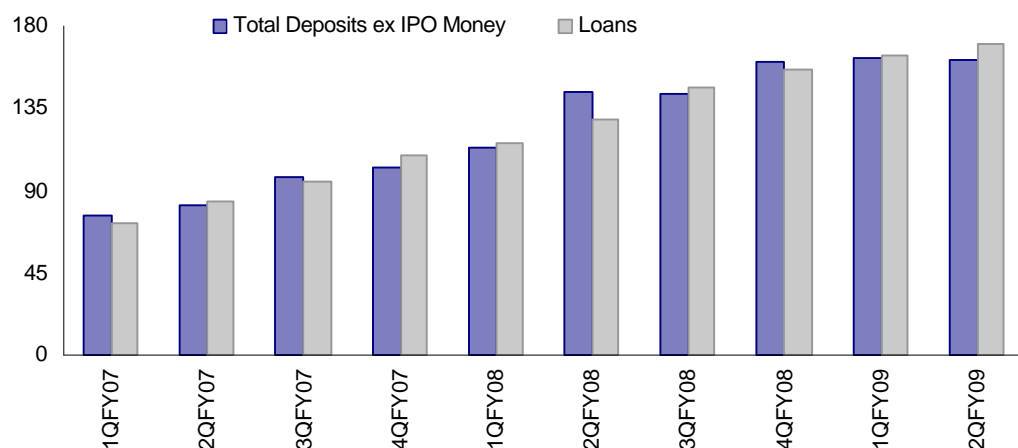
					(RS MILLION)		(RS MILLION)	
	FY08				FY09		FY08	FY09E
	1Q	2Q	3Q	4Q	1Q	2Q		
Interest Income	5,051	5,918	6,827	7,637	7,125	7,461	25,354	30,902
Interest Expense	2,930	3,084	3,352	3,729	3,600	3,806	13,096	15,462
Net Interest Income	2,120	2,834	3,474	3,908	3,525	3,655	12,258	15,440
% Change (Y-o-Y)	90.3	100.6	102.9	90.9	66.2	29.0	97.8	26.0
Other Income	894	1,223	2,045	394	831	606	4,635	3,830
Net Income	3,014	4,057	5,520	4,301	4,356	4,262	16,893	19,270
% Change (Y-o-Y)	71.6	99.1	107.0	47.2	44.5	5.0	80.0	14.1
Operating Expenses	2,060	2,593	2,930	2,611	3,120	3,137	10,194	12,525
Operating Profit	954	1,464	2,590	1,691	1,236	1,125	6,699	6,746
Other Provisions	288	381	1,177	875	417	378	2,721	2,244
Tax Provisions	190	329	396	124	274	268	1,038	1,500
Net Profit	477	754	1,017	692	545	479	2,939	3,001
% Change (Y-o-Y)	99.4	116.6	123.9	85.8	14.4	(36.5)	107.9	2.1
Cost to Income Ratio (%)	68.3	63.9	53.1	60.7	71.6	73.6	60.3	65.0
Interest Expense/Interest Income (%)	58.0	52.1	49.1	48.8	50.5	51.0	51.7	50.0
Other Income/Net Income (%)	29.6	30.2	37.1	9.1	19.1	14.2	27.4	19.9

E: MOST Estimates

Deposits (ex float monies) were up 12% YoY to Rs161b and CASA ratio improved to 27% from 26% a year ago. Investment book is down 34% YoY and 4% QoQ to Rs64b. Management has utilized the surplus liquidity parked in investments to grow loan book during 1HFY09. Liquidity remains comfortable for bank with SLR ratio at 26.5-27%. Management's focus remains on keeping adequate liquidity in the balance sheet and growing core deposit base as system wide liquidity remains volatile and pricey. Management sees its core deposit growth picking up in 2HFY09 due to flight to safety attitude of investors.

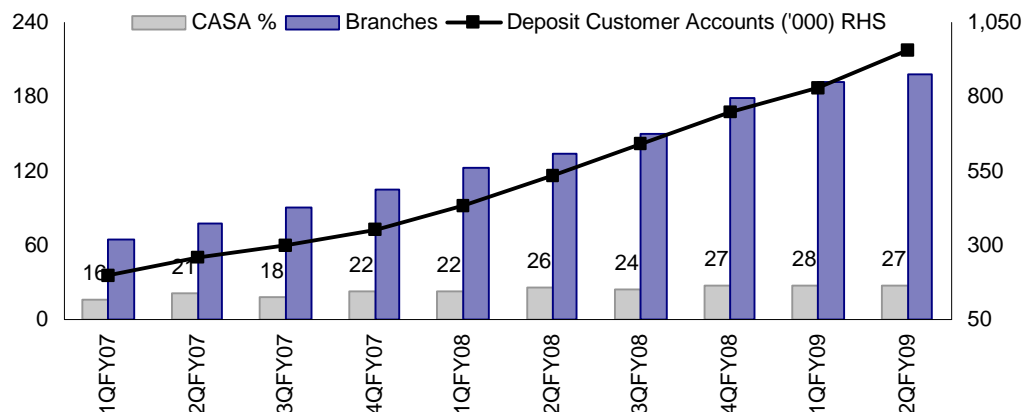
Branch network has increased to 198 from 191 in 1QFY09 (65 branches added in past 12 months). CAR remains comfortable at 17.2% with Tier I at ~14%.

LOANS AND DEPOSITS MOVEMENT (RSB)



Source: Company/MOSL

INCREASE IN BRANCH NETWORK (NOS)



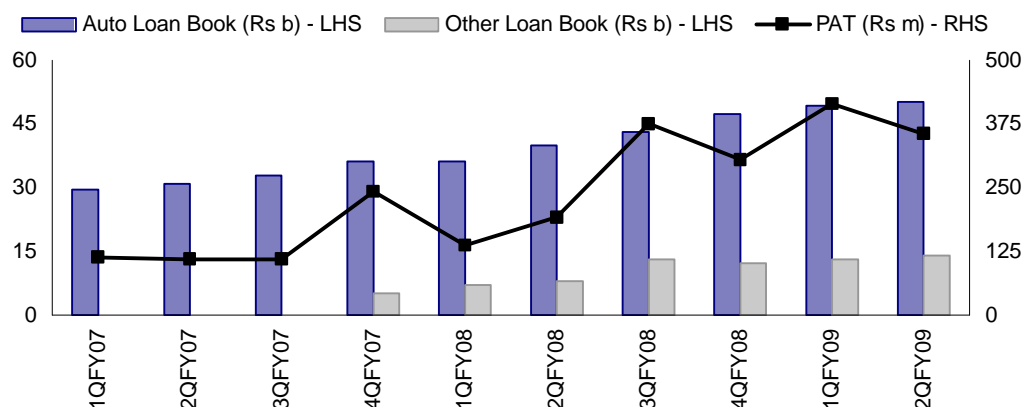
Source: Company/MOSL

We have cut our earnings estimates for Kotak Mahindra Bank (standalone) by ~22% for FY09 and ~28% for FY10 considering the lower business growth, muted fees, lower recoveries and cost pressures.

Kotak Prime – earnings traction sustained

Kotak Prime's earnings grew 84% YoY to Rs354m in 2QFY09 on the back of 33% growth in loan book to Rs64b. Kotak Prime's earnings were affected due to additional provision of Rs85m in 2QFY09 towards an acquired NPA account.

BUSINESS SNAPSHOT



Source: Company/MOSL

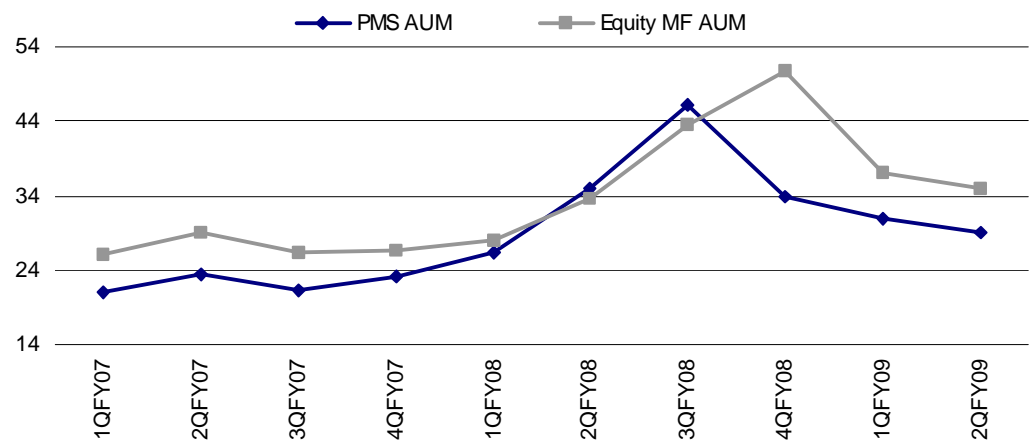
Assets management business affected by poor capital markets

PMS, offshore fund AUMs and equity MF have declined QoQ due to decline in capital markets. Total assets managed and advised by Kotak were Rs372b as of September 2008, flat YoY. PMS portfolio declined from Rs34b in 4QFY08 and Rs31b in 1QFY09 to Rs29b in 2QFY09.

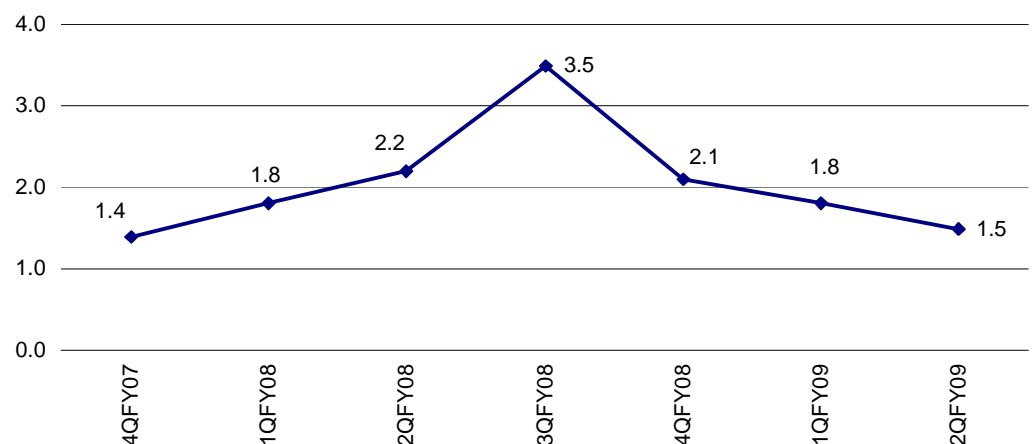
Mutual fund AUM decreased to Rs147b from Rs190b a quarter ago. Equity component, however, increased from 20% in 1QFY09 to 24% as of September 2008.

Offshore fund AUM (equity assets) decreased to US\$1.5b in 2QFY09 from US\$2.1b in FY08. Management reiterated that it has not seen any significant redemption pressure on its offshore book and the decline in AUMs is largely attributable to MTM of NAVs. Alternative assets increased to Rs59b from Rs38b in YoY. It is currently in process of raising an offshore real estate and private equity fund. It expects to close a real estate fund US\$80-100m by December 2009.

DOMESTIC EQUITY AUMS AFFECTED BY DECLINE IN NAVS



OFFSHORE AUMS USD B – STEEP DECLINE



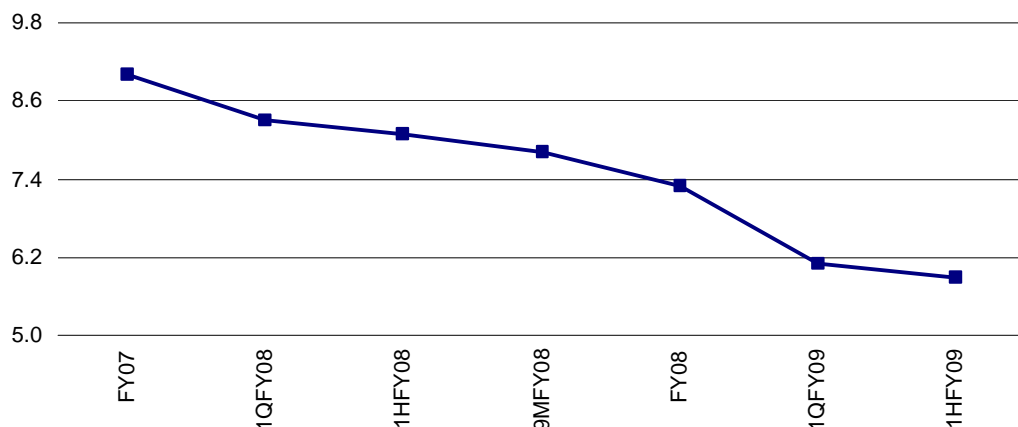
Source: Company/MOSL

Brokerage: Market share decline concerning

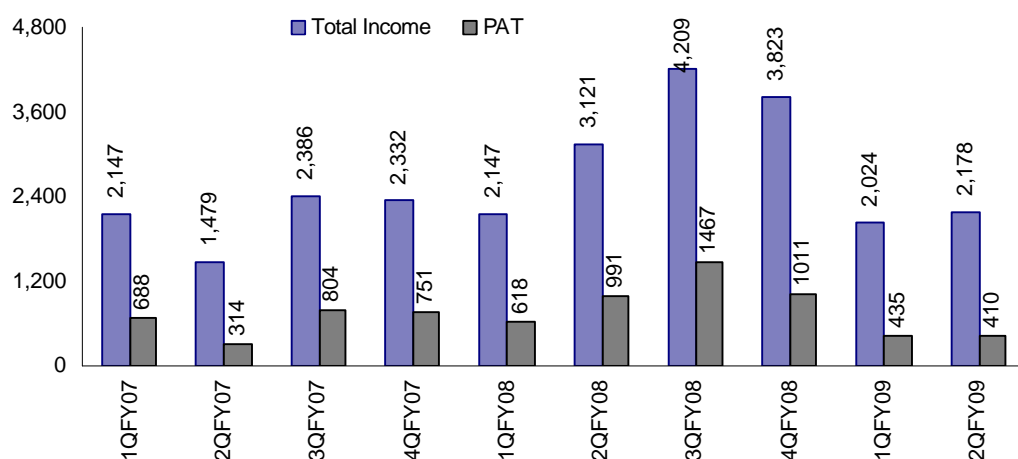
Kotak Securities PAT decreased 59% YoY and 6% QoQ in 1QFY09 to Rs410m. PAT margin has declined from ~30% in FY08 to ~20% in 1HFY09.

- ✍ K-Sec has seen sharp decline in market share over the last one year. It clocked average daily volume of over Rs39b in 2QFY09. Kotak Securities accounted for 5.7% of total average daily market volumes in 2QFY09, down from 7.3% in FY08. The deteriorating performance of K-Sec in broking business continues to be the key risk to the earnings estimates.
- ✍ Apart from the decline in broking revenues, lower fee income from distribution of group financial products and PMS and IPO markets meltdown are affecting the earnings in FY09. We expect K-Sec's earnings to decline by ~50% in FY09 to Rs2b.

MARKET SHARE (%) DECLINING SINCE FY08



EARNINGS PROGRESSION (RS M)



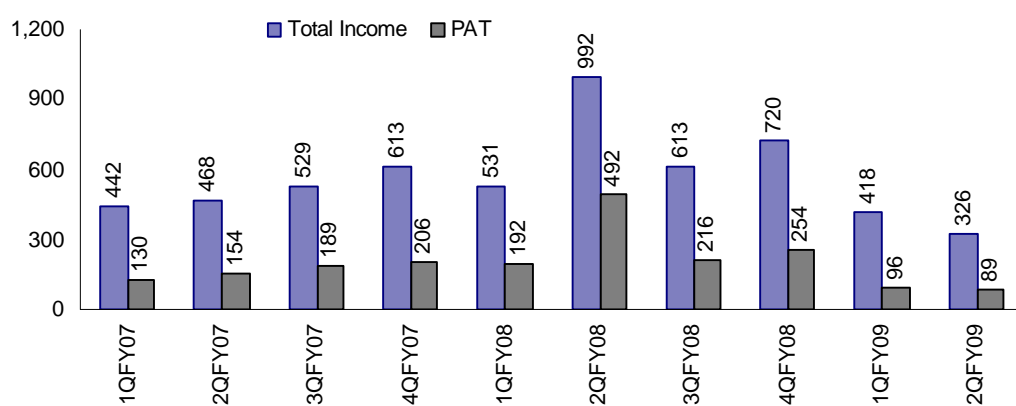
Source: Company/MOSL

Investment Banking: Poor performance

KMC's (investment banking) revenues declined 67% YoY and 22% QoQ. PAT declined by 82% YoY and 7% QoQ to Rs89m due to subdued capital markets.

While deal pipeline still remains strong, actual deal conversion ratio has dropped due to the market conditions. We expect KMCC's earnings to decline by 63% in FY09 due to ~50% decline in topline.

EARNINGS PROGRESSION (RS M)



Source: Company/MOSL

Kotak Life: Strong performance

Kotak Life's total premium income grew 100% to Rs5.3b in 2QFY09 and to Rs9.3b in 1HFY09. First year regular premium grew strong by 127% to Rs3.4b.

Branch network has increased to 175 from 93 a year ago. Kotak Life has been able to arrest its falling market share during FY09 and management attributed this growth to its focused efforts on effective utilization of Kotak's own branch network as well as aggressive roll out of agency force.

Kotak Life reported a PAT of Rs51m in 2QFY09 due to MTM gains in shareholders investments. Management continues to focus on qualitative growth in its life insurance business with focus on 1) productivity and 2) capital efficiency.

Despite stronger than expected growth so far, we continue with our moderate growth estimate of 50% for FY09 and 20% for FY10 for Kotak Life in new business premiums considering the expected sluggishness in capital markets.

MONTHLY WEIGHTED NEW RECEIVED PREMIUM (WNRP) - (RS MILLION)

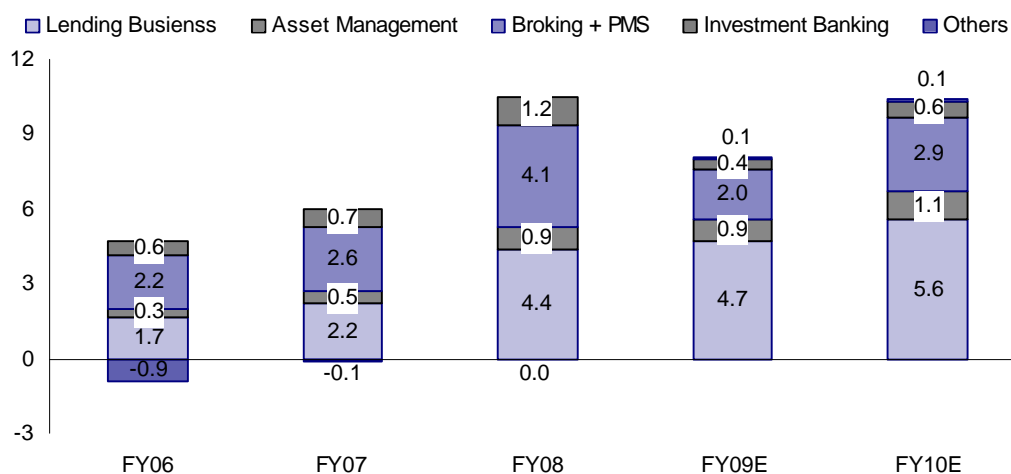
	AUG-07	SEP-07	OCT-07	NOV-07	DEC-07	JAN-08	FEB-08	MAR-08	APR-08	MAY-08	JUNE-08	JULY-08	AUG-08
Kotak Mahindra Old Mutual													
WNRP	540	562	672	897	1,107	1,102	1,035	3,110	471	827	923	1,052	1,176
YoY Gr. (%)	60.4	65.7	114.3	72.4	113.2	130.9	75.9	102.6	90.8	115.0	109.4	151.6	117.9
Market Share (%) *	3.0	2.4	3.4	4.1	3.4	3.6	3.1	4.9	3.6	3.8	3.6	4.5	4.8

Source: Company/MOSL

Valuation and view

We are cutting earnings estimates for Kotak by 13% for FY09 and 17% for FY10. We expect Kotak to report consolidated EPS of Rs24 in FY09 and Rs30 in FY10. Consolidated BV would be Rs189 in FY09 and Rs215 in FY10. RoA would decline from 3% in FY08 to 1.8-2% and RoE at <15%. Adjusted for Kotak Life's value at Rs101/share on FY09 basis and Rs121/share on FY10 basis, the stock trades at 10x FY09E EPS and 7x FY10E EPS.

STRONG AND DIVERSIFYING EARNINGS PROGRESSION



Source: Company/MOSL

We are lowering valuation multiples for each of the businesses in our SOTP valuation. Our revised target price on SOTP basis stands reduced to Rs555/share - an upside of 65%. Maintain **Buy**.

SOTP FY10E BASED

	VALUE (RS B)	VALUE (USDB)	PER SHARE (RS)	% TO TOTAL	RATIONALE
Lending Businesses	95.4	1.9	276.7	49.9	
Kotak Mahindra Bank	70.3	1.4	204	37	2x FY10E Net Worth ex Investments in Subs
Kotak Prime (Car and other loans)	20.2	0.4	58	11	2x FY10E Net Worth
Kotak Investment Company (LAS)	5.0	0.1	14	3	2x FY10E Net Worth
Asset Management Business	18.3	0.4	53.2	9.6	
Domestic Mutual Fund	6.7	0.1	19	3	4% of FY10E AUM of Rs167b
Offshore Funds	3.9	0.1	11	2	5% of FY10E AUM of Rs77b
Alternative Assets	7.8	0.2	23	4	12% of FY10E AUM of Rs65b
Capital Markets related Businesses	35.5	0.7	103.1	18.6	
Kotak Securities	29.1	0.6	85	15	10x FY10E EPS
Kotak Investment Banking (KMCC)	6.4	0.1	19	3	10 FY10E EPS
Kotak Life Insurance	42.0	0.8	121.8	22.0	15x FY10E NBAP, APE CAGR of 34% over FY08-10E
Target Value	191.2	3.9	554.7	100.0	
Current Valuations	116.2	2.4	337		
Upside - %	64.6	64.6	64.6		

Source: Motilal Oswal Securities

KOTAK MAHINDRA BANK (STAND ALONE)

INCOME STATEMENT (STANDALONE)

(Rs Million)

Y/E MARCH	2006	2007	2008	2009 E	2010 E
Interest Income	7,189	13,191	25,354	30,902	35,704
Interest Expended	3,389	6,992	13,096	15,462	17,305
Net Interest Income	3,800	6,199	12,258	15,440	18,399
Change (%)	68.5	63.1	97.8	26.0	19.2
Other Income	2,181	3,187	4,635	3,830	5,185
Net Income	5,980	9,385	16,893	19,270	23,584
Change (%)	67.1	56.9	80.0	14.1	22.4
Operating Expenses	3,875	6,127	10,194	12,525	15,586
Operating Income	2,106	3,258	6,699	6,746	7,998
Change (%)	57.9	54.7	105.6	0.7	18.6
Other Provisions	370	1,226	2,721	2,244	2,689
P B T	1,736	2,032	3,978	4,501	5,310
Tax	554	619	1,038	1,500	1,743
Tax Rate (%)	31.9	30.4	26.1	33.3	32.8
P A T	1,182	1,414	2,939	3,001	3,567
Change (%)	39.4	19.6	107.9	2.1	18.9
Proposed Dividend	186	228	241	689	1,034

BALANCE SHEET (standalone)

(Rs Million)

Y/E MARCH	2006	2007	2008	2009 E	2010 E
Capital	3,093	3,262	3,447	3,447	3,447
Reserves & Surplus	5,435	13,073	31,908	34,220	36,752
Net Worth	8,527	16,335	35,355	37,666	40,199
Deposits	65,659	110,001	164,236	187,230	224,675
Change (%)	52.7	67.5	49.3	14.0	20.0
Borrowings	18,492	57,253	59,015	50,163	52,671
Other Liabilities & Prov.	9,072	15,566	24,517	31,698	41,033
Total Liabilities	101,757	199,154	283,124	306,757	358,578
Current Assets	5,925	12,960	21,495	29,323	28,864
Investments	28,555	68,620	91,420	77,707	91,694
Change (%)	56.3	140.3	33.2	-15.0	18.0
Advances	63,485	109,241	155,522	183,516	220,219
Change (%)	58.0	72.1	42.4	18.0	20.0
Net Fixed Assets	1,052	1,411	2,102	2,368	2,573
Other Assets	2,740	6,923	12,584	13,843	15,227
Total Assets	101,757	199,154	283,124	306,756	358,578

ASSUMPTIONS

(%)

Deposit Growth	52.7	67.5	49.3	14.0	20.0
Advances Growth	58.0	72.1	42.4	18.0	20.0
Investments Growth	56.3	140.3	33.2	-15.0	18.0
Dividend	6.0	7.0	7.0	20.0	30.0

E: Most Estimates

KOTAK MAHINDRA BANK (STAND ALONE)

RATIOS

Y/E MARCH	2006	2007	2008	2009 E	2010 E
Spreads Analysis (%)					
Avg. Yield - Earning Assets	9.0	9.2	11.1	11.3	11.6
Avg. Cost-Int. Bear. Liab.	4.9	5.6	6.7	6.7	6.7
Interest Spread	4.0	3.6	4.4	4.6	4.9
Net Interest Margin	4.8	4.3	5.4	5.6	6.0

Profitability Ratios (%)

RoE	14.7	11.4	11.4	8.2	9.2
RoA	14	0.9	12	10	11
Int. Expended/Int. Earned	47.1	53.0	51.7	50.0	48.5
Other Inc./Net Income	36.5	34.0	27.4	19.9	22.0

Efficiency Ratios (%)

Op. Exps./Net Income*	64.8	65.3	60.3	65.0	66.1
Empl. Cost/Op. Exps.	44.2	47.8	50.9	49.7	49.2
Busi. per Empl. (Rs m)	29.5	32.3	29.9	31.4	34.0
NP per Empl. (Rs lac)	3.3	2.6	3.3	2.7	3.0

*ex treasury, forex, derivatives and NPA recovery

Asset-Liability Profile (%)

Adv./Deposit Ratio	96.7	99.3	94.7	98.0	98.0
Invest./Deposit Ratio	43.5	62.4	55.7	41.5	40.8
G-Sec/Invest. Ratio	83.1	85.5	88.7	88.7	88.7
Gross NPAs to Adv.	0.6	0.5	0.5	1.3	1.7
Net NPAs to Adv.	0.2	0.2	0.4	0.6	0.7
CAR	11.3	13.5	18.7	16.4	14.7
Tier 1	8.1	8.8	14.5	13.2	11.6

VALUATION

Book Value (Rs)	218	42.9	93.7	97.5	101.9
Adjusted BV (Rs)	216	38.6	89.6	95.5	99.0
EPS (Rs)	3.8	4.3	8.5	8.7	10.3
EPS Growth (%)	-44.4	13.4	96.8	2.1	18.9
OPS (Rs)	6.8	10.0	19.4	19.6	23.2
OPS Growth (%)	-37.0	46.7	94.6	0.7	18.6

E: Most Estimates



For more copies or other information, contact

Institutional: Navin Agarwal. **Retail:** Manish Shah

Phone: (91-22) 39825500 Fax: (91-22) 22885038. E-mail: inquire@motilaloswal.com

Motilal Oswal Securities Ltd, 3rd Floor, Hoechst House, Nariman Point, Mumbai 400 021

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. Motilal Oswal Securities Limited (*hereinafter referred as MOST*) is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your information and should not be reproduced or redistributed to any other person in any form.

The report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon such. MOST or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. MOST or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

MOST and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. To enhance transparency, MOST has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

Disclosure of Interest Statement

Kotak Mahindra Bank

- | | |
|---|----|
| 1. Analyst ownership of the stock | No |
| 2. Group/Directors ownership of the stock | No |
| 3. Broking relationship with company covered | No |
| 4. Investment Banking relationship with company covered | No |

This information is subject to change without any prior notice. MOST reserves the right to make modifications and alternations to this statement as may be required from time to time. Nevertheless, MOST is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.