

From the Desk of the Chief Executive

Sashi Krishnan



The year that went by was a good year for the economy. The economy grew at 7.4% in real terms in the first quarter of 2004-2005, much stronger the first quarter growth of 5.3% last year. This growth was led equally by a 9.5% growth in the services sector and an 8% growth in the manufacturing sector. The second quarter growth has slowed down to 6.6% with the services sector posting lower growth of 8.2%. The second quarter growth in manufacturing however remains strong at 8.1%. The full year growth expectation is upbeat and the economy should achieve a 6% to 6.5% growth.

A buoyant economy has led to excellent corporate performance for the first half of 2004-2005. The top line growth as well the profit growth, on an aggregate basis, has been over 20%. Manufacturing companies have done very well and have posted a growth of over 40% in the second quarter of 2004-2005. Besides industrials, a number of companies in other sectors like services and technology have posted good corporate performance.

Strong GDP growth leads to strong corporate performance. Strong corporate performance is good news for the equity markets. There was some volatility in the markets in May this year, mainly on account of the uncertain political situation at that time. This uncertainty is now behind us. The reform process is on track. The PSU share sale has been successful and the government is working on reviewing the FDI limits in many sectors. The changes in the long term and short term capital gains tax provisions have been extremely positive for the markets. Equity markets look poised for exciting times in 2005.

Retail investors now need to seriously consider increasing their allocation to equity. Just under 4% of the assets that Indian households own are in equity. Equity and equity mutual funds can create long term wealth for investors. We at Chola have always followed an investor centric approach. It is our belief that with the economy doing well and with excellent corporate performance the equity markets will deliver good returns over the next few years. We have therefore launched Chola Multi Cap Fund, a diversified equity funds that invest in shares of companies across market capitalizations – large, mid and small. Chola Multi Cap Fund will offer investors an opportunity to take exposure to the best companies across all market caps. The large caps will provide stability and low volatility while the mid cap and small cap stocks hold the potential of becoming the blue-chips of tomorrow. This fund will have an appropriate mix of stocks across market capitalization that will maximize the returns potential while moderating the overall portfolio risk. The fund will also have the advantage of making tactical shifts across market capitalizations to take advantage of changing market trends.

We at Chola Mutual Fund have a single minded intent, which is to enable our investors to create wealth for themselves by investing in our funds. In the New Year we rededicate ourselves to that intent. Wishing all our investors a very happy and prosperous 2005.

Fund Manager's Comments

Cholamandalam Growth Fund, Chola Mid-Cap, Chola MIP & Chola Opportunities Fund

Pradeep Kumar, Fund Manager-Equity
Tridib Pathak, CIO

The BSE Sensex ended the month at an all time high of 6602, up 5.9% for the month. All major sectors, barring software, posted gains during the month. Stocks in as many as 8 of 13 sectors posted double digit gains with media, telecom and cement stocks gaining more than 15%. Metal, capital goods, financial services, pharma and auto stocks also gained 10-14%. The net FII inflow for December was in excess of US\$1.4 billion whereas domestic mutual funds were sellers to the extent of US\$82 million. Mid cap stocks outperformed the large cap stocks significantly and the CNX 200 was up 14.2% in the month. However, at 13.1x FY06 estimated earnings, the Sensex valuations are reasonably attractive despite the recent run up.

India's GDP for the quarter ended September 2004 grew by 6.6% as compared to last year. This was in line with consensus estimates of a 6.5% GDP growth in the quarter. This growth was powered by handsome gains in industry and services. The two sectors will remain the twin engines of India's growth. The rupee continued to strengthen against the US dollar.

In December, Cholamandalam Growth Fund decreased its exposure to IT services on account of the rupee hardening. The fund booked profits and exited from TCS and Patni Computers. It increased exposure to banking stocks on account of expansion in credit growth. The fund increased its weightage in cements and metal stocks also on account of favourable business dynamics. The stock from these sectors, where exposure was increased were ACC, Hindalco, ICICI Bank, IDBI, Dabur, Maruti and Satyam. The fund also reduced its exposure in ONGC and Corporation Bank.

Chola Mid Cap Fund remains invested in 31 companies accounting for 92% of its portfolio. The maximum exposure in a single stock is 6.1% and minimum exposure 0.45%. The fund added LIC Housing Finance and Indoco Remedies to its portfolio. The fund increased its exposure to Jain Irrigation and Alfa Laval.

Chola Opportunities Fund reduced its exposure to Mphasis BFL. The fund also booked profit in Ranbaxy and Nicholas Piramal and added Satyam and Patni Computers to the portfolio.

During the month, Chola MIP had 13-16% equity exposure and Chola Income plus 5-7% equity exposure.

Chola Triple Ace, Chola Freedom Income - Short Term Fund, Chola Gilt, Chola MIP, Chola Income Plus, Chola Floating Rate & Chola Liquid Fund

Ashish Nigam, Fund Manager-Debt

The month started on a positive note for the gilt market. The auction scheduled for the month was cancelled on account of a surplus of Rs. 24,000 crores that the government had with RBI. The benchmark 10-year government security yield dropped from 7.15% to 6.85%. The market undertone continued to be bullish and the 10-year yield further dipped to 6.50%, in spite of the advance tax outflows. The key drivers were benign global oil prices, which dropped to USD 41.50 per barrel, low inflation rates at 6.50% and adequate liquidity. The overnight rates were around 6% due to tight liquidity conditions early in the month but eased in the last week as liquidity improved because the special deposit scheme interest of Rs.9650 crores came back into the system.

FII inflows of over USD 1.5 billion forced the RBI to intervene in the forex market and this was instrumental in improving the gilt market sentiment.

In the new year, the announcement of a gilt auction of Rs. 7000 crores in January, dampened market sentiments and the 10-year yield moved back to 6.71%. However with inflation expected to further ease and liquidity remaining good in spite of the government borrowing program, yields can be expected to be steady. The US Federal Reserves' talk of a further rise in US rates could have marginally negative impact on the markets. Debt market yield are expected to be range bound in January.

Scheme Features

	Cholamandalam Growth Fund	Chola Midcap Fund	Chola Opportunities Fund	Chola Triple Ace-Regular	Chola Triple Ace - Institutional
NAV as on December 31, 2004 (In Rs.)*					
Dividend Option#		12.80#			
Weekly Dividend Option	NA	NA	NA	NA	NA
Monthly Dividend Option	NA	NA	NA	NA	NA
Quarterly Dividend Option	12.26	NA	9.48	10.6576	NA
Semi Annual Dividend Option	NA	NA	NA	10.9515	NA
Cumulative Option	16.37	13.90	14.58	22.6308	NA
Bonus Option	NA	NA	NA	12.5751	-
Fund Information					
Type of Fund	Open-Ended Growth Scheme	Open-Ended Equity Scheme	Open-Ended Growth Fund	Open-Ended Pure Income Fund	Open-Ended Pure Income Fund
Inception	17-Sep-01	9-Aug-04	27-Nov-97	31-Mar-97	10-Apr-03
Fund Manager	Tridib Pathak	Tridib Pathak	Pradeep Kumar	Ashish Nigam	Ashish Nigam
NAV Calculation	On All Business Days	On All Business Days	On All Business Days	On All Business Days	On All Business Days
Purchase/Redemption	On All Business Days	On All Business Days	On All Business Days	On All Business Days	On All Business Days
Dividend Distribution	Quarterly		Quarterly	Quarterly / Semi Annual	Quarterly / Semi Annual
Account Statement	In 3 Working Days	In 3 Working Days	In 3 Working Days	In 3 Working Days	In 3 Working Days
Minimum Investment for new / Existing Investors (In Rs.)	5000/1000	5000/1000	3000/1000	2000/1000	100,00,00/100,000
Load Structure					
Entry Load	<= 1 Cr : 2.25% >1 Cr : Nil	<= 1 Cr : 2.25% >1 Cr : Nil	<= 10 Lacs : 2.25% >10 Lacs: Nil	Nil	Nil
Exit Load / CDSC	Nil	Nil	Nil	For Investments <= 10 Lacs: 0.5% if Redeemed within 6 Months	Nil
				For Investments > 10 Lacs :Nil	
Cut Off Time					
Purchase	3 p.m.	3 p.m.	3 p.m.	3 p.m.	3 p.m.
Redemption	3 p.m.	3 p.m.	3 p.m.	3 p.m.	3 p.m.
Benchmark	BSE Sensex	CNX Midcap 200	BSE Sensex	CRISIL Composite Bond Fund Index	CRISIL Composite Bond Fund Index

Declared as and when decided by the Trustees

Scheme Features

Chola Freedom Income-Short Term Fund - Regular	Chola Freedom Income-Short Term Fund Institutional	Chola Liquid-Regular*	Chola Liquid Institutional Plus*	Chola Floating Rate	Chola GILT Investment	Chola MIP	Chola Income Plus
				10.1011#			
NA	NA	11.5187	11.5267	NA	NA	NA	NA
10.1013	NA	NA	NA	NA	NA	10.2887	NA
NA	NA	NA	NA		10.0064	10.3471	10.1784
10.4170	-	NA	NA		NA	NA	NA
10.5088	10.5901	13.2213	13.2934	10.1811	17.9267	11.5523	10.3397
NA	NA	NA	NA	NA	NA	11.5523	NA
Open-Ended Income Fund	Open-Ended Income Fund	Open-Ended High Liquidity Income Scheme	Open-Ended High Liquidity Income Scheme	Open-Ended Income Fund	Open-Ended Dedicated Gilts Schemes	Open-Ended Income Scheme with no assured returns	Open-Ended Income Scheme
27-Nov-97	10-Apr-03	4-Oct-00	10-Apr-03	25-Aug-04	29-Mar-00	31-Jul-98	9-Aug-04
Ashish Nigam	Ashish Nigam	Ashish Nigam	Ashish Nigam	Ashish Nigam	Ashish Nigam	Ashish Nigam/ Pradeep Kumar	Ashish Nigam/ Pradeep Kumar
On All Business Days	On All Business Days	Daily	Daily	On All Business Days	On All Business Days	On All Business Days	On All Business Days
On All Business Days	On All Business Days	On All Business Days	On All Business Days	On All Business Days	On All Business Days	On All Business Days	On All Business Days
Monthly / Semi Annual	Monthly / Semi Annual	Weekly	Weekly		Quarterly	Monthly/Quarterly	Quarterly
In 3 Working Days	In 3 Working Days	In 3 Working Days	In 3 Working Days	In 3 Working Days	In 3 Working Days	In 3 Working Days	In 3 Working Days
3000/1000	100,00,00/ 100,000	10000/5000	100,00,00/ 100,000	25000/1000	10000/1000	5000/1000 (Cum.) 10000/1000 (Div.)	5000/1000 (Cum.) 10000/1000 (Div.)
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nil	Nil	Nil	Nil	Nil	Nil	For Investments <= 10 Lacs: 0.5% if Redeemed within 6 Months	For Investments <= 25 Lacs: 0.5% if Redeemed within 6 Months
						For Investments > 10 Lacs :Nil	For Investments >25 Lacs :Nil
3 p.m	3 p.m	1.00 pm	1.00 pm	3 p.m	3 p.m.	3 p.m.	3 p.m.
3 p.m	3 p.m	10.00 am	10.00 am	3 p.m	3 p.m.	3 p.m.	3 p.m.
CRISIL Short Term Fund Index	CRISIL Short Term Fund Index	CRISIL Liquid Fund Index	CRISIL Liquid Fund Index	CRISIL Liquid Fund Index	ISEC - Li - BEX	CRISIL Blended MIP Index	CRISIL Blended MIP Index

Declared as and when decided by the Trustees.

Cholamandalam Growth Fund

CGGF

(Open-Ended Growth Scheme)

Fund Size of Rs. 54.48 crores as of December 31, 2004

Portfolio

Scrip	% of Portfolio
ACC Ltd	8.48%
Hindalco Industries Ltd	7.39%
ICICI Bank Ltd	6.33%
ONGC	6.17%
IDBI	5.87%
Maruti Udyog Ltd	5.50%
Satyam Computer Services Ltd.	5.34%
Dabur India Ltd.	4.69%
Nicholas Piramal India Ltd.	4.55%
Gujarat Ambuja Cements Ltd	4.47%
Pantaloon Retail (India) Ltd.	4.39%
Corporation Bank	4.29%
Chennai Petroleum Corporation Ltd.	4.06%
BHEL	4.04%
Hexaware Technologies Ltd	3.87%
Ultratech Cement Company Ltd	3.81%
Infosys Technologies Ltd	3.64%
MTNL	3.13%
Birla Corporation Ltd.	2.38%
Micro Inks Ltd	1.99%
Cash	5.61%

Performance

	CGF	BSE Sensex
3 Months (92 Days)#	19.14%	18.25%
6 Months (184 Days)#	43.98%	37.69%
1 Year\$	27.20%	13.08%
3 Years\$	45.41%	26.55%
Since Inception\$*	44.60%	30.21%

Absolute Returns

\$ Compounded Annualised Returns

* Returns from allotment date of 5-10-2001.

Past performance may or may not be sustained in future.

Investment Objective

The Scheme primarily seeks to generate long-term capital appreciation income through investments in equity and equity related instruments; the secondary objective is to generate some current income and distribute dividend.

Dividend History

Regular Plan

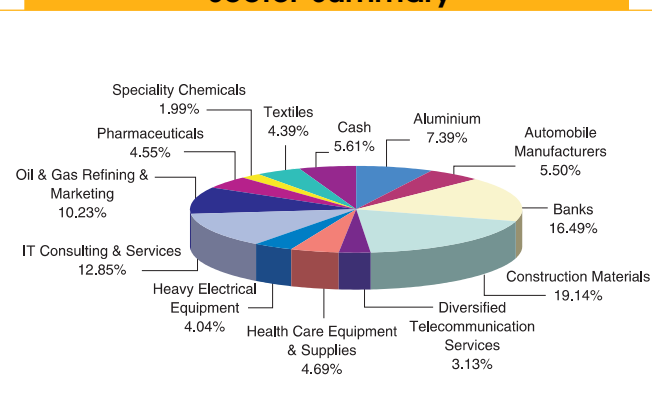
Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
26-Mar-02	20	2.00	Rs. 12.36
30-Jun-03	20	2.00	Rs. 12.24
29-Sept-03	20	2.00	Rs. 13.76
29-Dec-03	30	3.00	Rs. 15.42
28-Jan-04	10*	1.00	Rs. 12.64
29-Mar-04	10	1.00	Rs. 11.71
10-Dec-04	10	1.00	Rs. 12.42

Past performance may or may not be sustained in future.

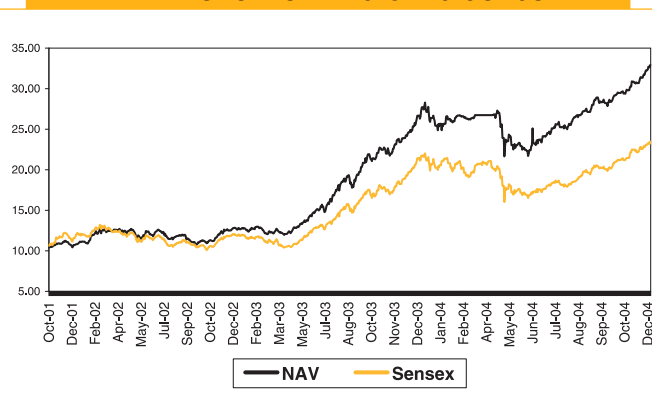
The face value of the units is Rs. 10/-

* Interim Dividend

Sector Summary



NAV Movement vis-à-vis Sensex



Cumulative Bonus NAV taken from 5th March, 2004 - Bonus declared at the rate 1:1.

Chola Midcap Fund

CMF

(Open-Ended Equity Fund)

Fund Size of Rs. 44.09 crores as of December 31, 2004

Portfolio

Pantaloon Retail (India) Ltd.	6.13%
Jain Irrigation Systems Ltd.	4.77%
Birla Corporation Ltd.	4.36%
Nicholas Piramal India Ltd.	4.24%
Alfa Laval (India) Ltd.	4.18%
Tata Metaliks Ltd.	4.13%
Shree Cement Ltd.	3.86%
Dabur India Ltd.	3.86%
Chennai Petroleum Corporation Ltd.	3.80%
Motherson Sumi Systems Ltd.	3.45%
Welspun India Ltd.	3.32%
Mphasis BFL	3.17%
LIC Housing Finance Ltd	3.14%
Ballarpur Industries Ltd.	3.09%
Sona Koyo Steering Systems Ltd.	3.07%
Hexaware Technologies Ltd	3.00%
Micro Inks Ltd	2.96%
Polyplex Corporation Ltd.	2.85%
Voltas Ltd.	2.82%
Geometric Software Solutions Ltd.	2.62%
Gammon India Ltd.	2.38%
Aventis Pharma Ltd.	2.22%
Blue Dart Express Ltd.	2.21%
Motor Industries Company Ltd	2.21%
Ipcsa Laboratories Ltd.	2.07%
Geodesic Information System Ltd	2.02%
Bajaj Hindusthan Ltd.	1.95%
Cummins India Ltd.	1.43%
Vimta Labs Ltd	1.15%
Finolex Industries Ltd.	1.12%
Indoco Remedies Ltd	0.45%
Cash	7.97%

Investment Objective

The objective of the scheme is to generate capital appreciation by investing primarily in midcap stocks. The scheme will invest primarily in companies that have a market capitalization between Rs. 300 Crore to Rs. 3000 Crore.

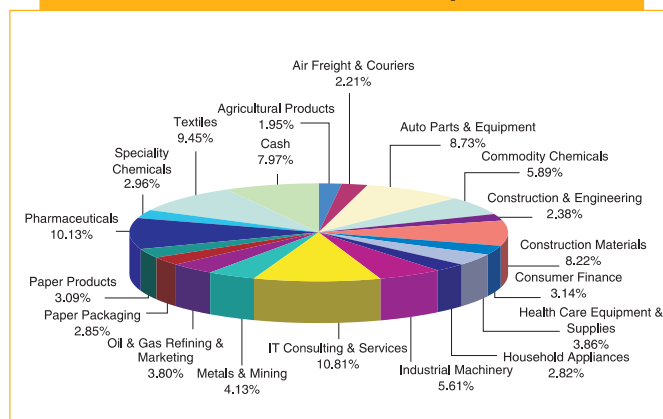
Dividend History

Regular Plan

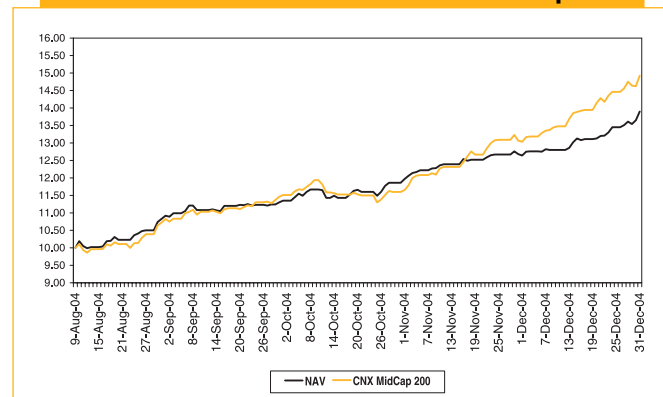
Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
24-Nov-04	10	1.00	Rs. 12.67

Past performance may or may not be sustained in future.
The face value of the units is Rs. 10/-

Sector Summary



NAV Movement vis-à-vis CNX MidCap 200



Performance

	CMF	CNX Midcap 200
31 Days (1 Month)#	9.62%	14.24%
92 days (3 months)#	23.01%	30.22%
Since Inception# (09/08/04)	39.00%	49.26%

Absolute Returns

Scheme "Chola Midcap Fund (CMF)" was reopened on 9th Aug 04.
Past performance may or may not be sustained in future.

Chola Opportunities Fund

COF

(Open-Ended Growth Fund)

Fund Size of Rs. 7.49 crores as of December 31, 2004

Portfolio

Tata Consultancy Services Ltd	6.78%
Hindalco Industries Ltd	6.29%
Patni Computers Systems Ltd	6.15%
Infosys Technologies Ltd	5.58%
Satyam Computer Services Ltd.	4.93%
Polyplex Corporation Ltd.	4.90%
Geodesic Information System Ltd	4.33%
Voltas Ltd.	4.24%
Alok Industries Ltd	4.08%
Geometric Software Solutions Ltd.	3.86%
Ipca Laboratories Ltd.	3.85%
Amtek Auto Ltd.	3.80%
Mphasis BFL	3.72%
Alfa Laval (India) Ltd.	3.52%
Welspun India Ltd.	3.49%
Motor Industries Company Ltd	3.32%
Hexaware Technologies Ltd	3.21%
Sundaram-Clayton Ltd.	3.09%
Moser Baer Ltd	3.09%
Vimta Labs Ltd	2.67%
Micro Inks Ltd	2.55%
Visual Soft Technology Ltd	2.06%
Cash	10.49%

Investment Objective

The Scheme will invest mainly to generate long term capital appreciation from a diversified portfolio of equity and equity related securities.

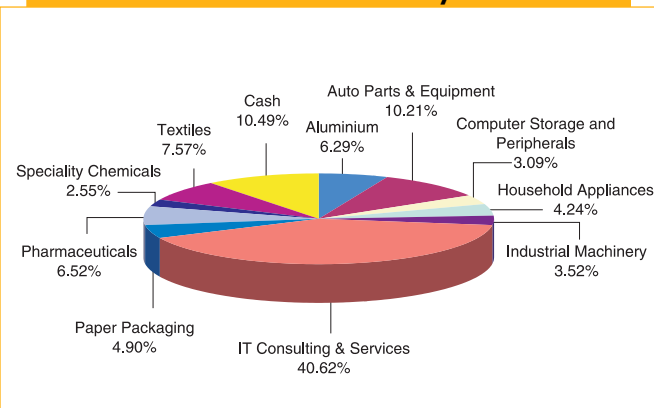
Dividend History

Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
31-Mar-99	10	1.00	Rs. 12.43
30-Sep-99	15	1.50	Rs. 12.46
24-Mar-00	40	4.00	Rs. 17.23

Past performance may or may not be sustained in future. The face value of the units is Rs. 10/-

Sector Summary



Performance

	COF	BSE Sensex
92 days (3 months)#	22.01%	18.25%
184 days (6 months)#	46.68%	37.69%
1 Year\$	17.39%	13.08%
Since Inception\$	26.27%	23.17%

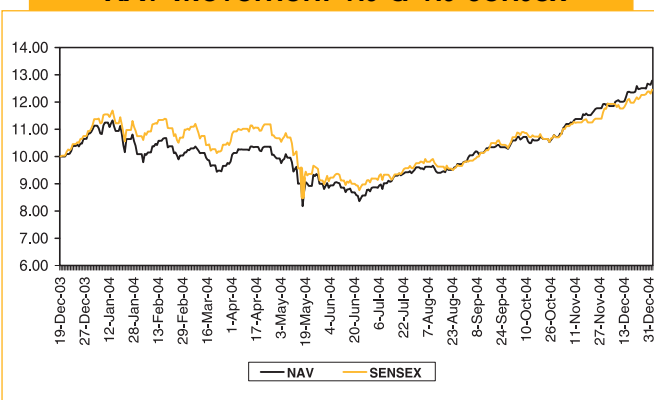
** Scheme was renamed as **Chola Opportunities Fund** on December 11, 2003. Due to change in the investment objectives, the returns for 3 and 5 years is not given.

Absolute Returns

\$ Compounded Annualised Returns

Past performance may or may not be sustained in future.

NAV Movement vis-à-vis Sensex



Chola Triple Ace



CTA

(Open-Ended Pure Income Fund)

Fund Size of Rs. 36.00 crores as of December 31, 2004

Portfolio

Scrip	Coupon	Weight	Rating
Corporate Debt			
Associates India Finance Ltd	7.80%	11.32%	AAA
Citibank Ltd	13.00%	9.12%	AAA
Fleet Trust April 2003 Series A2		2.05%	AAA
Fleet Trust April 2005 Series A1		2.55%	AAA
Fleet Trust May III 2003 Series A2		3.64%	AAA
GE Capital Services Ltd	9.50%	5.83%	AAA
HDFC Ltd		5.61%	AAA
PSU/PFI Debt			
Hindalco Industries Ltd	9.75%	11.64%	AAA
ICICI Ltd	10.25%	5.83%	AAA
IDBI Ltd	11.00%	1.28%	AA+
IDBI Ltd		11.11%	AA+
IRFC Ltd	9.25%	2.89%	AAA
Power Finance Corporation Ltd	9.25%	7.51%	AAA
Sovereign			
364 Days T Bill		13.61%	Sovereign
Call/Repo Deposit/NCA			
		6.01%	

Investment Objective

The Scheme seeks to provide regular and stable income to Unitholders.

Dividend History

Regular Plan			
Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
27-Jun-03	2.5	0.25	Rs. 11.1786
29-Sep-03	2.5	0.25	Rs. 11.2634
29-Sep-03	75.0#	7.50	Rs. 22.3847
29-Dec-03	2.5	0.25	Rs. 11.1326
29-Mar-04	0.80	0.08	Rs. 10.9147
29-Mar-04 ^	27.5#	2.75	Rs. 14.2224
29-Mar-04 ^ ^	30.0#	3.00	Rs. 14.3695
27-Sep-04 ^	0.6620*	0.0662	Rs. 10.7427
27-Sep-04 ^	0.7080\$	0.0708	Rs. 10.7427
27-Sep-04 ^ ^	0.8270*	0.0827	Rs. 10.7853
27-Sep-04 ^ ^	0.8840\$	0.0884	Rs. 10.7853
27-Sep-04•	0.6620*	0.0662	Rs. 11.0367
27-Sep-04•	0.7080\$	0.0708	Rs. 11.0367

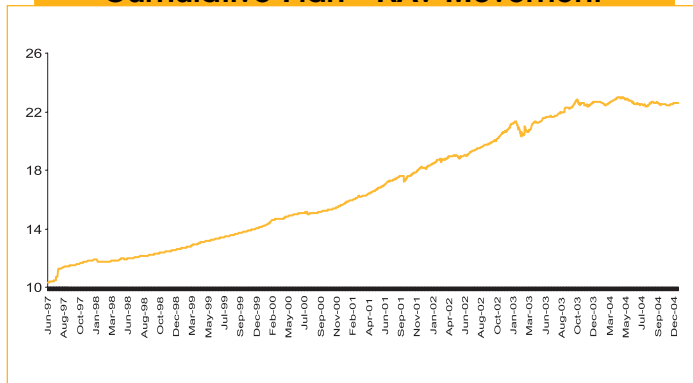
Semi Annual Dividend option was carved out of the Cumulative Plan in Sept' 03

* Corporate \$ Individual ^ CTA Regular ^ ^ CTA Institutional

• CTA Semi Annual Dividend

Past performance may or may not be sustained in the future. The face value of the units is Rs. 10/-

Cumulative Plan - NAV Movement



Performance

	CTA- Regular Cumulative	CRISIL Composite Bond Index
3 Months (92 Days)#	0.11%	0.59%
6 Months (184 Days)#	0.56%	0.29%
1 Year\$	-0.21%	-0.33%
3 Years\$	7.53%	NA\$
5 Years\$	9.89%	NA\$
Since Inception\$	11.13%	NA\$

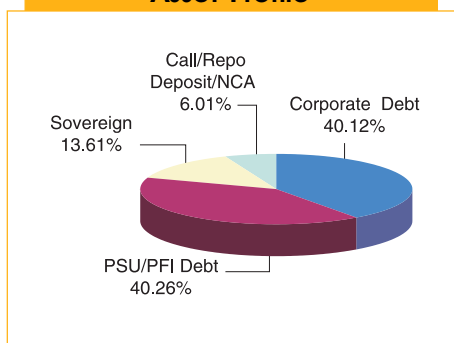
Absolute Returns \$ Compounded Annualised Returns

NA\$ Data not available NA - Not Applicable

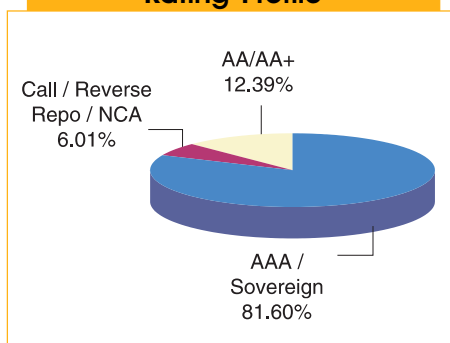
Past performance may or may not be sustained in future. The distribution tax has been included in the calculations of returns.

Avg Maturity	YTM
1.21 Years	6.32%

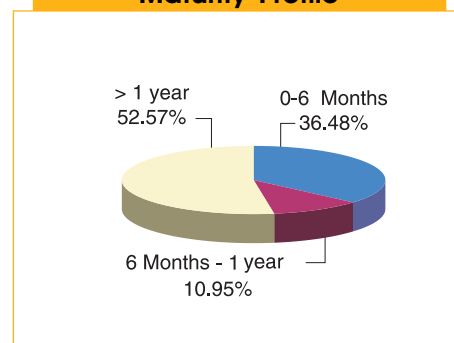
Asset Profile



Rating Profile



Maturity Profile



Chola Freedom Income - Short Term Fund

AAA^F
rated by
CRISIL

CFI-STF

(An Open-Ended Income Fund)

Fund Size of Rs. 103.33 crores as of December 31, 2004

Portfolio

Instrument	Weight	Yield	Rating
Corporate Debt			
Citibank Ltd	13.00%	2.12%	AAA
Citicorp Finance Ltd	7.75%	4.90%	AAA
Fleet Trust April 2003 Series A2		2.15%	AAA
Fleet Trust May III 2003 Series A2		1.27%	AAA
Citifinancial Retail Services India Ltd		4.89%	AAA
Citi Financial Ltd	6.13%	8.74%	AAA
GE Capital Services India Ltd	9.20%	4.89%	AAA
GE Shipping Ltd	10.25%	0.49%	AAA
Kotak Mahindra Primus Ltd	6.25%	4.84%	AAA
PSU/PFI Debt			
ICICI Bank Ltd	14.25%	5.09%	AAA
IDBI Ltd	11.00%	4.52%	AA+
IDBI Ltd	12.25%	0.97%	AA+
IDBI Ltd	12.75%	1.05%	AA+
IDBI Ltd	14.00%	5.12%	AA+
IDBI Ltd		0.10%	AA+
IRFC Ltd	7.65%	1.89%	AAA
Nat Aluminium Co. Ltd.	14.50%	0.35%	AAA
NTPC-PTC Series XII		9.10%	AAA
Power Finance Corporation Ltd	9.25%	5.76%	AAA
Sovereign			
CG - 2010	7.55%	15.20%	Sov
364 Days T Bill		7.59%	Sov
Other Deposits			
		4.84%	
Call/Repo Deposit/NCA			
		4.13%	

Investment Objective

To generate regular and stable income for the unitholders. The scheme will not invest in equities or equity related instruments.

Dividend History

Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
26-July-04 ^ ^	0.4960#*	0.0496*	Rs.10.0931
26-July-04 ^ ^	0.5310#\$	0.0531\$	Rs.10.0931
25-Aug-04 ^	0.298#*	0.0298*	Rs.10.0718
25-Aug-04 ^	0.318#\$	0.0318\$	Rs.10.0718
25-Aug-04 ^ ^	0.347#*	0.0347*	Rs.10.0750
25-Aug-04 ^ ^	0.371#\$	0.0371\$	Rs.10.0750
27-Sep-04 ^	0.2480*	0.0248	Rs.10.0769
27-Sep-04 ^	0.2650\$	0.0265	Rs.10.0769
27-Sep-04 ^ ^	0.2980*	0.0298	Rs.10.0781
27-Sep-04 ^ ^	0.3180\$	0.0318	Rs.10.0781
27-Sep-04•	0.8270*	0.0827	Rs.10.4326
27-Sep-04•	0.8840\$	0.0884	Rs.10.4326
25-Oct-04 ^	0.2270*	0.0227	Rs.10.0676
25-Oct-04 ^	0.2430\$	0.0243	Rs.10.0676
25-Oct-04 ^ ^	0.2270*	0.0227	Rs.10.0663
25-Oct-04 ^ ^	0.2430\$	0.0243	Rs.10.0663

* Corporate \$ Individual

• Semi Annual Dividend Plan # Monthly Dividend

^ CFI-STF Regular

^ ^ CFI-STF Institutional

Past performance may or may not be sustained in the future. The face value of the units is Rs. 10/-

Performance

	CFI-STF	CFI-STF- Institutional	CRISIL Short Term Fund Index
1 Month (31Days)#	0.43%	0.46%	0.54%
3 Months (92 Days)#	0.81%	0.92%	0.87%
6 Months (184 Days)#	1.93%	2.16%	1.52%
1 Year\$	3.80%	4.26%	2.72%
Since Inception\$	6.21%	5.10%	NA

Scheme was repositioned as **Chola Freedom Income - Short Term Fund from March 08, 2002, hence the returns for 3 and 5 years is not given.

\$ Compounded Annualised Returns-%

Absolute Returns

Past performance may or may not be sustained in future. The distribution tax has been included in the calculations of returns.

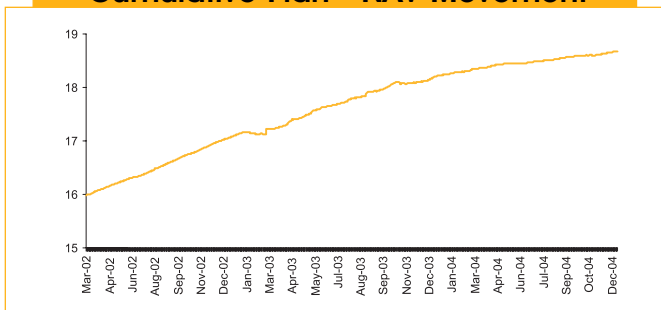
Avg Maturity

0.63 Years

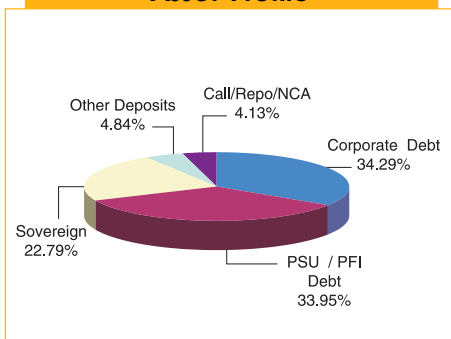
YTM

4.66%

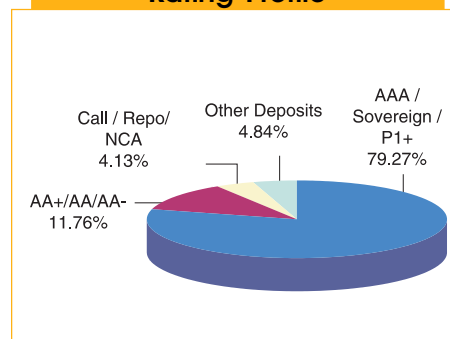
Cumulative Plan - NAV Movement



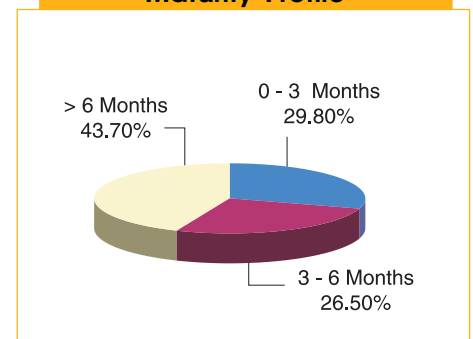
Asset Profile



Rating Profile



Maturity Profile



Chola Liquid Fund



CLF

(An Open-Ended High Liquidity Income Scheme)

Fund Size of Rs. 751.83 crores as of December 31, 2004

Portfolio

Scrip	Coupon	Weight	Rating
Corporate Debt			
Citicorp Maruti Finance Ltd	9.50%	0.27%	AAA
Citi Financial Con Fin (I) Ltd		0.67%	AAA
Citi Financial Consumer Ltd		2.00%	AAA
HDFC Ltd		0.27%	AAA
Retail 2004 Series 1		0.54%	AAA
IDBI Ltd	15.00%	1.34%	AA+
IDBI Ltd		0.93%	AA+
Kotak Mahindra Primus Ltd		2.66%	P1+
L&T Finance Ltd		1.33%	PR1+
M&M Finance Ltd		2.00%	P1+
Rabo India Finance P Ltd		1.33%	P1+
Sterlite Industries India Ltd.		0.53%	P1+
Whirlpool of (I) Ltd		3.33%	P1+
Bajaj Auto Finance Ltd		1.26%	P1+
GE Capital Services India Ltd		1.27%	P1+
GE Capital Services India Ltd		1.90%	P1+
GE Capital Services India Ltd		3.23%	P1+
HDFC Ltd	CP	3.93%	P1+
HDFC Ltd	CP	3.25%	P1+
IL&FS Ltd		1.98%	P1+
IL&FS Ltd	CP	1.30%	P1+
Kotak Mahindra Primus Ltd		2.62%	P1+
Standard Chartered Loans & Invst Ltd		3.27%	P1+
Jammu and Kashmir Bank Ltd		0.66%	P1+
Kotak Mahindra Bank Ltd.		1.95%	P1+
Kotak Mahindra Bank Ltd		1.26%	P1+
UTI Bank Ltd		1.31%	P1+
Development Credit Bank	CD	1.32%	P1+
PSU/PFI Debt			
NABARD	4.80%	0.66%	AAA
Exim Bank Ltd		0.63%	P1+
IDBI Ltd	CP	1.32%	P1+
IDBI Ltd	CP	1.05%	P1+
SIDBI	CP	1.30%	P1+
SIDBI	CP	1.30%	P1+
ICICI Bank Ltd		6.97%	P1+
ICICI Bank Ltd		1.26%	P1+
Other Deposits			
Net Current Assets		5.53%	
Call/Repo Deposit/TBill		26.95%	

Investment Objective

The Scheme seeks to generate reasonable returns while maintaining safety and providing the investor superior liquidity.

Performance

	CLF-Cum	CLF-Cum Institutional Plus	CRISIL Liquid Fund Index
7 Days#	0.1030%	0.1032%	0.08%
15 Days#	0.2213%	0.2217%	0.18%
1 Month (31 Days)#	0.45%	0.45%	0.40%
3 Months (92 Days)#	1.25%	1.26%	1.08%
6 Months (184 Days)#	2.32%	2.42%	2.01%
1 Year\$	4.52%	4.79%	4.03%
3 Years\$	5.58%	NA	NA
Since Inception\$	6.82%	5.06%*	NA

Absolute Returns

\$ Compounded Annualised Returns

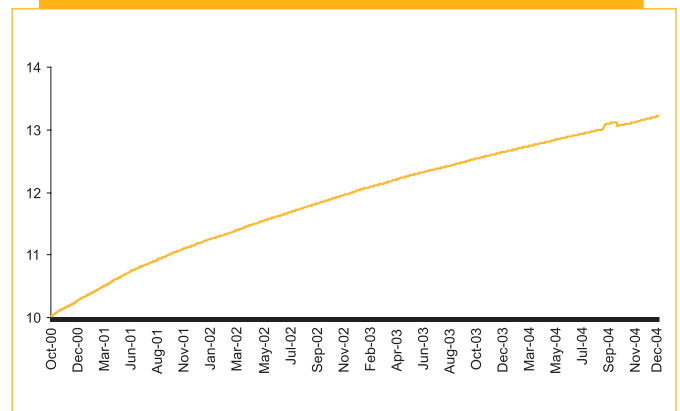
NA\$ Data not available

NA - Not Applicable

* From April 10, 2003

Past performance may or may not be sustained in future. The distribution tax has been included in the calculations of returns.

Cumulative Plan - NAV Movement



Avg Maturity

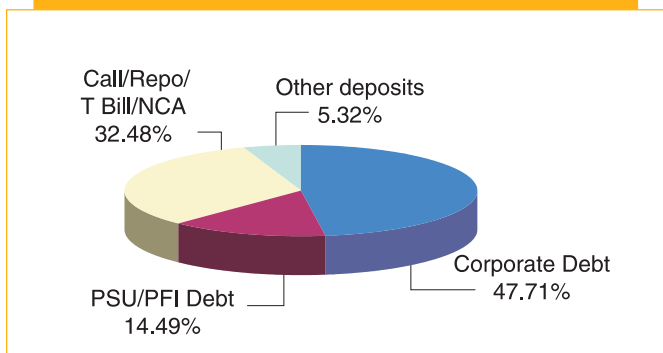
YTM

Chola Liquid Fund-Cumulative

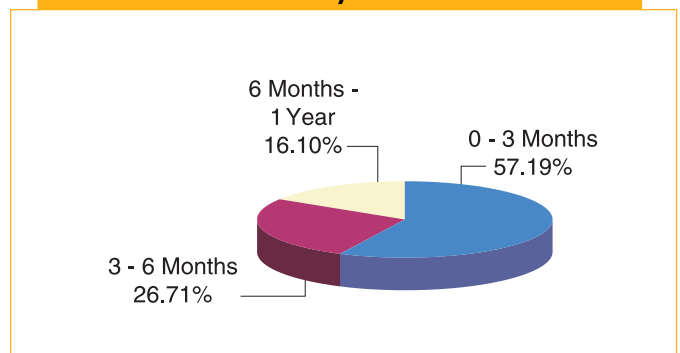
96 Days

5.28%

Asset Profile



Maturity Profile



w.e.f. 12 July, 2004

The portfolio of institutional plus - daily dividend re-investment plan has been merged with Chola Liquid Fund.

Chola Floating Rate Fund

CFRF

(An Open-Ended Income Scheme)

Fund Size of Rs. 37.30 crores as of December 31, 2004

Portfolio

Scrip	Coupon	Weight	Rating
Corporate Debt			
Citi Financial Con Fin (I) Ltd		13.40%	AAA
HDFC Ltd		16.24%	AAA
PSU/PFI Debt			
IDBI Ltd		9.12%	AA +
IDBI Ltd	CP	5.31%	P1 +
Other Deposits			
Call/Repo Deposit/TBill			
		15.72%	

Avg Maturity	YTM
26 Days	5.91%

Investment Objective

The primary objective is to provide income consistent with the prudent risk from a portfolio comprising substantially of floating rate debt instruments, money market instruments and fixed rate debt instruments swapped for floating rate return.

Dividend History

Regular Plan			
Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
27-Dec-04	0.6620*	0.0662	Rs. 10.1750
27-Dec-04	0.7080\$	0.0708	Rs. 10.1750

* Corporate \$ Individual

Past performance may or may not be sustained in the future.
The face value of the units is Rs. 10/-

Performance

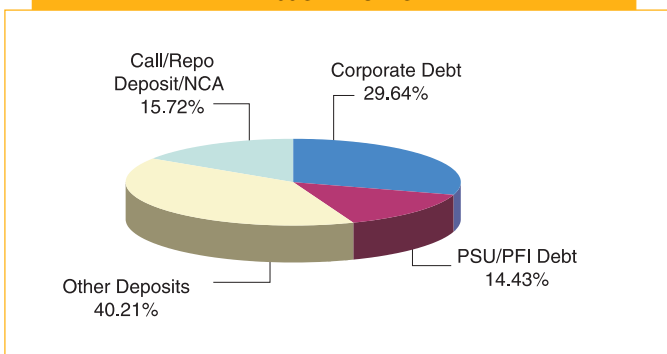
	CFRF	CRISIL Liquid Fund Index
31 days (1 Month)#	0.56%	0.40%
92 Days (3 Months)#	1.34%	1.08%
Since Inception (25/08/04)#	1.81%	1.47%

Absolute Returns

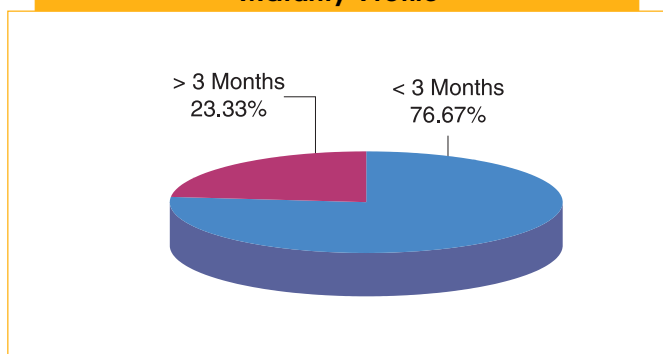
Scheme "Chola Floating Rate Fund (CFRF)" was reopened on 25th Aug '04.

Past performance may or may not be sustained in the future.
The distribution tax has been included in the calculations of returns.

Asset Profile



Maturity Profile



Chola GILT Investment Plan

CGIP

(An Open-Ended Dedicated Gilts (Govt. Securities) Scheme)

Fund Size of Rs. 7.30 crores as of December 31, 2004

Portfolio

Scrip	Coupon	Weight	Rating
CG - 2015	7.38%	75.34%	Sovereign
364 Days Tbill		15.56%	Sovereign
Net Current Assets		1.12%	
Call/Repo Deposit/TBill		7.98%	

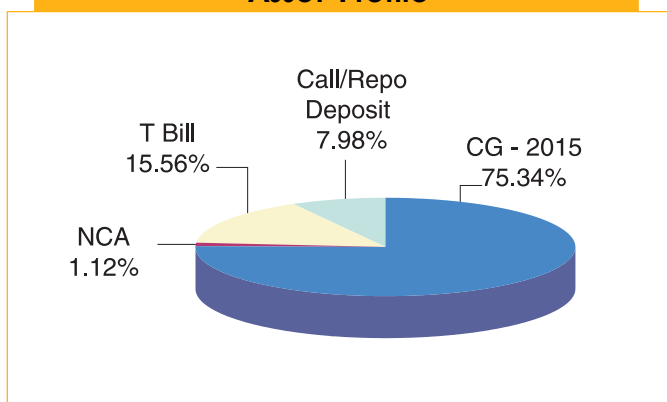
Investment Objective

The Scheme seeks to generate returns from a portfolio from investment in Government Securities.

Dividend History

Regular Plan			
Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
25-Jun-01	3.50	0.35	Rs.10.57
25-Sep-01	5.00	0.50	Rs.10.72
26-Dec-01	5.00	0.50	Rs.10.70
26-Mar-02	5.00	0.50	Rs.10.83
25-Jun-02	2.00	0.20	Rs.10.23
25-Sept-02	3.00	0.30	Rs.10.5246
26-Dec-02	5.00	0.50	Rs.10.8981
25-Mar-03	2.50	0.25	Rs.10.3451
25-Jun-03	5.00	0.50	Rs.10.6581
25-Sept-03	3.00	0.30	Rs.10.5004
26-Dec-03	4.00	0.40	Rs.10.7098
25-Mar-04	2.0	0.20	Rs.10.3755
27-Sep-04	0.8270*	0.0827	Rs.10.2309
27-Sep-04	0.8840\$	0.0884	Rs.10.2309
PF Plan			
Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
30-Mar-04	10	0.10	Rs. 10.1314

Asset Profile



* Corporate \$ Individual

Past performance may or may not be sustained in future.
The face value of the units is Rs. 10/-

Avg Maturity	Duration	YTM
8.87 Years	6.27	6.68%

Performance

	CGI	I-Sec LI-BEX
1 Year\$	0.98%	-2.16%
2 Years\$	7.02%	5.17%
3 Years\$	10.73%	NA\$
Since Inception\$	13.08%	NA\$

NA\$ Data not available NA - Not Applicable

\$ Compounded Annualised Returns - %

Past performance may or may not be sustained in the future.

The distribution tax has been included in the calculations of returns.

Chola Monthly Income Plan

CMIP

(An Open-Ended Income Scheme With No Assured Returns)

Fund Size of Rs. 14.96 crores as of December 31, 2004

Portfolio

Scrip	Coupon	Weight	Rating
Corporate Debt			
Fleet Trust April 2003 Series A2		4.94%	AAA
Citi Financial Ltd	6.13%	6.70%	AAA
GE Shipping Ltd	10.25%	3.39%	AAA
PSU/PFI Debt			
Hindalco Industries Ltd	9.75%	7.00%	AAA
IDBI Ltd		3.34%	AA+
IRFC Ltd	7.65%	0.69%	AAA
NTPC-PTC Series XII		15.71%	AAA
Power Finance Corporation Ltd	9.25%	14.46%	AAA
Equity			
Associated Cement Companies Ltd.		2.58%	
Hindalco Industries Ltd.		2.86%	
Mahanagar Telephone Nigam Ltd.		2.07%	
Patni Computers Systems Ltd		2.18%	
Satyam Computer Services Ltd.		2.05%	
Ultratech Cement Company Ltd		1.82%	
Call/Repo Deposit/TBill		30.21%	

Investment Objective

The Scheme seeks to generate monthly income through investment in a range of Debt, Equity and Money Market instruments.

Dividend History

Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
27-Sep-04	0.5790*	0.0579	Rs.10.1606
27-Sep-04	0.6190\$	0.0619	Rs.10.1606
27-Sep-04	1.7370*#	0.1737	Rs.10.3535
27-Sep-04	1.8570\$#	0.1857	Rs.10.3535
25-Oct-04	0.5790*	0.0579	Rs.10.1632
25-Oct-04	0.6190\$	0.0619	Rs.10.1632
25-Nov-04	0.5790*	0.0579	Rs. 10.1894
25-Nov-04	0.6190\$	0.0619	Rs. 10.1894
27-Dec-04	0.5790*	0.0579	Rs. 10.3179
27-Dec-04	0.6190\$	0.0619	Rs. 10.3179
27-Dec-04	1.7370*#	0.1737	Rs.10.5158
27-Dec-04	1.8570\$#	0.1857	Rs. 10.5158

* Corporate \$ Individual

Past performance may or may not be sustained in the future.

The face value of the units is Rs. 10/- # Quarterly Dividend

Performance

	CMIP	CRISIL Blended MIP Index
1 Month (31 Days)#	1.66%	2.00%
3 Months (92 Days)#	3.90%	2.95%
6 Months (184 days)#	7.43%	4.98%
1 Year\$	6.60%	2.03%
Since Inception\$*	10.71%	8.66%

Absolute Returns \$ Compounded annualised returns

* Converted from close ended to open-ended w.e.f. July 31, 2003 and renamed as Chola Monthly Income Plan. Hence the returns of 3 & 5 years are not given.

Past performance may or may not be sustained in the future.

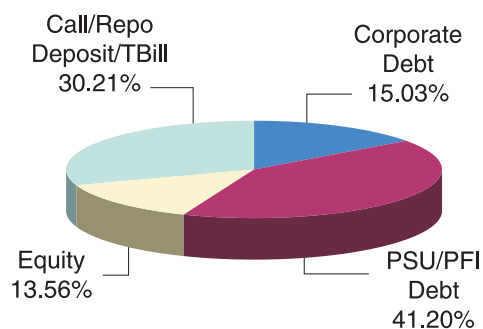
The distribution tax has been included in the calculations of returns.

Avg Maturity

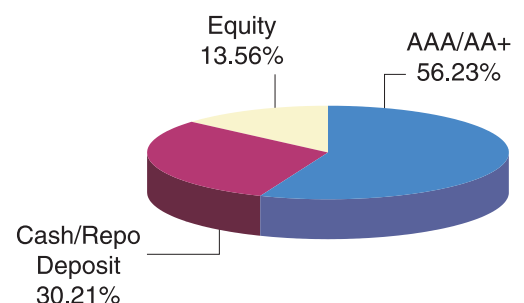
YTM

1.52 years 4.80%

Asset Profile



Rating Profile



Chola Income Plus

CIP

(An Open-Ended Income Scheme)

Fund Size of Rs. 3.56 crores as of December 31, 2004

Portfolio

Scrip	Coupon	Weight	Rating
Corporate Debt			
Associates India Finance Ltd	7.80%	28.65%	AAA
GE Shipping Ltd	10.25%	29.29%	AAA
Sovereign			
364 Days T Bill		27.56%	P1 +
Equity			
ACC Ltd.		1.33%	
Hindalco Industries Ltd.		1.20%	
Mahanagar Telephone Nigam Ltd.		1.09%	
Oil & Natural Gas Corporation Ltd		1.38%	
Ultratech Cement Company Ltd		0.96%	
Call/Repo Deposit			
		8.54%	

Investment Objective

The objective of the scheme is to predominately invest in a range of debt and money market instruments with a modest exposure to equity and equity related instruments.

Dividend History

Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
29-Sep-04	0.6620*	0.0662	Rs.10.1520
29-Sep-04	0.7080\$	0.0708	Rs.10.1520
27-Dec-04	0.6620*	0.0662	Rs. 10.2358
27-Dec-04	0.7080\$	0.0708	Rs. 10.2358

* Corporate \$ Individual

Past performance may or may not be sustained in the future.

The face value of the units is Rs. 10/-

Performance

	CIP	CRISIL Blended MIP Index
31 Days (1 Month)#	0.88%	2.00%
92 Days (3 Months)#	1.74%	2.95%
Since Inception (09/08/04)#	3.40%	4.81%

Absolute Returns

Scheme "Chola Income Plus (CIP)" was reopened on 9th Aug 04.

Past performance may or may not be sustained in the future.

The distribution tax has been included in the calculations of returns.

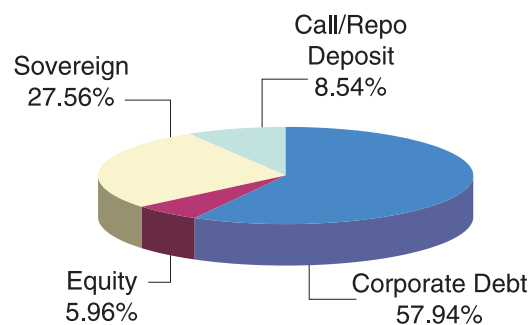
Avg Maturity

0.74 Years

YTM

5.03%

Asset Profile



New Initiatives.....

Systematic Investment Plan

Chola MF introduces **Systematic Investment Plan** across all its Debt and Equity products. An investor can start with an investment of as low as Rs. 500/-.

You can also opt for Auto debit facility across banks through ECS (in select cities) and do away with the hassle of giving post-dated cheques.

Options : Monthly/Quarterly

Applicable Load

Entry Load : Nil

Exit Load : 2.25 % (if redeemed within 365 days)

Introduction of Systematic Transfer Plan (STP):

A Unit holder may choose to transfer investments on periodical basis.

STP is available **from any** of the following schemes

Chola Liquid fund

Chola Freedom Income

Chola Floating Rate

To any of the following schemes

Chola Midcap fund

Cholamandalam Growth fund

Chola Opportunities fund

Chola Income Plus

Chola MIP

Chola Triple Ace

Chola Gilt PF

Options : • Minimum fixed amount transfer - Rs 1000 (Monthly or Quarterly)
• Minimum capital Appreciation - Rs 1000 (Monthly or Quarterly)

Applicable Load

Entry Load : Nil

Exit Load - equity : 2.25% (if redeemed within 1 year)

- CTA, CMIP & CIP: 0.5% (if redeemed within 6 months)
- Gilt PF (if redeemed within 6 months)