

In News

MONTHLY income flows (MIF) predominantly invest in debt instruments, but their small equity market exposure continues to play a key role in their performance. Aggressive MIF funds like those with higher equity exposure benefited from the current rally in the equity markets. For two quarters ending September '04 and December '04, the winners scored 15% and 16% respectively. And MIF funds on an average, gave returns of 2.5% and 3.3%, respectively during the respective quarters. DSP MI Savings Plus was at the top in a risk-adjusted return basis followed by LIC MIF and Chola MIF.

On an absolute return basis, aggressive MIF funds namely HDFC MIF, PT MIF and DSP MI Savings Plus topped the yearly return chart. While HDFC MIF gave an absolute return of 9.1% in the last one year, it was 8.9% and 7.1% for PT India

Hop, skip and jump

After hitting a rough patch in May, MIFs are back in action delivering 3.3% returns this quarter

lesson for the mutual fund investors. One of the key funds don't operate on a similar risk-return scale. While some could be classified as aggressive because of higher equity exposure, others could be known as conservative. Secondly, investors need to choose the appropriate MIF fund, which matches their risk appetite.

On an overall basis, volatility, as measured by standard deviation of monthly returns, fell marginally to 3% levels. This was despite the equity exposure rising from 11% to 14.2% in the December quarter. The equity exposure of MIF funds averaged 14.2% of the portfolio as at the end of August '04. HDFC MIF had the maximum exposure of 21.1% followed by LIC MIF (20.1%) and PT India MIF (19.7%) as at November '04. MIF funds have grown to become an important investment category totaling more than Rs 12,000 crore of assets

Chola MF declares 10% dividend

Mumbai: Chola Mutual Fund has declared a 10% dividend under Chola mid-cap fund, an open-ended equity scheme. Unit holders whose names appear in the register as on January 24, 2005 would be eligible for dividend payout. Chola MF said in a release here on Tuesday. The net asset value of the scheme as on January 5 stood at Rs 13.01 per unit, it added.

Publication : Economics Times
Date : Wednesday, January 19, 2005

CHOLA ASSET MANAGEMENT COMPANY

Protecting investors from fluctuations in market

CHOLA Asset Management Company is part of the Rs52 billion Murugappa group, and is owned by Cholamandalam Investment & Finance Co Ltd.

The AMC manages funds in excess of Rs10 billion across 11 schemes, and has 125,000 investors.

It offers the entire range of cash, debt and equity products. The investment philosophy has been to protect investors from the fluctuations in the debt and equity markets.

In the current year, the AMC introduced several schemes including Chola Floating Rate Fund, Chola Income Plus, Chola Midcap Fund and Chola Multi-Cap Fund.

Chola Floating Rate fund is a fund that invests primarily in floating rate instruments. It is a fund that can protect investors' downside due to interest rate volatility. Chola Income Plus is a hybrid fund that invests 10 per cent of its portfolio in equity and 90 per cent in debt.

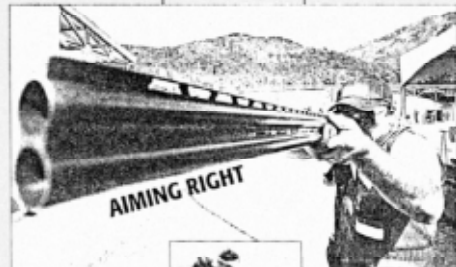
Chola Midcap Fund is a diversified equity fund that invests in mid cap stock — stocks with a market capitalisation of Rs3 billion to Rs30 billion. Chola Multi Cap fund is an equity fund that invests in equity across all market capitalizations. It is a fund that can give investor an



Sashi Krishnan

appropriate blend of large cap, mid cap and small cap stocks. According to Sashi Krishnan, the chief executive, "Our focus is on the retail investor and we believe that we have been able to provide significant value to retail investors. We strongly believe that we have the strengths to deliver sustainable value to retail investor with our investment management skills, especially in equity."

Publication : Khaleej Times (Dubai)
Date : Wednesday, January 26, 2005



AIMING RIGHT

MIF and DSP MI Savings Plus, respectively. On a quarterly basis, HDFC MIF gave the maximum return of 5.1%. Among this category, PT India MIF topped at 4.1% as its return management was concerned with the risk choice.



Interestingly, not so many things were particularly bad for MIF investors in Jan, for the quarter-ended June '04, these

Fund Name	Monthly Return (%)				YTD Return (%)	YTD Std Dev (%)	YTD Beta	YTD Alpha	YTD Correlation
	1M	3M	6M	12M					
DSP Monthly Income Plan	5.1	4.1	3.1	2.1	15.1	3.1	0.1	0.1	0.1
HDFC Monthly Income Plan	5.1	4.1	3.1	2.1	14.1	3.1	0.1	0.1	0.1
PT India Monthly Income Plan	4.1	3.1	2.1	1.1	13.1	3.1	0.1	0.1	0.1
Chola Monthly Income Plan	3.1	2.1	1.1	0.1	12.1	3.1	0.1	0.1	0.1

fund gave negative returns with dividend dipping boosting MIF investors. This happened because of the double whammy of equity markets declining on one side and bond yields peaking on the other. While the lower MIF funds were relatively well placed, the aggressive ones had an option but to skip dividends for May.

In recent times the situation has reversed with aggressive MIF funds leading the returns chart on the back of wind rise in stock prices. Today, one can safely say that stock market movements largely determine their performance. And the proof of that is largely visible in the frequent stock shuffle of the MIF category. This has many a

lowest monthly returns also called maximum loss. On this front, UTI MIS continued to remain at the top clicking the best monthly return of 0.6%, while last year UTI MIS and Prudential MIF underperformed more than three months of negative returns in the last one year. **MURUGAPPA K ETG**

Equity mutual funds were on top of the world, riding on the back of rising markets during the quarter ended December. Leading the pack were mid-cap funds, which also garnered large inflows from investors

Schemes For A DREAM

Scheme Name	Scheme Details				YTD Return (%)	YTD Std Dev (%)	YTD Beta	YTD Alpha	YTD Correlation
	Assets (Rs Cr)	Assets (Rs Cr)	Assets (Rs Cr)	Assets (Rs Cr)					
Chola Midcap Fund	100	100	100	100	10.1	3.1	0.1	0.1	0.1
Chola Multi Cap Fund	100	100	100	100	11.1	3.1	0.1	0.1	0.1
Chola Income Plus	100	100	100	100	12.1	3.1	0.1	0.1	0.1
Chola Floating Rate Fund	100	100	100	100	13.1	3.1	0.1	0.1	0.1



PACKS A PUNCH

The mutual fund industry has been a hot topic in the market, with investors looking for ways to protect their investments from market fluctuations. The Chola Mutual Fund has been a leading player in this space, offering a range of investment options that cater to different risk profiles. The fund's performance has been impressive, particularly in the equity market, where it has managed to deliver consistent returns over the long term. This is a testament to the fund's investment strategy and the expertise of its management team. Investors looking for a reliable and long-term investment option should consider the Chola Mutual Fund as a top choice.

aggressive schemes for quite some time but dipped during the equity and open in the mid-2000s. While the fund has managed to deliver a 20% absolute return over a three-year period, it has also experienced a 10% decline in the last 12 months. This, along with a rise in the equity market, has led to a significant increase in the fund's assets. The fund's performance has been a mix of highs and lows, reflecting the volatility of the equity market. However, the fund's long-term track record remains strong, and it continues to attract new investors.

DEALING WITH THE RISK

Investors are increasingly aware of the risks associated with equity investments, particularly in the current market environment. The Chola Mutual Fund has been proactive in addressing these concerns, offering a range of risk management tools and strategies. The fund's management team has implemented a robust risk management framework, which includes regular portfolio reviews and the use of derivatives to hedge against market volatility. This approach has helped the fund maintain a stable performance over the long term, even in the face of market downturns. Investors looking for a way to manage their risk while still participating in the equity market should consider the Chola Mutual Fund as a viable option.

Publication : The Economics Times
Date : Thursday, January 13, 2005

Publication : The Economics Times
Date : Thursday, January 13, 2005

From the Desk of the Chief Executive

Sashi Krishnan



The reform process is gathering momentum. The government has announced a number of policy initiatives that are extremely positive for the long term growth of the economy and the capital markets.

On the tax reform front, there is finally light at the end of tunnel as far as the introduction of the Value Added Tax (VAT) is concerned. Most states will implement VAT from April 1st 2005. This will lead to increased transparency, lower prices, a more rational tax burden and most importantly, increased tax revenues in future. India today has one of the lowest tax to GDP ratios of about 16%, which should improve post introduction of VAT.

The government has directed non government provident funds to invest 5% of their incremental inflows into equity schemes and has also given them the option of investing another 10% of their incremental inflows into equity mutual funds. This should lead to a significant increase in money flows to the equity markets.

The foreign direct investment (FDI) ceiling for telecom service providers has been increased from 49% to 74%. This will enable foreign investors to bring in more money into telecom companies and increase competition as well as lead to consolidation in the industry.

The government has notified the national electricity policy. This policy aims at increasing the availability of power, ensuring the supply of reliable and quality power and also ensuring the commercial viability of the electricity sector.

On the PSU divestment front, the government has indicated that it would go ahead with the disinvestment of Maruti and BHEL at an appropriate time. It has also indicated that it would divest 10% to 15% of its stake in Air India and Indian Airlines in 2006.

This spate of policy initiatives announced by the government has been welcomed by the equity markets. Quarterly corporate results have been as per expectation. Both top line growth and profitability has grown by over 20% in the quarter at an aggregate level. S&P has also upgraded of India's long term foreign currency rating to BB+ with a stable outlook. All this should lead to increased FII and domestic investment in the equity markets over the next few months.

From the Desk of the Chief Investment Officer

Tridib Pathak



Year 2005 has begun on a positive note with rising business and investor confidence. Stock markets are buoyant and fears of large increases in interest rates have receded. 2005 will be crucial from the government policy standpoint. The government is expected to further stress on infrastructure and rural development, reforming the tax system by simplification and widening the tax system by introduction of state VAT (Value Added Tax) replacing state sales tax and encouragement to investments in the economy. The Budget in February, we hope, should begin in earnest the process of augmenting the long term economic growth potential of India and ensure that India will have a rising growth gap over the rest of the World. As usual, Monsoons will be an important event

to watch out for. Thankfully though, with continued strength in the growth of services and industrial sectors, the relative importance of agricultural growth/decline is receding.

With FII inflows in the last 2 years, Indian equity markets have now become more dependent on continued FII inflows. Meaningful participation from domestic investors has been missing. The need of the hour is more participation from retail investors. Only 4% of household savings are invested into equities and incrementally less than 2% of savings are moving into equities. Low interest rates and tax breaks will surely change this as we go forward. This will be crucial for a balanced development of our stock market system. Recent steps taken by the government to allow non government PFs to invest in equities and equity mutual funds is a good step in fostering more participation from domestic investors.

Strong economic growth will certainly lead to steady corporate profit growth, the key to equity market performance. Return of the capital expenditure cycle and rising consumerism will continue to drive the economy in the short to medium term. While factors such as positive demographics, infrastructure development and outsourcing will provide long term stability to economic growth and thus corporate profit growth. Encouraging 3Q profit growth numbers, have once again led to earnings upgrades across many sectors with average earnings growth expectations of around 15% at the beginning of FY05 now getting upgraded to 20%+ for full year FY05. Broad market valuations at around 13X one year forward earnings, are still below last 10 year average valuations proving the point we have articulated earlier that the Indian equity market is not at all time highs! With continued broad-based rally in the market and especially so in mid-caps over the last 2 years, we think 2005 will now be the year of stock selection. We maintain that disciplined stock selection is key to creating a quality portfolio and generating superior returns over the long term.

In the fixed income markets, while we do expect broad stability in interest rates, the bias is towards interest rates rising from here. Clearly, at this stage the risk of interest rates rising are higher than the risk of interest rates going down. While inflation is currently on a downward path, the higher level of economic activity could feed into demand led inflation as we go forward. Strong bank credit growth will also wean away vital bank demand from the secondary fixed income markets. Risks of tight global crude oil prices have also not reduced as yet. US Fed is expected to continue its policy of measured rate hikes raising US fed rate to around 3.5-4% by end 2005 from the current 2.25%, bringing with it a secular rise in global interest rates and the return of positive real interest rates compared with zero to negative real interest rates that the world has seen in 2004. We reiterate that investors should stay in short duration assets and preferably focus on liquid funds and floating rate funds.

Cholamandalam Growth Fund

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.

Features

(as on January 31, 2005)

Fund Size	: 53.01 Crores
Type of Fund	: Open-Ended Growth Scheme
NAV	
Quarterly Dividend Option	: Rs. 12.19
Cumulative Option	: Rs. 16.28
Inception	: 17-Sep-01
Fund Manager	: Tridib Pathak
Dividend Distribution	:
Minimum Investment for New / Existing Investors	: Rs. 5000/1000
Entry Load	: <= 1 Cr : 2.25% > 1 Cr: Nil
Exit Load / CDSC	: Nil
Cut Off Time	
Purchase	: 3 p.m.
Redemption	: 3 p.m.
Benchmark Index	: BSE Sensex

Style Matrix

	Style			
	Growth	Blend	Value	
Size				Large
				Mid
				Small

Shading within the Style Matrix indicates areas in which the Fund generally invests.

Fund Manager's Comments

Cholamandalam Growth Fund is a diversified equity fund with investment predominantly in large caps stocks. The Fund has no bias towards growth style or value style. Current strategy of the fund is to focus on stocks which are more domestic economy oriented such as stocks from cement, banking, auto and consumer sectors. There is also a blend of undervalued global cyclical stocks.

Portfolio

Scrip	% of Portfolio
ACC Ltd	8.21%
Reliance Industries Ltd	7.34%
ICICI Bank Ltd	6.33%
ONGC	6.33%
IDBI	6.03%
Maruti Udyog Ltd	5.54%
Infosys Technologies Ltd	5.42%
Dabur India Ltd.	5.24%
Gujarat Ambuja Cements Ltd	5.14%
Pantaloon Retail (India) Ltd.	5.09%
Hindalco Industries Ltd	4.91%
Hexaware Technologies Ltd	4.53%
Corporation Bank	4.33%
BHEL	4.05%
Ultratech Cement Company Ltd	3.96%
Chennai Petroleum Corporation Ltd.	3.94%
Nicholas Piramal India Ltd.	3.88%
Birla Corporation Ltd.	3.11%
MTNL	2.95%
Micro Inks Ltd	1.83%
Cash/Money Market Instruments	1.84%

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

Performance

	CGF	BSE Sensex
3 Months (94 days)#	15.46%	15.58%
6 Months (185 days)#	30.45%	26.80%
1 Year\$	28.71%	15.06%
3 Year\$	44.03%	25.62%
Since Inception\$	43.01%	29.06%

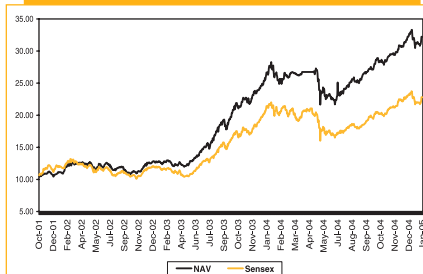
Absolute Returns

\$ Compounded Annualised Returns

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

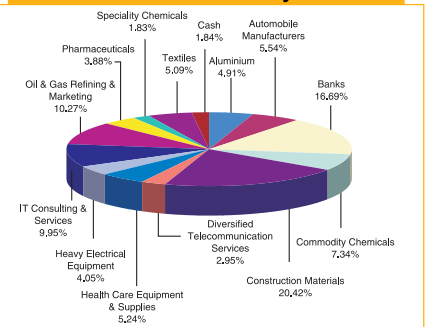
Past performance may or may not be sustained in future.

NAV Movement vis-à-vis Sensex



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

Sector Summary



Chola Midcap Fund

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.

Features

(as on January 31, 2005)

Fund Size : 47.95 Crores
 Type of Fund : Open-Ended Equity Scheme

NAV

Dividend Option : Rs. 11.87#
 Cumulative Option : Rs. 14.00
 Inception : 9-Aug-04
 Fund Manager : Tridib Pathak
 Dividend Distribution : Quarterly
 Minimum Investment for New / Existing Investors : Rs. 5000/1000
 Entry Load : <= 1 Cr : 2.25%
 >1 Cr: Nil
 Exit Load / CDSC : Nil
 Cut Off Time
 Purchase : 3 p.m.
 Redemption : 3 p.m.
 Benchmark Index : CNX Midcap 200

Declared as and when decided by the Trustees

Style Matrix

	Style			Size
	Growth	Blend	Value	
Large				
Mid				
Small				

Shading within the Style Matrix indicates areas in which the Fund generally invests.

Fund Manager's Comments

Chola Midcap Fund is a diversified equity fund with investments predominantly in midcap stocks. The Fund has no bias towards growth style or value style. The fund focuses on stocks which have the potential to become large cap stocks of tomorrow. The fund selects stocks after applying any one of the following filters - stocks which are leaders, stocks from a sunrise industry, globally competitive companies, companies with a niche positioning and stocks which are proxies to large cap stocks. Usually the fund restricts single stock exposure to 5% and keeps cash of 10-15% to manage liquidity risk.

Portfolio

Scrip	% of Portfolio
Pantaloen Retail (India) Ltd.	5.30%
Birla Corporation Ltd.	4.43%
Jain Irrigation Systems Ltd.	4.22%
Shree Cement Ltd.	3.91%
Dabur India Ltd.	3.86%
Tata Metaliks Ltd.	3.71%
Alfa Laval (India) Ltd.	3.65%
Geodesic Information System Ltd	3.56%
Chennai Petroleum Corporation Ltd.	3.30%
Nicholas Piramal India Ltd.	3.23%
Hexaware Technologies Ltd	3.15%
LIC Housing Finance Ltd	2.94%
Welspun India Ltd.	2.94%
Sona Koyo Steering Systems Ltd.	2.92%
Bajaj Hindusthan Ltd.	2.90%
Geometric Software Solutions Ltd.	2.89%
Motherson Sumi Systems Ltd.	2.80%
Volta Ltd.	2.80%
Mphasis BFL	2.78%
Infotech Enterprises Ltd.	2.76%
Ballarpur Industries Ltd.	2.62%
Micro Inks Ltd	2.43%
Polyplex Corporation Ltd.	2.19%
Blue Dart Express Ltd.	2.10%
Motor Industries Company Ltd	1.99%
Aventis Pharma Ltd.	1.95%
Ipca Laboratories Ltd.	1.68%
Cummins India Ltd.	1.37%
Vimta Labs Ltd	1.11%
Gammon India Ltd.	1.08%
Finolex Industries Ltd.	0.84%
Cash/Money Market Instruments	12.59%

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
24-Jan-05	10	1.00	Rs. 12.33

Past performance may or may not be sustained in future.

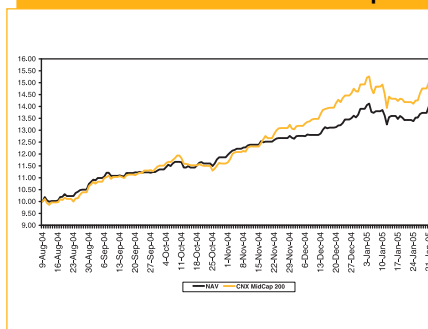
The face value of the units is Rs. 10/-

Performance

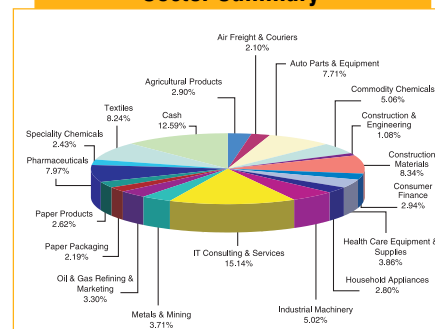
	CMF	CNX Midcap 200
3 Months (94 days)#	18.04%	29.35%
Since Inception# (09/08/04)	40.00%	50.03%

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

NAV Movement vis-à-vis CNX Midcap 200



Sector Summary



Chola Opportunities Fund

Investment Objective

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

Features

(as on January 31, 2005)

Fund Size	: 6.82 Crores
Type of Fund	: Open-Ended Growth Fund
NAV	
Quarterly Dividend Option	: Rs. 9.35
Cumulative Option	: Rs. 14.38
Inception	: 27-Nov-97
Fund Manager	: Pradeep Kumar
Dividend Distribution	: Quarterly
Minimum Investment for New / Existing Investors	: Rs. 3000/1000
Entry Load	: <=10 Lacs : 2.25% >10 Lacs : Nil
Exit Load / CDSC	: Nil
Cut Off Time	
Purchase	: 3 p.m.
Redemption	: 3 p.m.
Benchmark Index	: BSE Sensex

Style Matrix

		Style			Size
		Growth	Blend	Value	
Large	Mid				
	Small				

Shading within the Style Matrix indicates areas in which the Fund generally invests.

Fund Manager's Comments

Chola Opportunities Fund is a focused equity fund with exposure to a few high growth sectors of the economy. The fund has a bias towards the growth style of investing. In January, Chola Opportunities Fund continues its strategy of overweight in IT & IT enabled services and underweight in Pharmaceuticals. It helped the fund as Pharma stocks corrected sharply in the last month. During the month, Fund added Ahmednagar Forgings to the portfolio.

Portfolio

Scrip	% of Portfolio
Tata Consultancy Services Ltd	7.19%
Patni Computers Systems Ltd	6.33%
Hindalco Industries Ltd	6.24%
Geodesic Information System Ltd	6.19%
Infosys Technologies Ltd	6.01%
Satyam Computer Services Ltd.	5.41%
Geometric Software Solutions Ltd.	5.08%
Voltas Ltd.	5.02%
Polyplex Corporation Ltd.	4.49%
Alok Industries Ltd	4.04%
Hexaware Technologies Ltd	4.02%
Mphasis BFL	3.89%
Amtek Auto Ltd.	3.80%
Ipca Laboratories Ltd.	3.75%
Welspun India Ltd.	3.68%
Alfa Laval (India) Ltd.	3.67%
Ahmednagar Forgings Ltd.	3.67%
Motor Industries Company Ltd	3.56%
Moser Baer Ltd	3.12%
Vimta Labs Ltd	3.08%
Sundaram-Clayton Ltd.	3.02%
Micro Inks Ltd	2.50%
Visual Soft Technology Ltd	2.17%
Cash/Money Market Instruments	0.07%

COF

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/-

Performance

	COF	BSE Sensex
3 Months (94 Days)#	17.68%	15.58%
6 Months (185 Days)#	31.32%	26.80%
1 Year\$	24.97%	15.06%
Since Inception \$	22.61%	20.52%

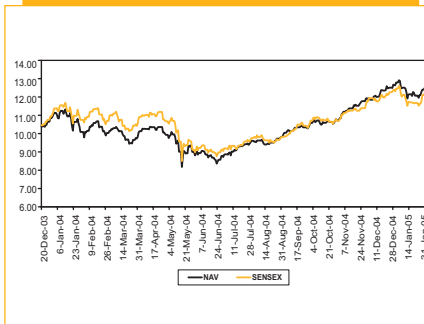
** Scheme was renamed as **Chola Opportunities Fund** on December 11, 2003. Due to change in the investment objectives, the returns for 3 and 5 years is not given.

Absolute Returns

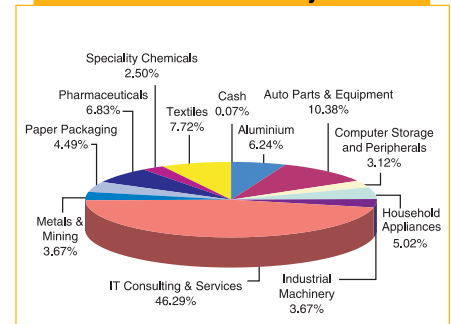
\$ Compounded Annualised Returns

Past performance may or may not be sustained in future.

NAV Movement vis-à-vis Sensex



Sector Summary



Chola Multi-Cap Fund

Investment Objective

To provide long term capital appreciation by investing in a well diversified portfolio of equity & equity related instruments across all ranges of market capitalisation.

Features

(as on January 31, 2005)

Fund Size : 103.50 Crores
 Type of Fund : Open-Ended Equity Scheme

NAV

Quarterly Dividend Option : -

Cumulative Option : -

IPO Launch Date : 14-Dec-04

Fund Manager : Tridib Pathak

Dividend Distribution :

Minimum Investment for

New / Existing Investors : Rs. 5000/1000

IPO Period :

Entry Load : <= 25 Lacs : 2.00%
 > 25 Lacs: Nil

Exit Load / CDSC : Nil

Cut Off Time

Purchase : 3 p.m.

Redemption : 3 p.m.

Benchmark Index : S&P CNX 500

Style Matrix

		Style			Size
		Growth	Blend	Value	
Shading within the Style Matrix indicates areas in which the Fund generally invests.	Large				
	Mid				
	Small				

Shading within the Style Matrix indicates areas in which the Fund generally invests.

Fund Manager's Comments

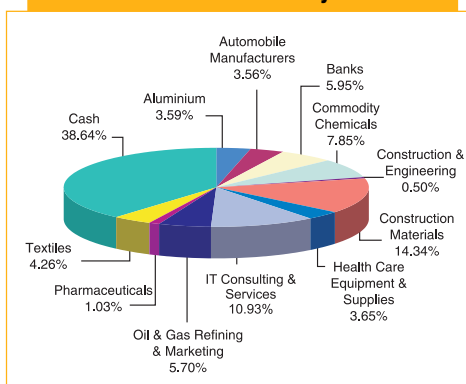
Chola Multi-Cap Fund, launched recently, is a truly diversified fund with investments in large cap, mid cap and small cap stocks. The Fund has no bias towards growth style or value style. On an average the fund intends to have 40-45% exposure to large cap stocks, 40-45% exposure to midcap stocks and 5-10% exposure to small cap stocks. The fund is already 60% invested and by the end of February intends to complete the investments as per its objectives.

CMCF

Portfolio

Scrip	% of Portfolio
ACC Ltd	7.99%
Reliance Industries Ltd	5.92%
ONGC	5.70%
Pantaloon Retail (India) Ltd.	4.26%
Infosys Technologies Ltd	4.09%
ICICI Bank Ltd	3.77%
Dabur India Ltd.	3.65%
Hindalco Industries Ltd	3.59%
Maruti Udyog Ltd	3.56%
Gujarat Ambuja Cements Ltd	3.11%
Geodesic Information System Ltd	2.57%
Birla Corporation Ltd.	2.31%
Infotech Enterprises Ltd.	2.09%
Corporation Bank	2.18%
Hexaware Technologies Ltd	2.18%
Jain Irrigation Systems Ltd.	1.93%
Vimta Labs Ltd	1.03%
Shree Cement Ltd.	0.93%
Gammon India Ltd.	0.50%
Cash/Money Market Instruments	38.64%

Sector Summary



Chola Triple Ace

AAAF⁺
rated by
CRISIL

CTA

Investment Objective

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

Features

(as on January 31, 2005)

Fund Size	: 34.23 Crores
Type of Fund	: Open-Ended Pure Income Fund
NAV	
Quarterly Dividend Option	: Rs. 10.7030
Semi Annual Dividend Option	: Rs. 10.9981
Cumulative Option	: Rs. 22.7271
Bonus Option	: Rs. 12.6286
Inception	: 31-Mar-97
Fund Manager	: Ashish Nigam
Dividend Distribution	: Quarterly/Semi Annual
Minimum Investment for New / Existing Investors	: Rs. 2000/1000
Entry Load	: Nil
Exit Load / CDSC	: For investments <=10 Lacs:0.5% if Redeemed within 6 months For investments >10 Lacs: Nil
Cut Off Time	
Purchase	: 3 p.m.
Redemption	: 3 p.m.
Benchmark Index	: CRISIL Composite Bond Fund Index

Portfolio

Script	Coupon	Weight	Rating
Corporate Debt			
Associates India Finance Ltd	7.80%	11.88%	AAA
Citibank Ltd	13%	9.55%	AAA
Fleet Trust April 2003 Series A2		2.13%	AAA
Fleet Trust April 2005 Series A1		2.22%	AAA
Fleet Trust May III 2003 Series A2		3.40%	AAA
GE Capital Services Ltd	9.50%	6.13%	AAA
HDFC Ltd		5.89%	AAA
PSU/PFI Debt			
IDBI Ltd	11.00%	1.34%	AA+
IDBI Ltd		11.69%	AA+
IRFC Ltd	9.25%	3.04%	AAA
Power Finance Corn. Ltd	9.25%	7.89%	AAA
Sovereign			
CG - 2010	7.55%	15.33%	Sov
364 Days T Bill		9.79%	Sov
Call/Repo Deposit/NCA		9.72%	

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-Sept-03	2.5	0.25	Rs. 11.2634
29-Sept-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
27-Sep-04^	0.6620*	0.0662	Rs.10.7427
27-Sep-04^	0.7080\$	0.0708	Rs.10.7427
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 Semi Annual Dividend

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

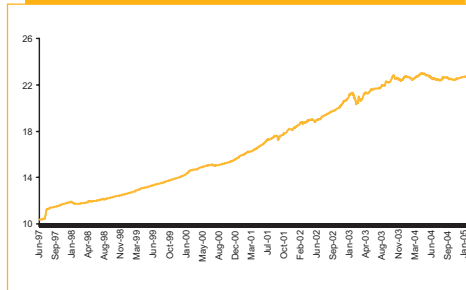
Performance

	CTA- Regular Cumulative Index	CRISIL Composite Bond
3 Months (94 Days)#	1.08%	1.63%
6 Months (185 Days)#	1.15%	1.33%
1 Year\$	0.75%	0.18%
3 Years\$	7.11%	NA\$
5 Years\$	9.62%	NA\$
Since Inception\$	11.07%	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.

Cumulative Plan - NAV Movement



Avg Maturity

2.14 Years

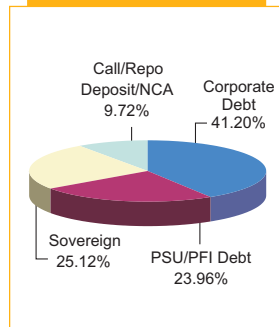
YTM

6.53%

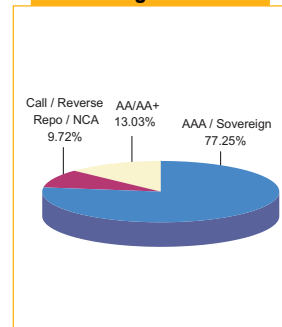
Fund Manager's Comments

CTA is long term income fund with investments in fixed instruments of all class and maturity. Utmost importance is given to the investment grade of the assets as the fund is CRISIL AAAf rated fund. The investment is in the highest rated instruments and based on the interest rate view the duration of the portfolio is managed. The investments in the fund range from very short i.e. cash/repo to sovereign securities and corporate bonds. The fund is actively managed and the portfolio churned based on the interest rate view.

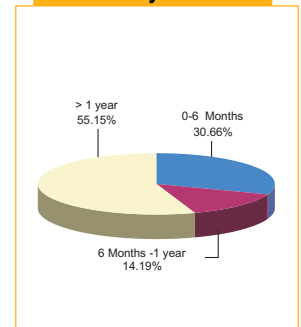
Asset Profile



Rating Profile



Maturity Profile



Chola Freedom Income - Short Term Fund

AAAF
rated by
CRISIL

CFI-STF

Investment Objective

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

Features

(as on January 31, 2005)

Fund Size	: 98.37 Crores
Type of Fund	: Open-Ended Income Fund
NAV	
Regular -	
Monthly Dividend Option	: Rs. 10.1349
Semi Annual Dividend Option	: Rs. 10.4517
Cumulative Option	: Rs. 10.5438
Institutional -	
Cumulative Option	: Rs. 10.6294
Inception	: 27-Nov-97
Fund Manager	: Ashish Nigam
Dividend Distribution	: Monthly/Semi Annual
Minimum Investment for	
New / Existing Investors	:
Regular	: Rs. 3000/1000
Institutional	: Rs. 100,00,00/100,000
Entry Load	: Nil
Exit Load / CDSC	: Nil
Cut Off Time	
Purchase	: 3 p.m.
Redemption	: 3 p.m.
Benchmark Index	: CRISIL Short Term Fund Index

Portfolio

Script	Coupon	Weight	Rating
Corporate Debt			
Citibank Ltd	13.00%	2.22%	AAA
Citicorp Finance Ltd	7.75%	5.14%	AAA
Fleet Trust April 2003			
Series A2		2.22%	AAA
Fleet Trust May III 2003			
Series A2		1.18%	AAA
Citifinancial Retail			
Services India Ltd		5.13%	AAA
Citi Financial Ltd	6.13%	9.17%	AAA
Ge Capital Services India Ltd	9.20%	5.12%	AAA
GE Shipping Ltd	10.25%	0.51%	AAA
Kotak Mahindra Primus Ltd	6.25%	5.08%	AAA
PSU/PFI Debt			
ICICI Bank Ltd	14.25%	5.31%	AAA
IDBI Ltd	11.00%	4.73%	AA+
IDBI Ltd	12.75%	1.10%	AA+
IDBI Ltd	14.00%	5.34%	AA+
IDBI Ltd		0.10%	AA+
IRFC Ltd	7.65%	1.98%	AAA
Power Finance Corn. Ltd	9.25%	6.04%	AAA
IDBI Ltd	CP	7.07%	P1+
IDBI Ltd	CP	6.06%	P1+
Nat Aluminium Co. Ltd.	14.50%	0.37%	AAA
NTPC-PTC Series XII		9.02%	AAA
Sovereign			
364 Days T Bill		8.32%	Sov
Other Deposits			
Call/Repo Deposit/NCA		3.71%	

Dividend History

Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
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

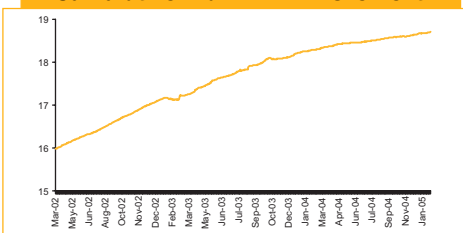
* Corporate \$ Individual
 • Semi Annual Dividend Plan # Monthly Dividend
[^] CFI-STF Regular ^{^^} CFI-STF Institutional
 Past performance may or may not be sustained in the future. The face value of the units is Rs. 10/-

Performance

	CFI-STF	CFI-STF-Institu-tional	CRISIL STF Index
1 Month (31Days)#	0.33%	0.37%	0.41%
3 Months (94 Days)#	1.00%	1.11%	1.33%
6 Months (185 Days)#	1.90%	2.13%	1.80%
1 Year\$	3.83%	4.30%	3.07%
Since Inception\$	6.14%	5.05%	NA

\$ Compounded Annualised Returns-%
 # Absolute Returns
 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.
 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

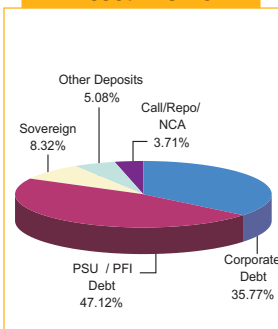


Avg Maturity	YTM
0.62 Years	4.73%

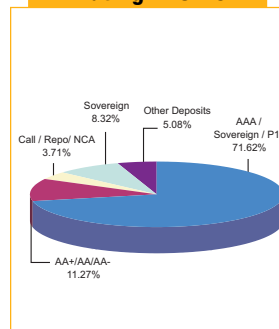
Fund Manager's Comments

CFI is a short-term fund. The objective of the fund is to give better returns than liquid fund. The duration of the fund is longer than the liquid fund and the investment is in fixed income assets ranging from cash/repo to corporate bonds and gilts with residual maturity of 5 years and less. The fund is rated AAAF by CRISIL for its credit quality.

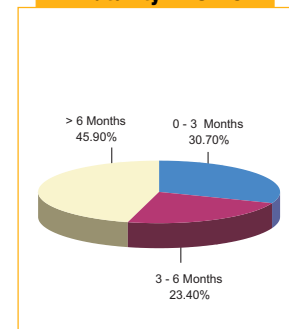
Asset Profile



Rating Profile



Maturity Profile



Chola Liquid Fund

AAAF⁺
rated by
CRISIL

CLF

Investment Objective

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

Features

(as on January 31, 2005)

Fund Size	: 679.98 Crores
Type of Fund	: Open-Ended Liquidity Income Scheme
NAV	
Regular-	
Weekly Dividend Option	: Rs. 11.5367
Cumulative Option	: Rs. 13.2788
Institutional Plus-	
Weekly Dividend Option	: Rs. 11.5429
Cumulative Option	: Rs. 13.3512
Inception	: 4-Oct-00
Fund Manager	: Ashish Nigam
Dividend Distribution	: Weekly
Minimum Investment for	
New / Existing Investors	:
Regular	: Rs. 10000/5000
Institutional Plus	: Rs. 100,00,00/100,000
Entry Load	: Nil
Exit Load / CDSC	: Nil
Cut Off Time	
Purchase	: 1 p.m.
Redemption	: 10 a.m.
Benchmark Index	: CRISIL Liquid Fund Index

Portfolio

Scrip	Coupon	Weight	Rating
Corporate Debt			
ABN Amro Sec(I) Pvt. Ltd		4.41%	P1+
Citi Financial Con Fin (I) Ltd		0.74%	AAA
HDFC Ltd		0.30%	AAA
Retail 2004 Series 1		0.44%	AAA
L&T Finance Ltd		2.94%	PR1+
L&T Finance Ltd		1.47%	P1+
Rabo India Finance P Ltd		1.47%	P1+
Bajaj Auto Finance Ltd		1.40%	P1+
Bajaj Auto Finance Ltd		1.40%	P1+
Ge Capital Services India Ltd		3.54%	P1+
Ge Capital Services India Ltd		3.53%	P1+
HDFC Ltd	CP	4.36%	P1+
HDFC Ltd	CP	3.61%	P1+
HDFC Ltd	CP	2.09%	P1+
IL&FS Ltd		2.20%	P1+
IL&FS Ltd	CP	1.45%	P1+
IL&FS Ltd	CP	3.67%	P1+
Kotak Mahindra Primus Ltd		2.91%	P1+
Rabo India Finance P Ltd		0.70%	P1+
Standard Chartered Loans & Invt Ltd		3.63%	P1+
Development Credit Bank	CD	1.46%	P1+
Kotak Mahindra Bank Ltd		2.17%	P1+
PSU/PFI Debt			
ICICI Bank Ltd	15.25%	0.74%	AAA
IDBI Ltd		1.03%	AA+
NABARD	4.80%	0.73%	AAA
Exim Bank Ltd		0.70%	P1+
Exim Bank Ltd		2.10%	P1+
IDBI Ltd	CP	0.44%	P1+
IDBI Ltd	CP	0.29%	P1+
SIDBI	CP	1.44%	P1+
SIDBI	CP	1.44%	P1+
ICICI Bank Ltd		7.75%	P1+
ICICI Bank Ltd		1.40%	P1+
Other Deposits			
Net Current Assets			
1.19%			
Call/Repo Deposit/TBill			
27.19%			

Performance

	CLF-Cum	CLF-Cum Institutional Plus	CRISIL LF Index
7 Days#	0.1018%	0.1020%	0.10%
14 Days#	0.1992%	0.1989%	0.19%
1 Month (31 days)#	0.43%	0.43%	0.40%
3 Months(94 days)#	1.32%	1.32%	1.19%
6 Months#	2.42%	2.49%	2.09%
1 Year\$	4.57%	4.82%	4.11%
3 Years\$	5.54%	NA	NA
Since Inception\$	6.79%	5.07%*	NA

Absolute Returns

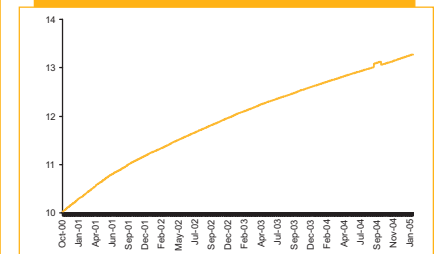
\$ Compounded Annualised Returns

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

117 days

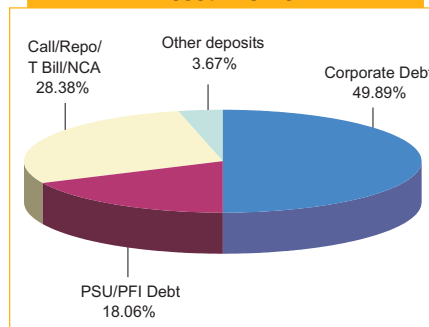
YTM

5.26%

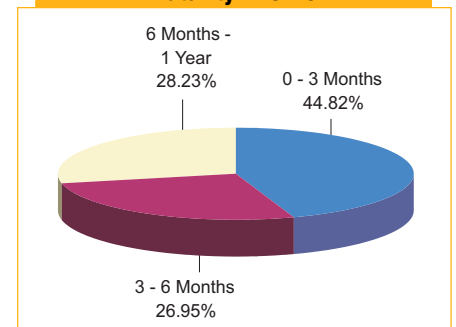
Fund Manager's Comments

Chola Liquid Fund is a very short-term fund with investments in fixed income assets of residual maturity of one year or less. The strategy for managing the fund is to invest in the highest rated instruments which are liquid in the secondary market. The fund is AAaf rated by CRISIL for its credit quality. The fund is managed actively with the duration ranging from 50 to 120 days based on the short-term view.

Asset Profile



Maturity Profile



Chola Floating Rate Fund

CFRF

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.

Features

(as on January 31, 2005)

Fund Size	: 31.23 Crores
Type of Fund	: Open-Ended Income Fund
NAV	
Dividend Option	: Rs. 10.1390#
Cumulative Option	: Rs. 10.2193
Inception	: 25-Aug-04
Fund Manager	: Ashish Nigam
Dividend Distribution	: -
Minimum Investment for	
New / Existing Investors	: Rs. 25000/1000
Entry Load	: Nil
Exit Load / CDSC	: 0.30% for <= 10 lacs Nil for > 10 lacs
Cut Off Time	
Purchase	: 3 p.m.
Redemption	: 3 p.m.
Benchmark Index	: CRISIL Liquid Fund Index

Declared as and when decided by the Trustees

Fund Manager's Comments

Chola Floating Rate Fund is designed to protect the investor from rising interest rates. The objective of the fund is to invest at least 65% of the corpus in floating rate instrument with benchmark linked to gilts of daily MIBOR.

Portfolio

Scrip	Coupon	Weight	Rating
Corporate Debt			
Citi Financial Con Fin (I) Ltd		16.01%	AAA
HDFC Ltd		19.36%	AAA
PSU/PFI Debt			
IDBI Ltd		10.89%	AA+
IDBI Ltd	CP	6.37%	P1+
Sovereign			
364 Days T Bill		3.16%	Sov
Other Deposits			
		32.02%	
Net Current Assets			
		0.66%	
Call/Repo Deposit/TBill			
		11.53%	

Avg Maturity	YTM
46 Days	5.20%

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
1 Month (31 days)#	0.38%	0.40%
3 Months (94 days)#	1.34%	1.19%
Since Inception# (25/08/04)	2.19%	1.87%

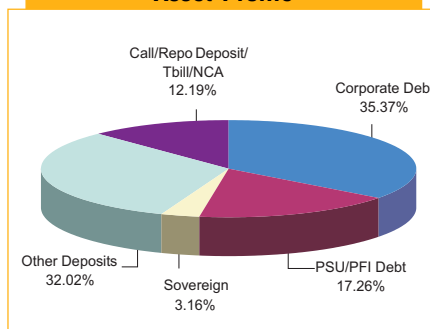
Absolute Returns

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

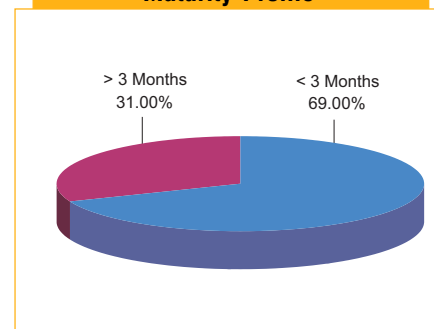
Past performance may or may not be sustained in the future.

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

Asset Profile



Maturity Profile



Chola GILT Investment Plan

CGIP

Investment Objective

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

Features

(as on January 31, 2005)

Fund Size	: 7.09 Crores
Type of Fund	: Open-Ended Dedicated Gilts Schemes
NAV	
Quarterly Dividend Option	: Rs. 9.9922
Cumulative Option	: Rs. 17.9013
Inception	: 29-Mar-00
Fund Manager	: Ashish Nigam
Dividend Distribution	: Quarterly
Minimum Investment for	
New / Existing Investors	: Rs. 10000/1000
Entry Load	: Nil
Exit Load / CDSC	: Nil
Cut Off Time	
Purchase	: 3 p.m.
Redemption	: 3 p.m.
Benchmark Index	: ISEC-Li-BEX

Portfolio

Scrip	Coupon	Weight	Rating
CG - 2015	7.38%	77.50%	Sov
364 Days T Bill		20.19%	Sov
Net Current Assets		1.82%	
Call/Repo Deposit/TBill		0.49%	

Avg Maturity	Duration	YTM
3.50 Years	2.57	5.86%

Dividend History

Regular Plan

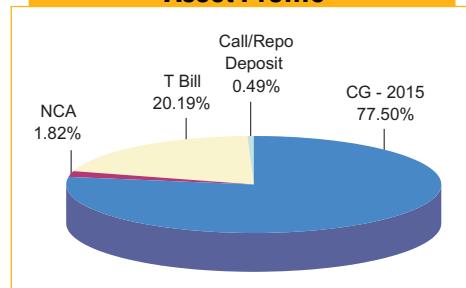
Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
25-Jun-01	3.50	0.35	Rs.10.57
25-Sep-01	5.00	0.50	Rs.10.72
26-Dec-01	5.00	0.50	Rs.10.70
26-Mar-02	5.00	0.50	Rs.10.83
25-Jun-02	2.00	0.20	Rs.10.23
25-Sept-02	3.00	0.30	Rs.10.5246
26-Dec-02	5.00	0.50	Rs.10.8981
25-Mar-03	2.50	0.25	Rs.10.3451
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

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

Asset Profile



Performance

	CGI	I-Sec Li-BEX
1 Year\$	1.09%	-2.58%
2 Years\$	7.55%	5.26%
3 Years\$	9.91%	NA\$
Since Inception\$	12.80%	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.

Fund Manager's Comments

The investment objective of the fund is to maximize returns by investing in GoI securities. The fund is actively managed and the investment range from short-term treasury bills to longer maturity gilt securities. The duration of the fund is actively managed and based on the interest rate view the duration of the portfolio is shortened or elongated.

Chola Monthly Income Plan

CMIP

Investment Objective

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

Features

(as on January 31, 2005)

Fund Size	: 14.33 Crores
Type of Fund	: Open-Ended Income Scheme with no assured returns
NAV	
Monthly Dividend Option	: Rs. 10.2009
Quarterly Dividend Option	: Rs. 10.3294
Cumulative Option	: Rs. 11.5327
Bonus Option	: Rs. 11.5327
Inception	: 31-Jul-98
Fund Manager	: Ashish Nigam/ Pradeep Mumar
Dividend Distribution	: Monthly/Quarterly
Minimum Investment for New / Existing Investors	: Rs. 5000/1000 (Cum.) Rs. 10000/1000 (Div.)
Entry Load	: Nil
Exit Load / CDSC	: For investments <=10 Lacs: 0.5% if redeemed within 6 months For investments >10 Lacs: Nil
Cut Off Time	
Purchase	: 3 p.m.
Redemption	: 3 p.m.
Benchmark Index	: CRISIL Blended MIP Index

Fund Manager's Comments

In Chola MIP, equity exposure hovered around 10-15%. We booked profit in some of the cement stocks.

Portfolio

Script	Coupon	Weight	Rating
Corporate Debt			
Fleet Trust April 2003 Series A2		5.08%	AAA
Citi Financial Ltd	6.13%	6.99%	AAA
GE Shipping Ltd	10.25%	3.53%	AAA
PSU/PFI Debt			
IDBI Ltd		3.49%	AA+
IRFC Ltd	7.65%	0.72%	AAA
NTPC-PTC Series XII		15.48%	AAA
Power Finance Corn. Ltd	9.25%	15.07%	AAA
Equity			
Hindalco Industries Ltd.		2.72%	
Mahanagar Telephone Nigam Limited		1.98%	
Patni Computers Systems Ltd.		2.15%	
Satyam Computer Ser. Ltd.		2.17%	
Call/Repo Deposit/Tbill/NCA		40.62%	

Dividend History

Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
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
25-Jan-05	0.5790*	0.0579	Rs.10.2294
25-Jan-05	0.6190#	0.0619	Rs.10.2294

* 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)#	-0.17%	0.16%
3 Months (94 Days)#	2.90%	3.61%
6 Months (185 Days)#	5.25%	4.46%
1 Year\$	6.05%	2.85%
Since Inception\$	9.95%	8.27%

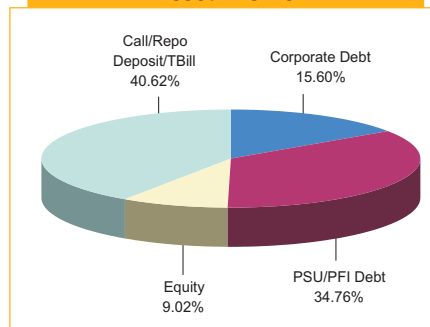
Absolute Returns \$ Compounded annualised returns

* 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.

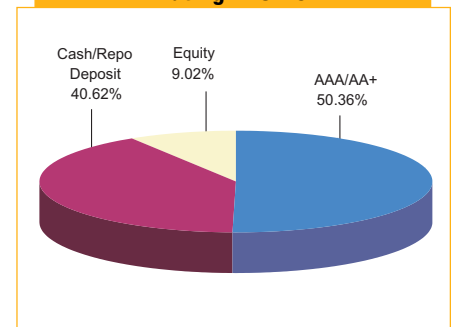
Past performance may or may not be sustained in the future. The distribution tax has been included in the calculations of returns.

Avg Maturity	YTM
2.14 Years	5.09%

Asset Profile



Rating Profile



Chola Income Plus

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.

Features

(as on January 31, 2005)

Fund Size	: 3.65 Crores
Type of Fund	: Open-Ended Income Scheme
NAV	
Quarterly Dividend Option	: Rs. 10.2056
Cumulative Option	: Rs. 10.3673
Inception	: 9-Aug-04
Fund Manager	: Ashish Nigam/ Pradeep Kumar
Dividend Distribution	: Quarterly
Minimum Investment for New / Existing Investors	: Rs. 5000/1000 (Cum.) Rs. 10000/1000 (Div.)
Entry Load	: Nil
Exit Load / CDSC	: For investments <= 25 Lacs: 0.5% if redeemed within 6 months For investments > 25 Lacs: Nil
Cut Off Time	
Purchase	: 3 p.m.
Redemption	: 3 p.m.
Benchmark Index	: CRISIL Blended MIP Index

Fund Manager's Comments

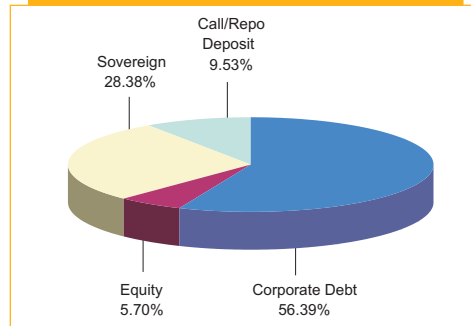
Chola Income Plus is a hybrid fund with a mix of equity and debt instruments with at least 90% of the assets in debt instruments. The fund offers a mix of both the market with bias towards the debt market. The debt instruments range from treasury bills and the risk ranges from low to medium.

Portfolio

Scrip	Coupon	Weight	Rating
Corporate Debt			
Associates India Finance Ltd	7.80%	27.89%	AAA
GE Shipping Ltd	10.25%	28.50%	AAA
Sovereign			
364 Days T Bill		28.38%	P1+
Equity			
ACC Ltd.		1.37%	
Hindalco Industries Ltd.		1.07%	
Mahanagar Telephone Nigam Limited		0.97%	
Oil & Natural Gas Corn. Ltd		1.35%	
Ultratech Cement Co. Ltd		0.94%	
Call/Repo Deposit/NCA		9.53%	

Avg Maturity	YTM
140 Days	4.71%

Asset Profile



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
1 Month (31 days)#	0.27%	0.16%
3 Months (94 days)#	1.94%	3.61%
Since Inception# (09/08/04)	3.67%	4.98%

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.

New Initiatives.....

Systematic Investment Plan

- Chola MF introduces **Systematic Investment Plan** across all its Equity and Debt products. An investor can start with an investment of as low as Rs. 500/- plus 11 post-dated cheques of equal amount.

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

Applicable Load

Entry Load : Nil

Exit Load : Equity Scheme - 2.25 % (if redeemed within 365 days)
Debt Scheme - As applicable

- Investors can now invest in all Equity and Debt schemes of Chola Mutual Fund through **ICICI direct.com**

NOTE:

Chola Multi Cap Fund

“The Chola Multi-cap fund, which is benchmarked to S&P CNX 500 Index is not sponsored, endorsed, sold or promoted by India Services & Products Limited (IISL). IISL is not responsible for any errors or omissions or the results obtained from the use of such index and in no event shall IISL have any liability to any party for any damages of whatsoever nature (including lost profits) resulted to such party due to purchase or sale or otherwise of such product benchmarked to such index.”

Chola Midcap Fund

“The Chola Midcap fund, which is benchmarked to CNX Midcap 200 Index is not sponsored, endorsed, sold or promoted by India Services & Products Limited (IISL). IISL is not responsible for any errors or omissions or the results obtained from the use of such index and in no event shall IISL have any liability to any party for any damages of whatsoever nature (including lost profits) resulted to such party due to purchase or sale or otherwise of such product benchmarked to such index.”

Systematic Investment Plan with Cholamandalam Growth Fund

Rs. 1000/- invested every month

For One year horizon				For Three years horizon			
Date of SIP	NAV	Amount invested (Rs)	No. of units allotted	Date of SIP	NAV	Amount invested (Rs)	No. of units allotted
1-Feb-04	24.72	1000	40.45	1-Feb-02	11.15	1000	89.69
1-Mar-04	26.24	1000	38.11	1-Mar-02	12.43	1000	80.45
1-Apr-04*	26.68	1000	37.48	1-Apr-02	12.55	1000	79.68
1-May-04	26.22	1000	38.14	1-May-02	12.36	1000	80.91
1-Jun-04	22.86	1000	43.74	1-Jun-02	11.61	1000	86.13
1-Jul-04	23.20	1000	43.10	1-Jul-02	12.17	1000	82.17
1-Aug-04	24.98	1000	40.03	1-Aug-02	11.39	1000	87.80
1-Sep-04	26.08	1000	38.34	1-Sep-02	11.90	1000	84.03
1-Oct-04	27.84	1000	35.92	1-Oct-02	10.78	1000	92.76
1-Nov-04	28.32	1000	35.31	1-Nov-02	11.17	1000	89.53
1-Dec-04	30.08	1000	33.24	1-Dec-02	12.36	1000	80.91
1-Jan-05	33.08	1000	30.23	1-Jan-03	12.78	1000	78.25
Total		12000	454.11	1-Feb-03	12.49	1000	80.06
Total Amount Invested			Rs. 12000	1-Mar-03	12.68	1000	78.86
NAV as on 31st Jan 05			Rs. 32.56	1-Apr-03	12.11	1000	82.58
Average Cost Per Unit			Rs. 26.43	1-May-03	12.01	1000	83.26
Value of investments as on 31st Jan 2005			Rs. 14786	1-Jun-03	13.32	1000	75.08
One year annualised returns (%)			38.06%	1-Jul-03	14.66	1000	68.21
				1-Aug-03	15.96	1000	62.66
				1-Sep-03	18.71	1000	53.45
				1-Oct-03	19.24	1000	51.98
				1-Nov-03	21.94	1000	45.58
				1-Dec-03	23.51	1000	42.54
				1-Jan-04	26.08	1000	38.34
				1-Feb-04	24.72	1000	40.45
				1-Mar-04	26.24	1000	38.11
				1-Apr-04*	26.68	1000	37.48
				1-May-04	26.22	1000	38.14
				1-Jun-04	22.86	1000	43.74
				1-Jul-04	23.20	1000	43.10
				1-Aug-04	24.98	1000	40.03
				1-Sep-04	26.08	1000	38.34
				1-Oct-04	27.84	1000	35.92
				1-Nov-04	28.32	1000	35.31
				1-Dec-04	30.08	1000	33.24
				1-Jan-05	33.08	1000	30.23
				Total		36000	2,229.00
				Total Amount Invested			Rs. 36000
				NAV as on 31st Jan 05			Rs. 32.56
				Average Cost Per Unit			Rs. 16.15
				Value of investments as on 31st Jan 2005			Rs. 72576
				Three year annualised returns (%)			42.09%

* cumulative bonus nav taken from 1 April 2004 as bonus was declared @ 1:1

◆ **Investment Objective (an open-ended growth scheme):** 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. ◆ **General Risk Factors:** ◆ All investments in Mutual Funds and Securities are subject to market risks and the NAV of the Scheme may go up or down, depending upon the factors and forces affecting the securities market. ◆ There cannot be any assurance that the Schemes' Investment Objectives can be achieved. ◆ The past performance of the AMC, Mutual Fund, the Sponsor or its Group affiliation is not indicative of the future performance of the Scheme. ◆ Cholamandalam Growth Fund is only the name and does not in any manner indicate the quality of the Scheme, its future prospects or returns. ◆ **Scheme specific Risk Factors:** The Scheme is subject to risk relating to market, credit, interest rate, liquidity, settlement, volatility, investment in overseas market, trading in debt & equity derivatives. ◆ For details of Scheme Specific Risk factors and other details relating to the scheme, the investors are requested to study the Offer Document of the Scheme carefully before making any investment. ◆ The investors in the Scheme are not being offered a guaranteed or assured rate of return. ◆ **Statutory details :** Chola Mutual Fund has been established as a trust under the Indian Trust Act, 1882 by Cholamandalam Investment and Finance Company Limited (liability restricted to the seed corpus of Rs. 1 lakh) with Cholamandalam Trustee Company Limited as the Trustee and Cholamandalam AMC Limited as the Investment Manager.