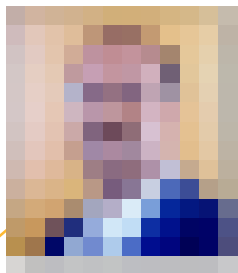


## From the Desk of the Chief Executive

Sashi Krishnan



Amitabh Bachchan is now back on the small screen with Kaun Banega Crorepati -2. And weekends have changed dramatically for millions of Indian. There is excitement everywhere with every man and women on the street dreaming of becoming a crorepati! But to become a crorepati, there is a more surefire way than KBC 2. All you need to do is to save a rupee a day.

If you save one rupee a day, or Rs.365 a year, from the day you were born and invest it for the long term in a mutual fund scheme that can give an average annual compounded return of 10%, by the time you are 65 years old, you will have a nest egg of about Rs.20 lakhs. Even more fascinating is the fact that a small 1% increase in the annual compounded return, to 11%, will enable you land up with Rs.32 lakhs in 65 years.

Surprised? But this is for real. It is a simple fact that the most powerful way to create wealth is to start investing early, save systematically and save smarter. The die hard doubters will say that this is easier said than done but I think not. With a determined and disciplined approach, it is relatively easy to achieve this goal.

Starting early gives you the benefit of the sheer power of compounding. The earlier you start investing for your child's future, the more secure her future will be. But what if you didn't figure this out when she was born. Don't worry. You can still catch up. If your investment vehicle is giving you a return of 11%, then you need an additional Rs.2523/- to catch up if your kid is 5 years old - Rs.1825/- as the one rupee contribution for five years and Rs.698/- as the compounded interest. If your kid is ten years old you will need Rs.13, 940/- to catch up and if she is 15 years old you will need Rs.26, 012/- to catch up. Come to think of it, not too tall an order, I am sure.

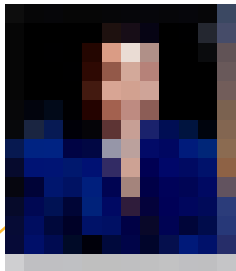
To the eternal doubters, who will say that Rs.32 lakhs in 65 years is not really Rs.32 lakhs because your purchasing power will get robbed on account of inflation, let me say that it is fairly easy to hedge yourself against inflation. All you have to do is to increase your contribution every year by the factor of inflation. Assuming an inflation of 6% per annum, which might be a fairly high rate to assume, you would need to increase your contribution to Rs.387/- in the second year, Rs.410/- in the third year and may be all the way up to Rs.15, 200/- in the 65th year to inflation proof your investment.

Saving systematically is all about discipline. In fact a "pay yourself first" routine through an automatic savings plan is the most sensible thing you can do. To simply matters for you, at Chola MF, we provide you the facility of an auto debit, wherein you can instruct you banker to debit your bank account and credit you mutual fund account, on say a monthly basis, for a fixed period of time.

So why wait? Secure the future of your child by subscribing to our equity funds through the Systematic Investment Plan. All it takes is a rupee a day.

## From the Desk of the Chief Investment Officer

Tridib Pathak



In July, BSE Sensex rose 2% or 170 points reaching an all time high of 7805, after a good amount of volatility. FIIs and domestic mutual funds increased their commitment further. FIIs pumped in a huge US\$1.2bn in the markets, another month of more than US\$1bn of FII inflow following June and July 2005. Year to date now, FIIs have brought in US\$7.8bn. Heartening was the US\$535mn buying of stocks by domestic mutual funds, one of the highest monthly buying in recent times. This may have been helped by continued healthy collections in New Fund Offerings (NFO).

Despite this, caution prevailed during the month with widespread expectation of a correction in the markets which never happened. The highlight of the month was crude oil prices which crossed US\$70/barrel. It is interesting to note that Indian economy and markets have not yet shown any signs of fatigue despite continued strength in crude oil prices. One of the main reasons for this is the fact that crude oil inflation has not yet been fully passed on to the Indian consumer who is still paying only around US\$50-55/barrel for oil in terms of retail petroleum product prices. Another reason is strong economic growth itself. Industrial Production (IP) growth reached a 9 year high at 11.7% in June 2005, with growth in April-June 2005 period reaching a high 10.3%.

However, any further rise in crude oil prices will certainly pose a risk for the economy and markets. But remember, rising crude oil are a risk to global growth and global markets as well. To this extent, the relative attractiveness of India does not change much. India continues to stand out as one of the few markets with prospects for sustained economic growth and thus corporate profit growth.

So, investors should not lose much valuable time and opportunity in waiting for a large correction to happen as market timing is always difficult. Disciplined stock selection should do the trick even in a volatile equity market.

Our portfolio strategy in equities continues to be focused on stock selection. In the case of large caps, we prefer stocks from cement, IT services, Petrochemicals and Consumer sectors. In the case of mid cap stocks, our strategy is geared towards identifying stocks which have one or more of the following characteristics - leaders, niche positioning, globally competitive, sunrise industry and proxies to large caps. We believe this strategy will enable us to target only those midcaps which have the potential to become large competitive companies in the current Indian scenario of growth and opportunity.

### Fixed Income Markets

Global crude oil prices was the highlight of the month, taking it toll on the Rupee which touched a 8 mth low of 44.10 per US\$. Liquidity remained easy though. Inflation reached a low of 3.13% helped by easy primary article prices and high base effect. Thus liquidity and inflation were breathers to the market. Short end of the yield curve eased by 5-6 bps and long end remained in a narrow range of 4 bps with the 10 year bond ending at 7.06%.

We continue to believe that volatility will persist and the outlook on interest rates remains uncertain. Positives in favour of bond markets are benign liquidity and inflation currently. Negatives include high crude oil prices which have not been passed on fully, high bank credit growth, higher government borrowings. Considering higher level of economic activity and vulnerability on the inflation front, we maintain that the risk of interest rates rising is higher than the risk of interest rates coming down. We see markets increasingly factoring in a hike in reverse repo rates in the October policy.

In the above scenario, we continue to recommend the following strategy for investors -

- Invest in portfolios with low duration
- Avoid portfolios which are subject to Mark-to-Market risk
- Invest in portfolios which are immunised against any adverse interest rate movements - i.e. portfolios with investments in floating rate instruments
- Invest in portfolios with a mix of fixed and floating rate assets

Investors should stay exposed to short maturity products such as Liquid Funds, Floating rate funds and Fixed Maturity Plans.

# Cholamandalam Growth Fund

as on August 31, 2005

## 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

|   |                                  |
|---|----------------------------------|
| Fund Size                                       | : Rs. 30.45 Crores               |
| Type of Fund                                    | : Open-Ended Growth Scheme       |
| NAV   |                                  |
| Quarterly Dividend Option                       | : Rs. 13.69                      |
| Cumulative Option                               | : Rs. 19.92                      |
| Inception Date                                  | : 17-Sep-01                      |
| Fund Manager                                    | : Tridib Pathak                  |
| Dividend Distribution                           | : Quarterly                      |
| Minimum Investment for New / Existing Investors | : Rs. 5000/1000                  |
| Entry Load                                      | : <= 1 Cr : 2.25%<br>> 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 from cement, oil & petro chemicals, consumer and IT services.

|                        |                             |
|------------------------|-----------------------------|
| Value Research RATINGS | Equity : Diversified<br>★★★ |
|------------------------|-----------------------------|

# CGF

## Portfolio

| Script   | % of Portfolio |
|--|----------------|
| Satyam Computer Services Ltd.                      | 8.84%          |
| Reliance Industries Ltd                            | 8.20%          |
| Hindalco Industries Ltd                            | 6.17%          |
| ACC Ltd  | 6.03%          |
| BHEL   | 5.62%          |
| ITC Ltd  | 5.23%          |
| Gujarat Ambuja Cements Ltd                         | 4.85%          |
| Infosys Technologies Ltd                           | 4.68%          |
| MTNL   | 4.59%          |
| Tata Tea Ltd.                                      | 4.58%          |
| Infrastructure Development Finance Corporation Ltd | 4.28%          |
| Pantaloon Retail (India) Ltd.                      | 4.08%          |
| Maruti Udyog Ltd                                   | 3.74%          |
| ONGC   | 3.69%          |
| Goodlass Nerolac Paints Ltd.                       | 3.22%          |
| Allahabad Bank                                     | 3.02%          |
| Birla Corporation Ltd.                             | 2.98%          |
| Ultratech Cement Company Ltd                       | 2.96%          |
| Blue Dart Express Ltd.                             | 1.80%          |
| Call/Repo Deposit/NCA                              | 11.44%         |

## 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                     |
| 28-Mar-05           | 10     | 1.00     | Rs. 12.30                     |

### \$ Quarterly Dividend

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 (92 Days)#  | 16.49% | 16.24%     |
| 6 Months (184 Days)# | 18.08% | 16.26%     |
| 1 Year\$             | 54.30% | 50.33%     |
| 3 Year\$             | 49.32% | 34.80%     |
| Since Inception\$*   | 41.82% | 31.01%     |

# Absolute Returns

\$ Compounded Annualised Returns

\* Allotment date is 17-09-2001

Past performance may or may not be sustained in future.

## Systematic Investment Plan - Returns

If you had invested Rs 1000/month in Cholamandalam Growth Fund (CGF)

The amount would have grown to

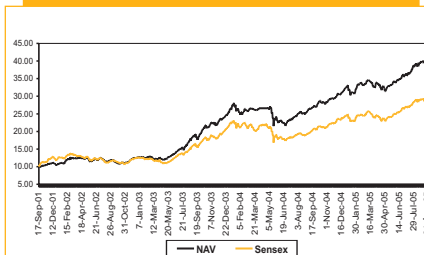
|                    | 1 Year   | 3 Year   |
|--------------------|----------|----------|
| Total Amount       | Rs 15044 | Rs 73525 |
| Annualised Return* | 41.47%   | 42.82%   |

\* As on 31st August 05

Past performance may or may not be sustained in future.

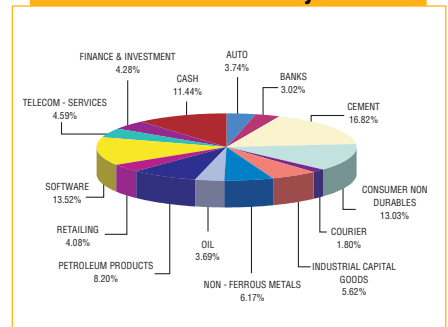
Auto Debit Facility available across cities.

## 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

20%\*  
DIVIDEND  
RECORD DATE  
19th Sep '05

as on August 31, 2005

## 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

|   |                                 |
|---|---------------------------------|
| Fund Size                                       | : Rs. 58.79 Crores              |
| Type of Fund                                    | : Open-Ended<br>Equity Scheme   |
| NAV   |                                 |
| Dividend Option                                 | : Rs. 14.65#                    |
| Cumulative Option                               | : Rs. 18.75                     |
| Inception Date                                  | : 9-Aug-04                      |
| Fund Manager                                    | : Tridib Pathak                 |
| Dividend Distribution                           | : #                             |
| Minimum Investment for New / Existing Investors | : Rs. 5000/1000                 |
| Entry Load                                      | : <= 1 Cr : 2.25%<br>>1 Cr: Nil |
| Exit Load / CDSC                                | : Nil                           |
| Cut Off Time                                    |                                 |
| Purchase  | : 3 p.m.                        |
| Redemption                                      | : 3 p.m.                        |
| Benchmark Index                                 | : CNX Midcap Index              |

# Declared as and when decided by the Trustees

## 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

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.

# CMF

## Portfolio

| Script                            | % of Portfolio |
|-----------------------------------|----------------|
| Pantaloon Retail (India) Ltd.     | 4.36%          |
| Bajaj Hindusthan Ltd.             | 3.99%          |
| Crompton Greaves Ltd.             | 3.80%          |
| Aventis Pharma Ltd.               | 3.74%          |
| Blue Dart Express Ltd.            | 3.67%          |
| Geometric Software Solutions Ltd. | 3.60%          |
| Welspun India Ltd.                | 3.55%          |
| Dabur India Ltd.                  | 3.39%          |
| Infotech Enterprises Ltd.         | 3.37%          |
| Birla Corporation Ltd.            | 3.30%          |
| Voltas Ltd.                       | 3.30%          |
| Alfa Laval (India) Ltd.           | 3.30%          |
| Geodesic Information System Ltd   | 3.19%          |
| Goodlass Nerolac Paints Ltd.      | 3.13%          |
| Nicholas Piramal India Ltd.       | 3.05%          |
| United Phosphorous Ltd.           | 2.98%          |
| Jain Irrigation Systems Ltd.      | 2.84%          |
| Micro Inks Ltd                    | 2.73%          |
| Emco Ltd.                         | 2.50%          |
| Ballarpur Industries Ltd.         | 2.42%          |
| Tata Metaliks Ltd.                | 2.31%          |
| Balkrishna Industries Ltd         | 2.30%          |
| Thermax Ltd.                      | 2.14%          |
| Mothersum Sumi Systems Ltd.       | 2.05%          |
| Automotive Axles Ltd.             | 2.02%          |
| Polyplex Corporation Ltd.         | 1.84%          |
| Kale Consultants Ltd.             | 1.74%          |
| Ipca Laboratories Ltd.            | 1.56%          |
| Vimta Labs Ltd                    | 1.38%          |
| Shree Cement Ltd.                 | 0.04%          |
| <b>Call/Repo Deposit/NCA</b>      | <b>16.41%</b>  |

## 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                     |
| 14-Mar-05           | 10     | 1.00     | Rs. 12.86                     |

Past performance may or may not be sustained in future.

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

## Performance

|                     | CMF    | CNX Midcap Index ^ |
|---------------------|--------|--------------------|
| 3 months (92days)#  | 19.73% | NA                 |
| 6 months (184days)# | 27.29% | NA                 |
| 1 Year \$           | 73.13% | NA                 |
| Since Inception\$*  | 80.92% | NA                 |
| From (18/07/05)#    | 11.87% | 8.89%              |

# Absolute Returns

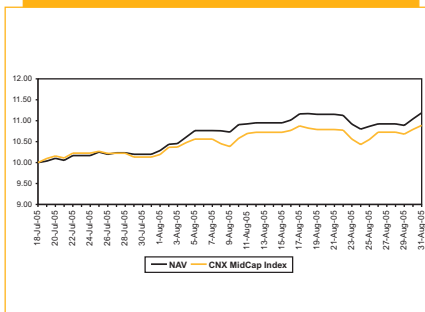
\$ Compounded Annualised Returns

\* Allotment date is 09/08/2004

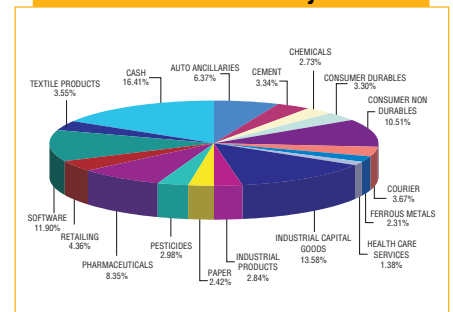
Past performance may or may not be sustained in future.

^ Chola Midcap Fund was benchmarked to CNX Midcap 200 Index since inception of the scheme. However, w.e.f. 18/07/05, the CNX Midcap 200 Index has been discontinued and a new index known as CNX Midcap Index was launched. As a result, the scheme is benchmarked to CNX Midcap Index w.e.f. 18/07/05.

## NAV Movement vis-à-vis Sensex



## Sector Summary



## Systematic Investment Plan - Returns (From Sep 04 to 31st Aug 05)

If you had invested Rs 1000/- per month for 1 year in Chola Midcap Fund (CMF)

|                    |                              |
|--------------------|------------------------------|
|                    | Rs.12000 would have grown to |
| CMF                | Rs 16264                     |
| Annualised Return* | 55.14%                       |

\* As on 31st August 05 Past performance may or may not be sustained in future.  
Auto Debit Facility available across cities.

\* Dividend Distribution is proposed in the dividend plan subject to availability of distributable surplus on the record date. NAV of the fund as on 19th Aug '05 stood at Rs. 14.60/-. After payment of dividend NAV will fall to the extent of dividend payout and distribution taxes, if any.

## Disclaimer

"The Chola Midcap fund, which is benchmarked to CNX Midcap Index is not sponsored, endorsed, sold or promoted by India Index 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 Opportunities Fund

as on August 31, 2005

## Investment Objective

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

## Features

|   |                                       |
|---|---------------------------------------|
| Fund Size                                       | : Rs. 6.29 Crores                     |
| Type of Fund                                    | : Open-Ended Growth Fund              |
| NAV   |                                       |
| Quarterly Dividend Option                       | : Rs. 11.81                           |
| Cumulative Option                               | : Rs. 18.16                           |
| Inception Date                                  | : 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%<br>>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  |       |       |  |
|      | Growth | Blend | Value |  |
| Size | 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.

# COF

## Portfolio

| Scrip                               | % of Portfolio |
|-------------------------------------|----------------|
| Geodesic Information System Ltd     | 9.05%          |
| Bharat Petroleum Corporation Ltd    | 6.29%          |
| Infotech Enterprises Ltd.           | 6.29%          |
| Hindustan Petroleum Corporation Ltd | 6.04%          |
| Amtek Auto Ltd.                     | 5.66%          |
| Alok Industries Ltd                 | 5.59%          |
| Patni Computers Systems Ltd         | 5.41%          |
| Alfa Laval (India) Ltd.             | 5.07%          |
| Satyam Computer Services Ltd.       | 5.05%          |
| Geometric Software Solutions Ltd.   | 4.95%          |
| ACC Ltd                             | 4.94%          |
| Wipro Ltd.                          | 4.87%          |
| Ipca Laboratories Ltd.              | 4.61%          |
| IDFC Ltd                            | 4.39%          |
| Welspun India Ltd.                  | 4.17%          |
| Sundaram-Clayton Ltd.               | 3.25%          |
| Birla Corporation Ltd.              | 2.57%          |
| Jai Prakash Hydro-Power Ltd.        | 1.96%          |
| Call/Repo Deposit/NCA               | 9.84%          |

## 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 (92 Days)#  | 15.52% | 16.24%     |
| 6 Months (184 Days)# | 22.04% | 16.26%     |
| 1 Year\$             | 62.29% | 50.33%     |
| Since Inception \$*  | 31.02% | 25.19%     |

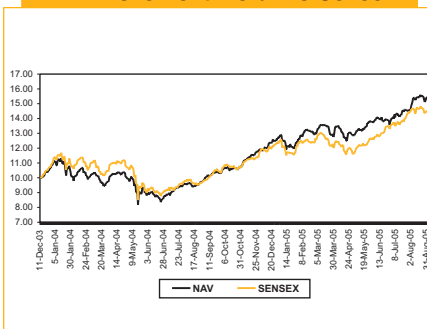
\* Scheme was renamed as **Chola Opportunities Fund** on December 11, 2003. Due to change in the investment objectives, the returns for 3 and 5 years is not given.

# Absolute Returns

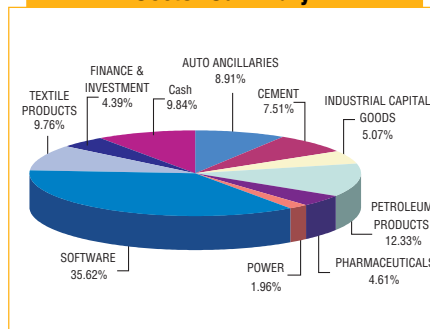
\$ Compounded Annualised Returns

Past performance may or may not be sustained in future.

## NAV Movement vis-à-vis Sensex



## Sector Summary



# Chola Multi-Cap Fund

as on August 31, 2005

## 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

|   |   |
|---|---|
| Fund Size                                       | : Rs. 62.25 Crores                      |
| Type of Fund                                    | : Open-Ended Equity Scheme              |
| NAV   |   |
| Dividend Option                                 | : Rs. 11.55#                            |
| Cumulative Option                               | : Rs. 13.06                             |
| Inception Date                                  | : 28-Jan-05                             |
| Fund Manager                                    | : Tridib Pathak                         |
| Dividend Distribution                           | : -                                     |
| Minimum Investment for New / Existing Investors | : Rs. 5000/1000                         |
| Entry Load                                      | : <= 1 Crore : 2.25%<br>> 1 Crore : Nil |
| Exit Load / CDSC                                | : Nil                                   |
| Cut Off Time                                    |   |
| Purchase  | : 3 p.m.                                |
| Redemption                                      | : 3 p.m.                                |
| Benchmark Index                                 | : S&P CNX 500                           |

# Declared as and when decided by the Trustees

## 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

Chola Multi-Cap Fund, launched recently, is a truly diversified fund with investments in large cap, mid cap and small cap stocks. The fund is now fully invested. Currently, 50% of the fund is invested in large cap and around 37% in mid cap stocks.

# CMCF

## Portfolio

| Scrip  | % of Portfolio |
|--|----------------|
| Reliance Industries Ltd                            | 7.39%          |
| Satyam Computer Services Ltd.                      | 6.40%          |
| ACC Ltd  | 5.09%          |
| Hindalco Industries Ltd                            | 5.07%          |
| Pantaloon Retail (India) Ltd.                      | 4.03%          |
| Infosys Technologies Ltd                           | 3.66%          |
| Blue Dart Express Ltd.                             | 3.56%          |
| Geodesic Information System Ltd                    | 3.34%          |
| Gujarat Ambuja Cements Ltd                         | 3.30%          |
| ITC Ltd  | 3.24%          |
| Goodlass Nerolac Paints Ltd.                       | 3.11%          |
| Jain Irrigation Systems Ltd.                       | 2.98%          |
| United Phosphorous Ltd.                            | 2.78%          |
| Infrastructure Development Finance Corporation Ltd | 2.74%          |
| Micro Inks Ltd                                     | 2.73%          |
| Balkrishna Industries Ltd                          | 2.72%          |
| Infotech Enterprises Ltd.                          | 2.67%          |
| Vimta Labs Ltd                                     | 2.50%          |
| Tata Tea Ltd.                                      | 2.44%          |
| Bajaj Hindusthan Ltd.                              | 2.34%          |
| Tata Metaliks Ltd.                                 | 2.13%          |
| Emco Ltd.  | 2.11%          |
| Welspun India Ltd.                                 | 1.85%          |
| Birla Corporation Ltd.                             | 1.79%          |
| Allahabad Bank                                     | 1.76%          |
| Maruti Udyog Ltd                                   | 1.74%          |
| Crompton Greaves Ltd.                              | 1.16%          |
| Kale Consultants Ltd.                              | 1.05%          |
| Call/Repo Deposit/NCA                              | 14.32%         |

## Dividend History

### Regular Plan

| Date of Declaration | % Unit | Rs./Unit | NAV as on date of declaration |
|---------------------|--------|----------|-------------------------------|
| 29-Aug-05           | 15     | 1.50     | Rs. 12.85                     |

Past performance may or may not be sustained in future.

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

## Performance

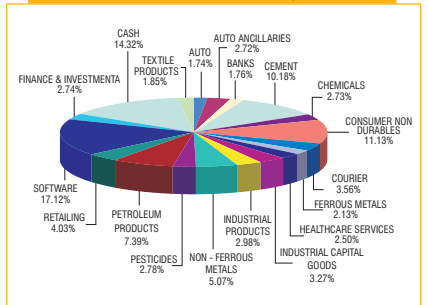
|                     | CMCF   | S&P CNX 500 |
|---------------------|--------|-------------|
| 3 Months (92Days)#  | 18.94% | 15.89%      |
| 6 Months (184Days)# | 23.44% | 16.36%      |
| Since Inception # * | 30.60% | 22.72%      |

\*Units allotted on 28-01-2005

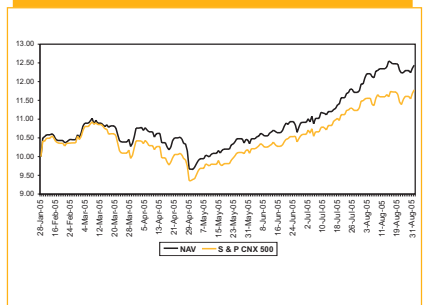
# Absolute Returns

Past performance may or may not be sustained in future.

## Sector Summary



## NAV Movement vis-à-vis S&P CNX 500



## Disclaimer

"The Chola Multi-cap fund/Chola Global Advantage Fund, which is benchmarked to S&P CNX 500 Index is not sponsored, endorsed, sold or promoted by India Index 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 Global Advantage Fund

as on August 31, 2005

## Investment Objective

To provide long term capital appreciation and/or income distribution by investing predominantly in equity/equity related instruments of Indian companies with export competitiveness and Indian companies which have or which are expanding the business in global markets.

## Features

|   |                               |
|---|-------------------------------|
| Fund Size                                       | : Rs. 57.45 Crores            |
| Type of Fund                                    | : Open-Ended Equity Scheme    |
| NAV   |                               |
| Dividend Option                                 | : Rs. 11.36#                  |
| Cumulative Option                               | : Rs. 11.36                   |
| Inception Date                                  | : 30-May-05                   |
| Fund Manager                                    | : Tridib Pathak               |
| Dividend Distribution                           | : -                           |
| Minimum Investment for New / Existing Investors | : Rs. 5000/1000               |
| Entry Load                                      | : <=1 Cr: 2.25%<br>>1 Cr: Nil |
| Exit Load / CDSC                                | : Nil                         |
| Cut Off Time                                    |                               |
| Purchase  | : 3 p.m.                      |
| Redemption                                      | : 3 p.m.                      |
| Benchmark Index                                 | : S&P CNX 500                 |

# Declared as and when decided by the Trustees

## 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

Chola Global Advantage Fund is now fully invested. The investment has been done without any bias towards large cap or mid cap stocks, but it keeping with the objective of investing in globally competitive companies.

# CGAF

## Portfolio

| Scrip                           | % of Portfolio |
|---------------------------------|----------------|
| Satyam Computer Services Ltd.   | 6.76%          |
| Hindalco Industries Ltd.        | 4.94%          |
| Tata Tea Ltd.                   | 4.82%          |
| Welspun India Ltd.              | 4.73%          |
| United Phosphorous Ltd.         | 4.13%          |
| Bharat Forge Ltd.               | 3.99%          |
| Tata Metaliks Ltd.              | 3.64%          |
| Thermax Ltd.                    | 3.62%          |
| Alfa Laval (India) Ltd.         | 3.56%          |
| Nicholas Piramal India Ltd.     | 3.54%          |
| Voltas Ltd.                     | 3.50%          |
| Balkrishna Industries           | 3.29%          |
| Amtek Auto Ltd.                 | 3.02%          |
| Alok Industries Ltd.            | 2.71%          |
| Motherson Sumi Systems Ltd.     | 2.67%          |
| Dabur India Ltd.                | 2.58%          |
| Crompton Greaves Ltd.           | 2.58%          |
| Sun Pharmaceutical Inds. Ltd.   | 2.45%          |
| Wipro Ltd.                      | 2.36%          |
| Infosys Technologies Ltd        | 2.32%          |
| Automotive Axles Ltd.           | 2.30%          |
| Raymond Ltd.                    | 2.26%          |
| Sona Koyo Steering Systems Ltd. | 2.25%          |
| Motor Industries Co. Ltd.       | 2.15%          |
| Micro Inks Ltd.                 | 2.14%          |
| Aventis Pharma Ltd.             | 2.09%          |
| Infotech Enterprises Ltd.       | 2.08%          |
| Arvind Mills Ltd.               | 2.08%          |
| Geodesic Information System Ltd | 0.50%          |
| <b>Call/Repo Deposit/NCA</b>    | <b>10.94%</b>  |

## Performance

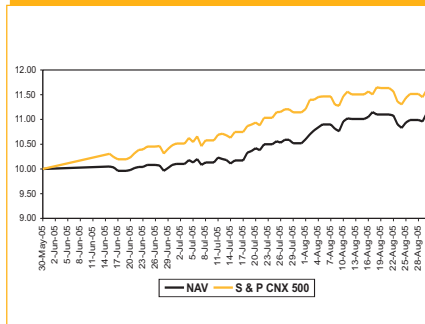
|                    | CGAF   | S&P CNX 500 |
|--------------------|--------|-------------|
| 1 Month (33 Days)# | 7.98%  | 4.88%       |
| Since Inception#*  | 13.60% | 16.88%      |

# Absolute Returns

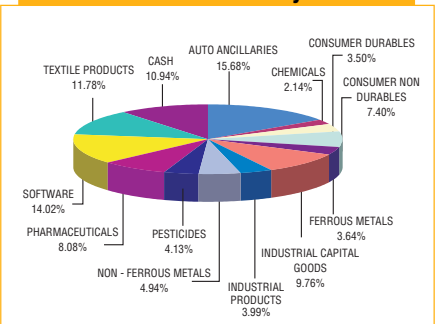
\* Scheme "Chola Global Advantage Fund (CGAF)" was launched on 19th Apr 05 & units allotted on 30th May 05.

Past performance may or may not be sustained in future.

## NAV Movement vis-à-vis S&P CNX 500



## Sector Summary



# Chola Triple Ace

AAAF<sup>\*</sup>  
rated by  
CRISIL

# CTA

as on August 31, 2005

## Investment Objective

The investment objective of the scheme would be to provide regular and stable income to Unitholders. The corpus of the scheme would be invested primarily in debt market securities, such as non-convertible debentures, bonds issued by corporates, banks and government, commercial paper, certificates of deposit and other money market instruments. The scheme would invest predominantly in securities rated by the Credit Rating and Information Services of India Ltd. (CRISIL), or any other rating agency.

## Features

|   |   |
|---|---|
| Fund Size                                       | : Rs. 22.71 Crores  |
| Type of Fund                                    | : Open-Ended Pure Income Fund   |
| NAV   |   |
| Quarterly Dividend Option                       | : Rs. 10.8910   |
| Semi Annual Dividend Option                     | : Rs. 11.1913   |
| Cumulative Option                               | : Rs. 23.1263   |
| Bonus Option                                    | : Rs. 12.8504   |
| Inception Date                                  | : 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<br>For investments >10 Lacs: Nil |
| Cut Off Time                                    |   |
| Purchase  | : 3 p.m.  |
| Redemption                                      | : 3 p.m.  |
| Benchmark Index                                 | : CRISIL Composite Bond Fund Index  |

## Portfolio

| Scrip                              | Coupon | Weight        | Rating |
|------------------------------------|--------|---------------|--------|
| <b>Corporate Debt</b>              |        |               |        |
| Fleet Trust April 2003 Series A2   |        | 1.94%         | AAA    |
| Fleet Trust May III 2003 Series A2 |        | 1.54%         | AAA    |
| GE Capital Services Ltd            | 9.50%  | 9.15%         | AAA    |
| GE Shipping Ltd                    | 10.25% | 2.26%         | AAA    |
| Sundaram Finance Ltd               | 12.60% | 13.23%        | AAA    |
| <b>PSU/PFI Debt</b>                |        |               |        |
| Exim Bank Ltd                      | 5.75%  | 6.60%         | AAA    |
| IDBI Ltd                           |        | 4.42%         | AA+    |
| Indian Oil Corporation Ltd         | 7.15%  | 15.43%        | AAA    |
| NTPC-PTC Series XII                |        | 8.10%         | AAA    |
| <b>Bank FRB</b>                    |        |               |        |
| UTI Bank Ltd                       |        | 4.42%         | AAA    |
| <b>Sovereign</b>                   |        |               |        |
| Oil Bond - 2009                    | 6.96%  | 11.10%        | Sov    |
| 364 DayT Bill                      |        | 0.42%         | Sov    |
| 364 DayT Bill                      |        | 0.84%         | Sov    |
| <b>Call/Repo Deposit/NCA</b>       |        | <b>20.55%</b> |        |

## 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 | CRISIL Composite Bond Index |
|----------------------|-------------------------|-----------------------------|
| 3 Months (92 Days)#  | 1.22%                   | 1.59%                       |
| 6 Months (184 Days)# | 1.51%                   | 2.60%                       |
| 1 Year\$             | 2.28%                   | 4.90%                       |
| 3 Years\$            | 5.54%                   | 5.72%                       |
| 5 Years\$            | 8.92%                   | NA\$                        |
| Since Inception\$    | 10.46%                  | NA\$                        |

# Absolute Returns

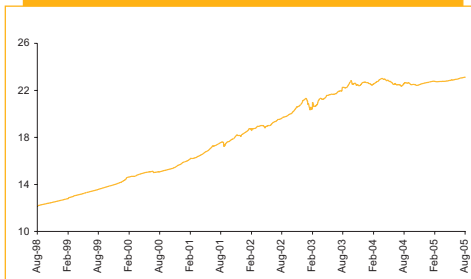
\$ Compounded Annualised Returns

NA\$ Data not available

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

2.03 Years

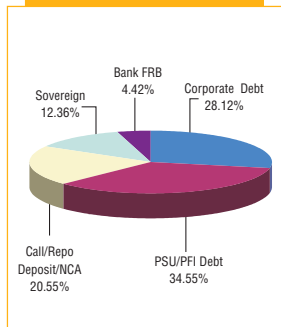
## YTM

5.97%

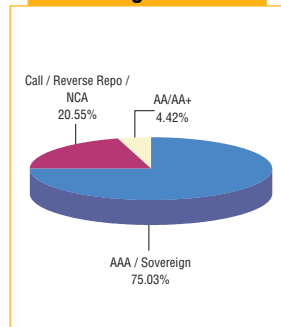
## Fund Manager's Comments

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.

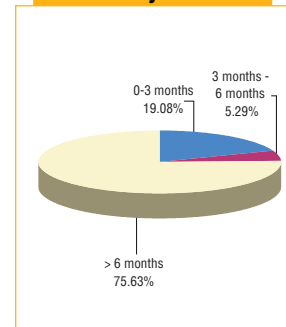
## Asset Profile



## Rating Profile



## Maturity Profile





# Chola Freedom Income - Short Term Fund

as on August 31, 2005

AAA<sup>F</sup>  
rated by  
CRISIL

# CFI-STF

## Investment Objective

An Income Scheme with at least 80% investments in Fixed Income Securities with the objective of generating regular and stable income for the unit holders of the Scheme. The balance will be invested in money market instruments of high quality. The scheme will not invest in equities or equity related instruments.

## Features

|                             |                                   |
|-----------------------------|-----------------------------------|
| Fund Size                   | : Rs. 19.42 Crores                |
| Type of Fund                | : Open-Ended<br>Income Fund       |
| NAV                         |                                   |
| Regular -                   |                                   |
| Monthly Dividend Option     | : Rs. 10.3882                     |
| Semi Annual Dividend Option | : Rs. 10.7129                     |
| Cumulative Option           | : Rs. 10.8073                     |
| Institutional -             |                                   |
| Cumulative Option           | : Rs. 10.9085                     |
| Inception Date              | : 27-Nov-97                       |
| Fund Manager                | : Ashish Nigam                    |
| Dividend Distribution       | : Monthly/Semi Annual             |
| Minimum Investment for      |                                   |
| New / Existing Investors    | :                                 |
| Regular                     | : Rs. 3000/1000                   |
| Institutional               | : Rs. 1000000/100000              |
| Entry Load                  | : Nil                             |
| Exit Load / CDSC            | : Nil                             |
| Cut Off Time                |                                   |
| Purchase                    | : 3 p.m.                          |
| Redemption                  | : 3 p.m.                          |
| Benchmark Index             | : CRISIL Short Term<br>Fund Index |

## Portfolio

| Script                             | Coupon | Weight | Rating |
|------------------------------------|--------|--------|--------|
| <b>Corporate Debt</b>              |        |        |        |
| Fleet Trust April 2003 Series A2   |        | 6.81%  | AAA    |
| Fleet Trust May III 2003 Series A2 |        | 1.81%  | AAA    |
| <b>PSU/PFI Debt</b>                |        |        |        |
| IDBI Ltd                           | 12.75% | 5.41%  | AA+    |
| IDBI Ltd                           | 2.59%  |        | AA+    |
| Indian Oil Corporation Ltd         | 7.15%  | 18.04% | AAA    |
| NTPC-PTC Series XII                |        | 37.86% | AAA    |
| <b>Sovereign</b>                   |        |        |        |
| Oil Bond - 2009                    | 6.96%  | 12.98% | Sov    |
| <b>Call/Repo Deposit/NCA</b>       |        |        |        |
|                                    |        | 14.50% |        |

## Dividend History

### Regular Plan

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

\* Corporate \$ Individual

• Semi Annual Dividend Plan # Monthly Dividend

<sup>^</sup> CFI-STF Regular <sup>^^</sup> 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 (33 Days)#   | 0.43%   | 0.45%                  | 0.46%            |
| 3 Months (92 Days)#  | 1.42%   | 1.47%                  | 1.37%            |
| 6 Months (184 Days)# | 2.15%   | 2.25%                  | 2.65%            |
| 1 Year\$             | 4.04%   | 4.36%                  | 4.92%            |
| 3 Year\$             | 5.48%   | NA                     | 4.91%            |
| Since Inception\$    | 5.82%   | 4.86%                  | NA               |

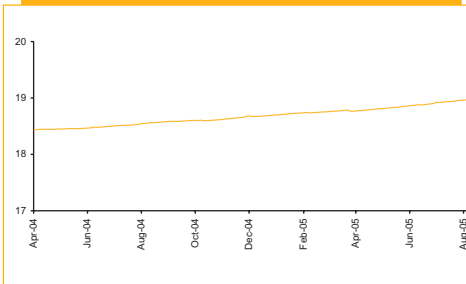
\$ Compounded Annualised Returns-%

# Absolute Returns NA - Not Applicable

Scheme was repositioned as **Chola Freedom Income - Short Term Fund** from March 08, 2002, hence the returns for 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



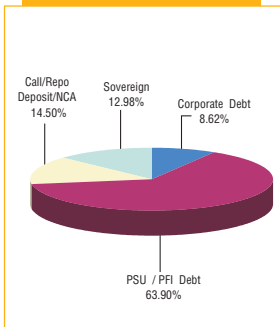
## Avg Maturity

|            |              |
|------------|--------------|
| 1.50 Years | YTM<br>6.47% |
|------------|--------------|

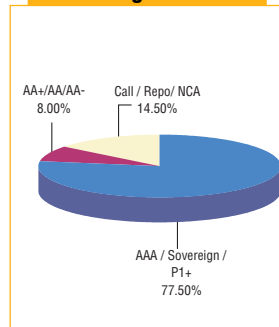
## Fund Manager's Comments

CFI is a short-term fund. The scheme seeks to provide 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 AAA<sup>F</sup> by CRISIL for its credit quality.

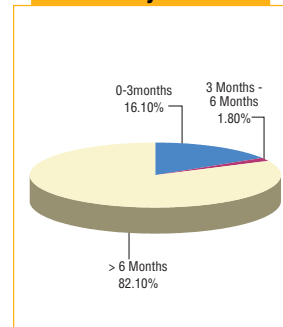
## Asset Profile



## Rating Profile



## Maturity Profile



|                       |                                |                         |
|-----------------------|--------------------------------|-------------------------|
| <b>Value Research</b> | Debt : Ultra Short Term Instl. | Debt : Ultra Short Term |
| <b>RATINGS</b>        | ★★★                            | ★★★                     |

# Chola Liquid Fund

AAAF<sup>\*</sup>  
rated by  
CRISIL

# CLF

as on August 31, 2005

## Investment Objective

The investment objective will be to generate reasonable returns while maintaining safety and providing the investor superior liquidity. To achieve this objective investments will be predominantly made in a well-diversified and highly liquid portfolio of money market instruments, government securities and corporate debt.

## Features

|                          |                                      |
|--------------------------|--------------------------------------|
| Fund Size                | : Rs. 1,085.14 Crores                |
| Type of Fund             | : Open-Ended Liquidity Income Scheme |
| NAV                      |                                      |
| Regular-                 |                                      |
| Weekly Dividend Option   | : Rs. 11.6772                        |
| Cumulative Option        | : Rs. 13.6984                        |
| Institutional Plus-      |                                      |
| Weekly Dividend Option   | : Rs. 11.6698                        |
| Cumulative Option        | : Rs. 13.7701                        |
| Inception Date           | : 4-Oct-00                           |
| Fund Manager             | : Ashish Nigam                       |
| Dividend Distribution    | : Weekly                             |
| Minimum Investment for   |                                      |
| New / Existing Investors | :                                    |
| Regular                  | : Rs. 10000/5000                     |
| Institutional Plus       | : Rs. 1000000/100000                 |
| Entry Load               | : Nil                                |
| Exit Load / CDSC         | : Nil                                |
| Cut Off Time             |                                      |
| Purchase                 | : 1 p.m.                             |
| Redemption               | : 10 a.m.                            |
| Benchmark Index          | : CRISIL Liquid Fund Index           |

## 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 150 days based on the short-term view.

## Portfolio

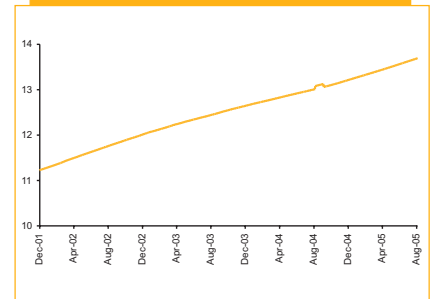
| Scrip                           | Coupon | Weight | Rating |
|---------------------------------|--------|--------|--------|
| <b>Corporate Debt</b>           |        |        |        |
| ABN Amro Sec(I) P.Ltd           |        | 1.84%  | P1+    |
| Berger Paints Ltd               |        | 1.38%  | P1+    |
| Citi Financial Con Fin (I) Ltd  |        | 0.46%  | AAA    |
| Exim Bank Ltd                   | 5.75%  | 0.46%  | AAA    |
| Global Trade Finance Ltd        |        | 0.92%  | P1+    |
| Global Trade Finance Ltd        |        | 0.83%  | P1+    |
| IDBI Ltd                        |        | 0.93%  | AA+    |
| Indian Retail Trust Series      |        | 0.12%  | AAA    |
| Mahindra & Mahindra Finance Ltd |        | 0.92%  | AA+    |
| Mahindra & Mahindra Finance Ltd |        | 0.28%  | AAA    |
| Rabo India Fin P Ltd            |        | 0.93%  | P1+    |
| Rabo India Fin P Ltd            |        | 1.38%  | P1+    |
| Raymond Ltd.                    |        | 0.46%  | P1+    |
| Sterlite Industries Ltd         |        | 0.83%  | P1+    |
| Sterlite Industries Ltd         |        | 0.18%  | P1+    |
| Sterlite Industries Ltd         |        | 0.46%  | P1+    |
| Sterlite Industries Ltd         |        | 1.01%  | P1+    |
| Whirlpool of (I) Ltd            |        | 1.38%  | P1+    |
| Citi Financial Con Fin (I) Ltd  |        | 1.33%  | P1+    |
| Citi Financial Con Fin (I) Ltd  |        | 0.88%  | P1+    |
| HDFC Ltd                        | CP     | 0.80%  | P1+    |
| HDFC Ltd                        | CP     | 0.88%  | P1+    |
| SBI Cards & Payments Ser.       |        | 0.88%  | P1+    |
| Kotak Mahindra Primus Ltd       |        | 1.76%  | P1+    |
| <b>Bank FRB</b>                 |        |        |        |
| UTI Bank Ltd                    |        | 1.43%  | AAA    |
| <b>PSU/PFI Debt</b>             |        |        |        |
| IRFC Ltd                        |        | 0.92%  | AAA    |
| Exim Bank Ltd                   |        | 0.45%  | P1+    |
| Exim Bank Ltd                   |        | 1.77%  | P1+    |
| Exim Bank Ltd                   |        | 1.77%  | P1+    |
| Exim Bank Ltd                   |        | 0.37%  | P1+    |
| IDBI Home Finance Ltd           |        | 2.18%  | P1+    |
| IDBI Ltd.                       | CP     | 0.92%  | P1+    |
| <b>CD's with Banks</b>          |        |        |        |
| Allahabad Bank                  | CD     | 2.17%  | P1+    |
| Development Credit Bank         | CD     | 1.83%  | P1+    |
| Development Credit Bank         | CD     | 0.91%  | P1+    |
| HSBC                            | CD     | 0.92%  | P1+    |
| ICICI Bank Ltd                  | CD     | 0.91%  | P1+    |
| ICICI Bank Ltd                  | CD     | 0.46%  | P1+    |
| ICICI Bank Ltd                  | CD     | 0.46%  | P1+    |
| ICICI Bank Ltd                  | CD     | 1.38%  | P1+    |
| ICICI Bank Ltd                  | CD     | 0.46%  | P1+    |
| IDBI Ltd.                       | CD     | 2.63%  | P1+    |
| ING Vyasa Bank                  | CD     | 0.90%  | P1+    |
| Jammu and Kashmir Bank Ltd.     | CD     | 2.65%  | P1+    |
| Jammu and Kashmir Bank Ltd.     | CD     | 2.64%  | P1+    |
| Jammu and Kashmir Bank Ltd.     | CD     | 2.18%  | P1+    |
| Karnataka Bank                  | CD     | 0.53%  | P1+    |
| Karnataka Bank                  | CD     | 0.87%  | P1+    |
| Kotak Mahindra Bank Ltd         | CD     | 2.20%  | P1+    |
| Kotak Mahindra Bank Ltd         | CD     | 0.87%  | P1+    |
| UCO Bank Ltd                    | CD     | 0.45%  | P1+    |
| UCO Bank Ltd                    | CD     | 2.66%  | P1+    |
| UCO Bank Ltd                    | CD     | 0.88%  | P1+    |
| UCO Bank Ltd                    | CD     | 0.79%  | P1+    |
| UCO Bank Ltd                    | CD     | 2.65%  | P1+    |
| UCO Bank Ltd                    | CD     | 0.44%  | P1+    |
| UTI Bank Ltd                    | CD     | 0.88%  | P1+    |
| UTI Bank Ltd                    | CD     | 0.92%  | P1+    |
| <b>Sovereign</b>                |        |        |        |
| GOI - 2006                      | 5.55%  | 0.64%  | Sov    |
| Other Deposits                  |        | 13.36% |        |
| <b>Net Current Assets</b>       |        | 3.51%  |        |
| <b>Call/Repo Deposit/TBill</b>  |        | 16.74% |        |

## Performance

|                      | CLF-<br>Cum | CLF-Cum<br>Institu-<br>tional Plus | CRISIL<br>LF<br>Index |
|----------------------|-------------|------------------------------------|-----------------------|
| 7 Days#              | 0.1045%     | 0.1047%                            | 0.04%                 |
| 14 Days#             | 0.2085%     | 0.2089%                            | 0.13%                 |
| 1 Month (33 Days)#   | 0.49%       | 0.49%                              | 0.41%                 |
| 3 Months (92 Days)#  | 1.38%       | 1.39%                              | 1.13%                 |
| 6 Months (184 Days)# | 2.73%       | 2.73%                              | 2.31%                 |
| 1 Year\$             | 5.25%       | 5.29%                              | 4.48%                 |
| 3 Years\$            | 5.19%       | NA                                 | NA                    |
| Since Inception\$    | 6.61%       | 5.15%*                             | NA                    |

# Absolute Returns NA - Not Applicable  
\$ Compounded Annualised Returns  
\* 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



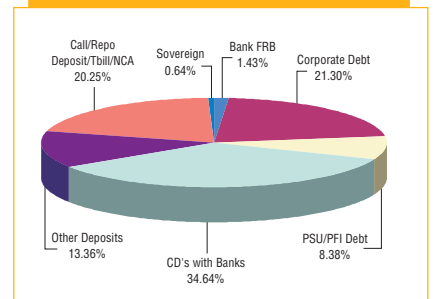
## Avg Maturity

153 days

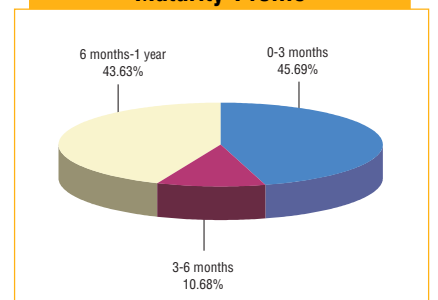
## YTM

5.70%

## Asset Profile



## Maturity Profile



# Chola Short Term Floating Rate Fund

as on August 31, 2005

## Investment Objective

The investment objective of the scheme is to generate regular income to investment in a portfolio comprising substantially of floating rate debt/money market instrument, fixed rate debt/money market instruments swapped for floating rate return, and fixed rate debt securities, govt. securities & money market instruments.

## Features

|                          |                                      |
|--------------------------|--------------------------------------|
| Fund Size                | : Rs. 93.75 Crores                   |
| Type of Fund             | : Open-Ended Liquidity Income Scheme |
| NAV                      |                                      |
| Regular-                 |                                      |
| Monthly Dividend Option  | : Rs. 10.0359                        |
| Cumulative Option        | : Rs. 10.0359                        |
| Inception Date           | : 10-Aug-05                          |
| Fund Manager             | : Ashish Nigam                       |
| Dividend Distribution    | : -                                  |
| Minimum Investment for   |                                      |
| New / Existing Investors | :                                    |
| Regular                  | : Rs. 5000/1000                      |
| Entry Load               | : Nil                                |
| Exit Load / CDSC         | : Nil                                |
| Cut Off Time             |                                      |
| Purchase                 | : 1 p.m.                             |
| Redemption               | : 10 a.m.                            |
| Benchmark Index          | : CRISIL Liquid Fund Index           |

## Fund Manager's Comments

Chola Short Term Floating Rate Fund is a quasi - liquid fund with more than 50% of the assets in floating rate assets investments are in highest rated instruments. The duration of the portfolio is in the range of 100-120 days.

# CSTFRF

## Portfolio

| Scip                           | Coupon | Weight | Rating |
|--------------------------------|--------|--------|--------|
| <b>Corporate Debt</b>          |        |        |        |
| GE Capital Services Ltd        |        | 5.45%  | AAA    |
| GE Capital Services Ltd        |        | 3.20%  | AAA    |
| Global Trade Finance Ltd       |        | 5.33%  | P1+    |
| Global Trade Finance Ltd       |        | 1.07%  | P1+    |
| ICICI Securities Ltd           | 11.20% | 2.13%  | P1+    |
| Sundaram Finance Ltd           | 11.20% | 3.20%  | P1+    |
| Sundaram Finance Ltd           |        | 10.67% | AAA    |
| Nicholas Pirmal Ltd            |        | 10.67% | P1+    |
| <b>PSU/PFI Debt</b>            |        |        |        |
| IRFC Ltd                       |        | 5.33%  | AAA    |
| LIC Housing Finance Ltd        |        | 10.67% | AAA    |
| <b>CD's with Banks</b>         |        |        |        |
| Development Credit Bank        | CD     | 21.08% | P1+    |
| Karnataka Bank                 | CD     | 4.05%  | P1+    |
| UCO Bank Ltd                   |        | 16.29% | P1+    |
| <b>Net Current Assets</b>      |        |        |        |
|                                |        | 0.51%  |        |
| <b>Call/Repo Deposit/TBill</b> |        |        |        |
|                                |        | 0.35%  |        |

## Performance

|                   | CST-FRF | CRISIL Liquid Fund Index |
|-------------------|---------|--------------------------|
| Since Inception#* | 0.27%   | 0.20%                    |

# Absolute Returns

\* Allotment date is 10/08/2005

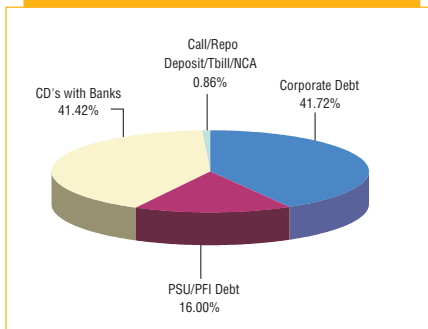
Scheme was repositioned as **Chola Short Term Floating Rate Fund** from August 10, 2005.

Past performance may or may not be sustained in future.

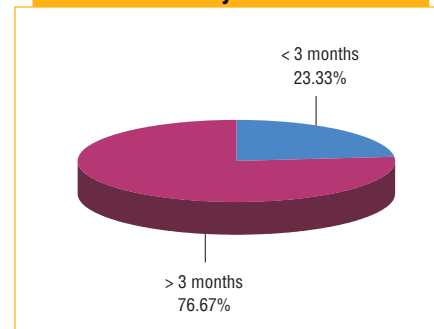
The distribution tax has been included in the calculations of returns.

| Avg Maturity | YTM   |
|--------------|-------|
| 117 days     | 6.18% |

## Asset Profile



## Maturity Profile



# Chola Floating Rate Fund

as on August 31, 2005

## 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

|  |   |
|--|---|
| Fund Size  | : Rs. 32.94 Crores  |
| Type of Fund                                       | : Open-Ended<br>Income Fund   |
| NAV  |   |
| Dividend Option                                    | : Rs. 10.2802#  |
| Cumulative Option                                  | : Rs. 10.5473   |
| Inception Date                                     | : 25-Aug-04   |
| Fund Manager                                       | : Ashish Nigam  |
| Dividend Distribution                              | : -   |
| Minimum Investment for<br>New / Existing Investors | : Rs. 25000/1000  |
| Entry Load   | : Nil   |
| Exit Load / CDSC                                   | : 0.30% for <= 10 lacs<br>if redeemed within<br>3 months<br>Nil for > 10 lacs |
| Cut Off Time                                       |   |
| Purchase   | : 3 p.m.  |
| Redemption   | : 3 p.m.  |
| Benchmark Index                                    | : CRISIL Liquid Fund<br>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.

# CFRF

## Portfolio

| Scrip                              | Coupon | Weight | Rating |
|------------------------------------|--------|--------|--------|
| <b>Corporate Debt</b>              |        |        |        |
| Citi Financial Con Fin (I) Ltd     |        | 15.19% | AAA    |
| Exim Bank Ltd                      | 5.75%  | 10.62% | AAA    |
| GE Capital Services Ltd            |        | 6.08%  | AAA    |
| ICICI Securities Ltd               | 11.20% | 9.11%  | P1+    |
| Sundaram Finance Ltd               | 12.60% | 6.08%  | P1+    |
| Sundaram Finance Ltd               | 11.20% | 6.07%  | P1+    |
| Mahindra & Mahindra<br>Finance Ltd |        | 6.10%  | AAA    |
| <b>PSU/PFI Debt</b>                |        |        |        |
| IDBI Ltd                           |        | 9.15%  | AA+    |
| Indian Oil Corporation Ltd         | 7.15%  | 9.12%  | AAA    |
| Bank FRB                           |        |        |        |
| UTI Bank Ltd                       |        | 10.67% | AAA    |
| <b>Sovereign</b>                   |        |        |        |
| GOI - 2006                         | 5.55%  | 9.11%  | Sov    |
| <b>Net Current Assets</b>          |        |        |        |
|                                    |        | 1.42%  |        |
| <b>Call/Repo Deposit/TBill</b>     |        |        |        |
|                                    |        | 1.28%  |        |

## Dividend History

| <b>Regular Plan</b> |          |          |                               |
|---------------------|----------|----------|-------------------------------|
| 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                   |
| 28-Mar-05           | 0.6620*  | 0.0662   | Rs. 10.2125                   |
| 28-Mar-05           | 0.7080\$ | 0.0708   | Rs. 10.2125                   |
| 27-Jun-05           | 0.8170*  | 0.0817   | Rs. 10.2781                   |
| 27-Jun-05           | 0.8770\$ | 0.0877   | Rs. 10.2781                   |

\* 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<br>Liquid<br>Fund Index |
|----------------------|-------|--------------------------------|
| 1 Month (33 days) #  | 0.48% | 0.41%                          |
| 3 Months (92 Days) # | 1.49% | 1.13%                          |
| 6Months (184 Days) # | 2.85% | 2.31%                          |
| 1 Year\$             | 5.39% | 4.48%                          |
| Since Inception# *   | 5.38% | 4.51%                          |

# Absolute Returns

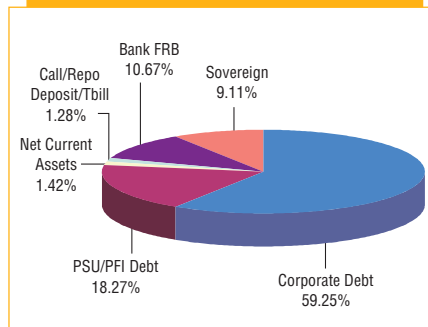
\* Allotment date is 25/08/2004

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

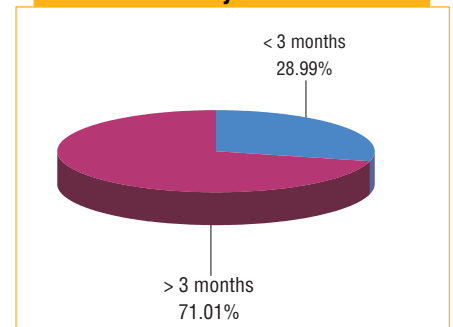
The distribution tax has been included in the calculations of returns.

| Avg Maturity | YTM   |
|--------------|-------|
| 335 Days     | 5.83% |

## Asset Profile



## Maturity Profile



Value Research Gilt : Medium & Long Term  
RATINGS ★★★★★

# Chola GILT Investment Plan

as on August 31, 2005

## Investment Objective

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

## Features

|                           |   |
|---------------------------|---|
| Fund Size                 | : Rs. 4.88 Crores                       |
| Type of Fund              | : Open-Ended<br>Dedicated Gilts Schemes |
| NAV                       |   |
| Quarterly Dividend Option | : Rs. 10.1530                           |
| Cumulative Option         | : Rs. 18.1894                           |
| Inception Date            | : 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                           |

## Fund Manager's Comments

The investment objective of the fund seeks 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.

# CGIP

## Portfolio

| Scrip                       | Weight | Rating |
|-----------------------------|--------|--------|
| 364 Days T Bill             | 93.06% | Sov    |
| Call/Repo Deposit/Tbill/NCA | 6.94%  |        |

## 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                    |

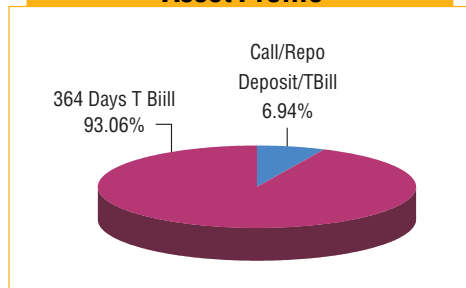
### PF Plan

| 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/-

| Avg Maturity | YTM   |
|--------------|-------|
| 0.74 Years   | 5.54% |

## Asset Profile



## Performance

|                   | CGI    | I-Sec Li-BEX |
|-------------------|--------|--------------|
| 1 Year\$          | 0.65%  | 6.01%        |
| 2 Years\$         | 4.37%  | 2.04%        |
| 3 Years\$         | 8.01%  | NA\$         |
| 5 Years\$         | 12.64% | NA\$         |
| Since Inception\$ | 11.65% | NA\$         |

NA\$ Data not available

\$ 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

as on August 31, 2005

## Investment Objective

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

## Features

|   |  |
|---|--|
| Fund Size                                       | : Rs. 9.82 Crores  |
| Type of Fund                                    | : Open-Ended Income Scheme with no assured returns   |
| NAV   |  |
| Monthly Dividend Option                         | : Rs. 10.1211  |
| Quarterly Dividend Option                       | : Rs. 10.2533  |
| Cumulative Option                               | : Rs. 11.9284  |
| Bonus Option                                    | : Rs. 11.9284  |
| Inception Date                                  | : 31-Jul-98  |
| Fund Manager                                    | : Ashish Nigam/<br>Pradeep Kumar   |
| Dividend Distribution                           | : Monthly/Quarterly  |
| Minimum Investment for New / Existing Investors | : Rs. 5000/1000 (Cum.)<br>Rs. 10000/1000 (Div.)  |
| Entry Load                                      | : Nil  |
| Exit Load / CDSC                                | : For investments <=10 Lacs: 0.5% if redeemed within 6 months<br>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 was less than 15%.

# CMIP

## Portfolio

| Script                             | Coupon | Weight | Rating |
|------------------------------------|--------|--------|--------|
| <b>Corporate Debt</b>              |        |        |        |
| Fleet Trust April 2003 Series A2   |        | 4.49%  | AAA    |
| GE Shipping Ltd                    | 10.25% | 5.23%  | AAA    |
| <b>PSU/PFI Debt</b>                |        |        |        |
| IDBI Ltd                           |        | 5.12%  | AA+    |
| <b>Sovereign</b>                   |        |        |        |
| 364 DayT Bill                      |        | 70.96% | Sov    |
| <b>Equity</b>                      |        |        |        |
| ACC Ltd.                           |        | 1.80%  |        |
| BHEL                               |        | 1.82%  |        |
| IDFC Ltd                           |        | 1.75%  |        |
| ITC Ltd                            |        | 1.81%  |        |
| Jaiprakash Hydro-Power Ltd         |        | 0.50%  |        |
| Mahanagar Telephone Nigam Limited  |        | 1.94%  |        |
| Reliance Industries Ltd            |        | 1.83%  |        |
| Satyam Computer Ser. Ltd.          |        | 1.81%  |        |
| <b>Call/Repo Deposit/Tbill/NCA</b> |        | 0.94%  |        |

## Dividend History

### Regular Plan

| Date of Declaration | % Unit    | Rs./Unit | NAV as on date of declaration |
|---------------------|-----------|----------|-------------------------------|
| 25-Feb-05           | 0.5790*   | 0.0579   | Rs.10.2187                    |
| 25-Feb-05           | 0.6190\$  | 0.0619   | Rs.10.2187                    |
| 28-Mar-05           | 0.5790*   | 0.0579   | Rs.10.1597                    |
| 28-Mar-05           | 0.6190\$  | 0.0619   | Rs.10.1597                    |
| 28-Mar-05           | 1.7370*#  | 0.1737   | Rs.10.3586                    |
| 28-Mar-05           | 1.8570\$# | 0.1857   | Rs.10.3586                    |
| 25-Apr-05           | 0.5720*   | 0.0572   | Rs.10.1334                    |
| 25-Apr-05           | 0.6140\$  | 0.0614   | Rs.10.1334                    |
| 25-May-05           | 0.5720*   | 0.0572   | Rs. 10.1076                   |
| 25-May-05           | 0.6140\$  | 0.0614   | Rs. 10.1076                   |
| 27-Jun-05           | 0.5720*   | 0.0572   | Rs. 10.1409                   |
| 27-Jun-05           | 0.6140\$  | 0.0614   | Rs. 10.1409                   |
| 27-Jun-05           | 1.7150*#  | 0.1715   | Rs. 10.3422                   |
| 27-Jun-05           | 1.8420\$# | 0.1842   | Rs. 10.3422                   |
| 25-Jul-05           | 0.5720*   | 0.0572   | Rs.10.1702                    |
| 25-Jul-05           | 0.6140\$  | 0.0614   | Rs.10.1702                    |

\* Corporate \$ Individual

# Quarterly Dividend

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

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

## Performance

|                      | CMIP* | CRISIL Blended MIP Index |
|----------------------|-------|--------------------------|
| 1 Month (33 Days)#   | 0.37% | 0.79%                    |
| 3 Months (92 Days)#  | 2.12% | 3.42%                    |
| 6 Months (184 Days)# | 2.97% | 4.23%                    |
| 1 Year\$             | 8.34% | 10.13%                   |
| Since Inception\$    | 8.81% | 8.52%                    |

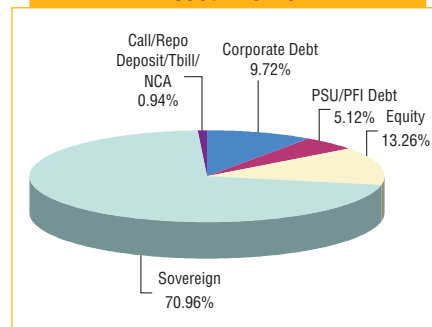
# Absolute Returns

\$ Compounded annualised returns

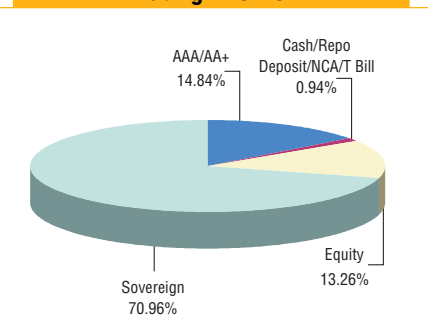
\* Converted from close-ended to open-ended w.e.f. July 31, 2003 and renamed as **Chola Monthly Income Plan**. Hence the returns of 3 & 5 years are not given.

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

## Asset Profile



## Rating Profile



# Chola Income Plus

as on August 31, 2005

## 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

|  |  |
|--|--|
| Fund Size  | : Rs. 3.32 Crores  |
| Type of Fund                                       | : Open-Ended<br>Income Scheme  |
| NAV  |  |
| Quarterly Dividend Option                          | : Rs. 10.3443  |
| Cumulative Option                                  | : Rs. 10.6754  |
| Inception Date                                     | : 9-Aug-04   |
| Fund Manager                                       | : Ashish Nigam/<br>Pradeep Kumar   |
| Dividend Distribution                              | : Quarterly  |
| Minimum Investment for<br>New / Existing Investors | : Rs. 5000/1000 (Cum.)<br>Rs. 10000/1000 (Div.)  |
| Entry Load   | : Nil  |
| Exit Load / CDSC                                   | : For investments<br><= 10 Lacs: 0.5% if<br>redeemed within<br>6 months<br>For investments<br>> 10 Lacs: Nil |
| Cut Off Time                                       |  |
| Purchase   | : 3 p.m.   |
| Redemption   | : 3 p.m.   |
| Benchmark Index                                    | : CRISIL Blended MIP<br>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.

# CIP

## Portfolio

| Scrip                                | Coupon | Weight | Rating |
|--------------------------------------|--------|--------|--------|
| <b>Corporate Debt</b>                |        |        |        |
| <b>Sovereign</b>                     |        |        |        |
| 364 DayT Bill                        |        | 76.22% | Sov    |
| <b>Equity</b>                        |        |        |        |
| ACC Ltd.                             |        | 2.02%  |        |
| Hindalco                             |        | 1.30%  |        |
| IDFC Ltd                             |        | 0.20%  |        |
| Jaiprakash Hydro-Power Ltd           |        | 0.22%  |        |
| Mahanagar Telephone<br>Nigam Limited |        | 0.96%  |        |
| Punjab National Bank                 |        | 1.21%  |        |
| Ultratech Cement Co. Ltd             |        | 1.32%  |        |
| <b>Call/Repo Deposit/NCA</b>         |        | 16.55% |        |

## 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                    |
| 28-Mar-05           | 0.6620*  | 0.0662   | Rs.10.2644                    |
| 28-Mar-05           | 0.7080\$ | 0.0708   | Rs.10.2644                    |
| 27-Jun-05           | 0.6530*  | 0.0653   | Rs. 10.2448                   |
| 27-Jun-05           | 0.7020\$ | 0.0702   | Rs. 10.2448                   |

\* Corporate \$ Individual

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

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

## Avg Maturity

|          |              |
|----------|--------------|
| 206 dyas | YTM<br>5.06% |
|----------|--------------|

## Performance

|                      | CIP   | CRISIL Blended MIP Index |
|----------------------|-------|--------------------------|
| 1 Month (33 Days)#   | 0.82% | 0.79%                    |
| 3 Months (92 Days)#  | 2.17% | 3.42%                    |
| 6 Months (184 Days)# | 2.39% | 4.23%                    |
| 1 Year\$             | 5.92% | 10.13%                   |
| Since Inception#*    | 6.36% | 9.89%                    |

# Absolute Returns

\* Allotment date is 09-08-2004

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

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

## Asset Profile

