



I just got back from a short one week vacation at Sangla Valley in the Kinnaur region of Himachal Pradesh. Though the vacation was short, the planning that went into it took me a couple of days. Choosing Sangla Valley as the destination took quite a few hours of intense research. Once I zeroed down on the destination, there was a lot more planning that had to be done. Getting from Mumbai to Sangla, involved train and road travel for which the reservations were to be done. Being the holiday seasons, accommodation needed to be booked in advance. In fact, the list of things that needed to be done goes on and on. Reaching Sangla without any major mishap was a sheer relief.

All this got me wondering as to why we spend so little time putting together a plan for our investments, when we can spend a couple of days planning for a vacation! Should not developing an investment plan be the top priority for us?

What does it take to write out an investment plan? A good investment plan does not need to be complex or difficult. In fact, a good investment plan should be based on a set of common sense rules that are easy to understand and use. And please do not wait until you have a perfect plan in place. An imperfect investment plan is better than following your emotions. And you do not need to be a financial wizard to put together a set of common sense rules, a few of which I have elaborated below:

Diversify - Don't put all your eggs in one basket. Have a plan that will invest across different asset classes, across different funds and fund managers and across different geographies.

Invest regularly - Have a plan that focuses on making investing a habit - a "pay yourself first" routine that works through an automatic savings plan.

A long term perspective - Have a plan that focuses on long term results and not on what is immediately in front of you.

Know what you are doing - Have a plan that you can understand in terms of potential risk and reward. Keep some of your money in equity funds as over the long term equity funds will outperform bond and cash funds and keep you ahead of inflation. It is wise to keep some of your money in cash funds so that you cover emergencies, contingencies and opportunities.

Understand and follow your plan - Understand your plan so well that it will not be possible for anyone to talk you out of it. Once you have your plan follow it. The funny thing about plans is that they don't work if you don't follow them!

That's all it takes to put together a plan for your investments. So why don't you get started right now? A Fortune Magazine article a couple of years ago showed that people with written plans for their investments, on average, wind up with five times as much money during retirement compared to those without written plans! Isn't that enough motivation?

From the Desk of the Chief Investment Officer

Tridib Pathak



In June the BSE Sensex rose by a strong 8% or 500 points reaching an all time high of 7200. FIIs pumped in a huge \$1.1bn in the markets after two consecutive months net selling. Year to date now, FIIs have brought in \$4.5bn, half of the inflows we saw in 2004. A new set of investors are emerging mainly from Asia. In a world where sustained growth is becoming doubtful, India continues to stand out as one of the few markets with prospects for sustained economic growth and thus corporate profit growth. Many investors argue that the current rally is liquidity driven and will thus peter out as liquidity dries down. We feel that liquidity flows to attractive asset classes. Liquidity does not in itself create an attractive asset class. So, India's relative attractiveness is standing out now to its benefit.

As expected by us, large caps outperformed mid caps. While Sensex rose 8%, the NSE 200 mid cap index rose only 0.3% in June. In the case of midcap, stocks we were worried about the 'leap of faith' and exaggerated expectations from investors. Thus in our recently launched Chola Multi-Cap fund we had swung the portfolio in favour of large cap stocks and away from mid caps. We continued to favour large caps over mid cap for the moment.

Much of the attention is also on the shape Indian Monsoon will take over the course of next 2 months. We think monsoons and thus agricultural production are becoming less important in influencing over economic growth than in the past. Agriculture accounts only for 20% of GDP now and non-agricultural growth (from industrial and services) can easily be expected to be more than 7.5-8% over the next 2 years. Thus even with a reasonable failure in monsoons, we should sail through with a GDP growth of more than 6%.

With the markets once again at all time highs, we would like to reiterate two things 1) the markets are not at all time highs and 2) ignore the broad markets. While the markets are at an absolute level of high, in terms valuations at 14.5X, we are still below long term averages. With a larger number of opportunities opening up and the no of large caps growing to 65-70, we think investors should ignore the broad markets i.e BSE Sensex. Disciplined stock investing is crucial in this context.

Volatility in the fixed income markets continues. While overnight rates rose 50bps and 182 day t-bill rates rose 22bps, 10 year bond yield rose only 10 bps. Thus the yield curve has flattened. This is in keeping with trends in global markets. For e.g 10 yr US bond yield has hovered around 4% for the past few months (going below 4% during June for a short while) even when the Fed has continued monetary tightening by increase rates in a gradual manner 9 times to 3.25%. There are expectations a US slowdown which is resulting into this. This may not however look likely in the Indian scenario.

Positives in favour of bond markets are benign liquidity and inflation. Negatives include high crude oil prices which have not been passed on fully, high bank credit growth and higher government borrowings. We continue to believe that volatility will persist.

In this context, we have recently launched a 3 month Fixed Maturity Plan (FMP), to immunize investors against volatility. We also believe that investors should stay exposed to short maturity products such as Liquid Funds and Floating rate funds.

Cholamandalam Growth Fund

as on June 30, 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. 31.24 Crores |
| Type of Fund | : Open-Ended Growth Scheme |
| NAV | |
| Quarterly Dividend Option | : Rs. 12.39 |
| Cumulative Option | : Rs. 18.04 |
| Inception | : 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% > 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 | |
| Large | | | | Size |
| 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 and IT services. There is also a blend of undervalued global cyclical stocks.

| | |
|----------------|----------------------|
| Value Research | Equity : Diversified |
| RATINGS | ★★★★ |

CGGF

Portfolio

| Script | % of Portfolio |
|-------------------------------|----------------|
| Reliance Industries Ltd | 8.91% |
| Satyam Computer Services Ltd. | 8.03% |
| ONGC | 7.50% |
| Pantaloon Retail (India) Ltd. | 6.32% |
| Hindalco Industries Ltd | 5.88% |
| ACC Ltd | 5.23% |
| Maruti Udyog Ltd | 5.16% |
| ITC Ltd | 4.86% |
| Infosys Technologies Ltd | 4.52% |
| BHEL | 4.43% |
| Hexaware Technologies Ltd | 4.35% |
| Gujarat Ambuja Cements Ltd | 4.25% |
| Punjab National Bank | 4.11% |
| MTNL | 4.08% |
| ICICI Bank Ltd | 3.93% |
| Tata Tea Ltd. | 3.37% |
| Goodlass Nerolac Paints Ltd. | 2.72% |
| Corporation Bank | 2.69% |
| Ultratech Cement Company Ltd | 2.31% |
| Jai Prakash Hydro-Power Ltd. | 2.13% |
| Birla Corporation Ltd. | 1.83% |
| Allahabad Bank | 1.45% |
| Cash | 1.94% |

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 (91 Days)# | 9.07% | 10.80% |
| 6 Months (181 Days)# | 10.20% | 8.95% |
| 1 Year\$ | 58.66% | 50.01% |
| 3 Years\$ | 44.35% | 30.30% |
| Since Inception\$* | 40.34% | 29.78% |

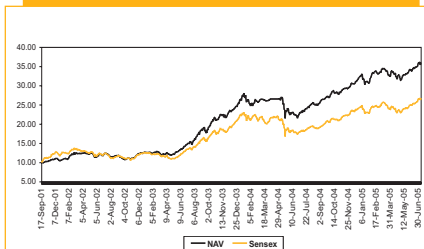
Absolute Returns

\$ Compounded Annualised Returns

* Allotment date is 17-09-2001

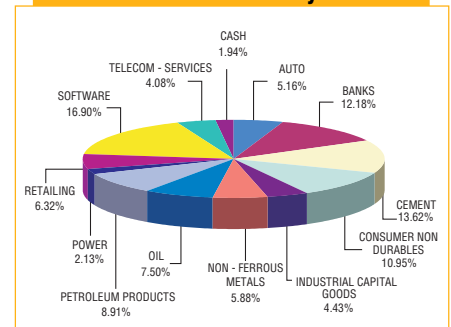
Past performance may or may not be sustained in future.

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

as on June 30, 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. 51.22 Crores |
| Type of Fund | : Open-Ended Equity Scheme |
| NAV | |
| Dividend Option | : Rs. 12.29# |
| Cumulative Option | : Rs. 15.72 |
| Inception | : 9-Aug-04 |
| 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 | : CNX Midcap 200 |

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

| Scrip | % of Portfolio |
|-----------------------------------|----------------|
| Pantaloen Retail (India) Ltd. | 5.89% |
| Dabur India Ltd. | 4.36% |
| Infotech Enterprises Ltd. | 3.74% |
| Aventis Pharma Ltd. | 3.69% |
| Welspun India Ltd. | 3.43% |
| Nicholas Piramal India Ltd. | 3.39% |
| Geometric Software Solutions Ltd. | 3.24% |
| Goodlass Nerolac Paints Ltd. | 3.11% |
| Motherson Sumi Systems Ltd. | 3.04% |
| Birla Corporation Ltd. | 3.01% |
| Blue Dart Express Ltd. | 2.97% |
| Alfa Laval (India) Ltd. | 2.93% |
| Micro Inks Ltd | 2.91% |
| United Phosphorous Ltd. | 2.91% |
| Crompton Greaves Ltd. | 2.90% |
| Bajaj Hindusthan Ltd. | 2.89% |
| Sona Koyo Steering Systems Ltd. | 2.86% |
| Hexaware Technologies Ltd | 2.84% |
| Jain Irrigation Systems Ltd. | 2.82% |
| Volta Ltd. | 2.79% |
| Ballarpur Industries Ltd. | 2.57% |
| Tata Metaliks Ltd. | 2.56% |
| Emco Ltd. | 2.48% |
| LIC Housing Finance Ltd | 2.39% |
| Geodesic Information System Ltd | 2.26% |
| Thermax Ltd. | 2.03% |
| Automotive Axles Ltd. | 1.93% |
| Polyplex Corporation Ltd. | 1.79% |
| Kale Consultants Ltd. | 1.59% |
| Jai Prakash Hydro-Power Ltd. | 1.53% |
| Ipca Laboratories Ltd. | 1.42% |
| Shree Cement Ltd. | 1.34% |
| Vimta Labs Ltd | 0.99% |
| Cash | 9.40% |

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

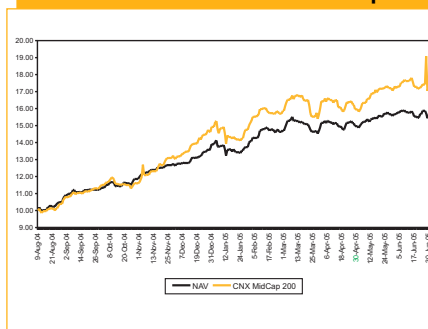
| | CMF | CNX Midcap 200 |
|---------------------|--------|----------------|
| 3 months (91days)# | 5.50% | 7.54% |
| 6 months (181days)# | 13.09% | 15.28% |
| Since Inception# * | 57.20% | 72.06% |

Absolute Returns
* Allotment date is 09/08/2004
Past performance may or may not be sustained in future.

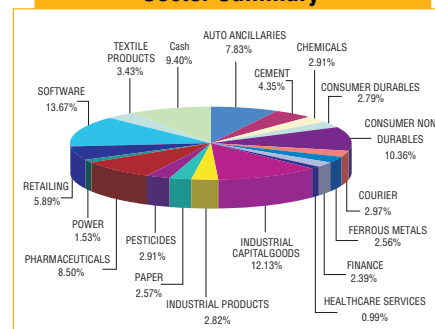
Disclaimer

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NAV Movement vis-à-vis CNX Midcap 200



Sector Summary



Chola Opportunities Fund

as on June 30, 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. 6.00 Crores |
| Type of Fund | : Open-Ended Growth Fund |
| NAV | |
| Quarterly Dividend Option | : Rs. 10.27 |
| Cumulative Option | : Rs. 15.80 |
| 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 | | | |
| | 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

| Scrp | % of Portfolio |
|-------------------------------------|----------------|
| Ahmednagar Forgings Ltd. | 8.13% |
| Wipro Ltd. | 7.92% |
| Geodesic Information System Ltd | 7.65% |
| Satyam Computer Services Ltd. | 7.62% |
| Geometric Software Solutions Ltd. | 6.93% |
| Bharat Petroleum Corporation Ltd | 6.74% |
| Hindustan Petroleum Corporation Ltd | 6.65% |
| Patni Computers Systems Ltd | 4.63% |
| Amtek Auto Ltd. | 4.53% |
| Hexaware Technologies Ltd | 4.50% |
| Infotech Enterprises Ltd. | 4.50% |
| Polyplex Corporation Ltd. | 4.46% |
| Alok Industries Ltd | 4.45% |
| Alfa Laval (India) Ltd. | 4.11% |
| Ipca Laboratories Ltd. | 3.85% |
| Welspun India Ltd. | 3.68% |
| Sundaram-Clayton Ltd. | 3.39% |
| Jai Prakash Hydro-Power Ltd. | 1.74% |
| Infosys Technologies Ltd | 0.88% |
| Cash | 3.64% |

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 (91 Days)# | 5.26% | 10.80% |
| 6 Months (181 Days)# | 8.37% | 8.95% |
| 1 Year\$ | 58.95% | 50.01% |
| Since Inception \$* | 23.38% | 21.74% |

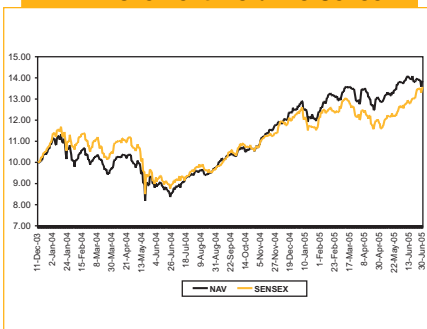
* Scheme was renamed as **Chola Opportunities Fund** on December 11, 2003. Due to change in the investment objectives, the returns for 3 and 5 years is not given.

Absolute Returns

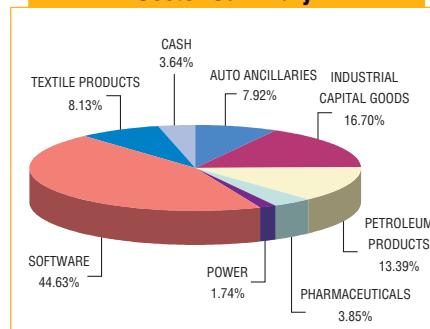
\$ Compounded Annualised Returns

Past performance may or may not be sustained in future.

NAV Movement vis-à-vis Sensex



Sector Summary



Chola Multi-Cap Fund

as on June 30, 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. 65.77 Crores |
| Type of Fund | : Open-Ended Equity Scheme |
| NAV | |
| Dividend Option | : Rs. 11.45# |
| Cumulative Option | : Rs. 11.45 |
| Inception Date | : 14-Dec-04 |
| Fund Manager | : Tridib Pathak |
| Dividend Distribution | : - |
| Minimum Investment for New / Existing Investors | : Rs. 5000/1000 |
| Entry Load | : <= 1 Crore : 2.25% > 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, 60% of the fund is invested in large cap and around 30% in mid cap stocks.

CMCF

Portfolio

| Scrip | % of Portfolio |
|---------------------------------|----------------|
| Reliance Industries Ltd | 8.20% |
| Satyam Computer Services Ltd. | 6.16% |
| ONGC | 5.62% |
| Pantaloon Retail (India) Ltd. | 5.28% |
| Hindalco Industries Ltd | 4.84% |
| Maruti Udyog Ltd | 4.36% |
| Blue Dart Express Ltd. | 4.11% |
| ICICI Bank Ltd | 4.03% |
| Infosys Technologies Ltd | 3.91% |
| ACC Ltd | 3.44% |
| Punjab National Bank | 3.25% |
| Gujarat Ambuja Cements Ltd | 3.21% |
| Geodesic Information System Ltd | 3.08% |
| Birla Corporation Ltd. | 2.98% |
| ITC Ltd | 2.92% |
| Jain Irrigation Systems Ltd. | 2.86% |
| Infotech Enterprises Ltd. | 2.79% |
| Tata Metaliks Ltd. | 2.75% |
| Goodlass Nerolac Paints Ltd. | 2.55% |
| Micro Inks Ltd | 2.40% |
| United Phosphorous Ltd. | 2.23% |
| Jai Prakash Hydro-Power Ltd. | 2.03% |
| Emco Ltd. | 1.73% |
| Allahabad Bank | 1.53% |
| Motor Industries Company Ltd | 1.47% |
| Vimta Labs Ltd | 1.47% |
| Hexaware Technologies Ltd | 1.19% |
| Crompton Greaves Ltd. | 0.84% |
| Kale Consultants Ltd. | 0.79% |
| Cash | 7.98% |

Performance

| | CMCF | S&P CNX 500 |
|---------------------|--------|----------------|
| 3 Months (91Days)# | 8.74% | 7.52% |
| Since Inception # * | 14.50% | 10.01% |

*Units allotted on 28-01-2005

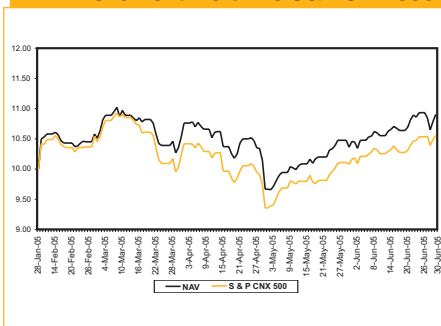
Absolute Returns

Past performance may or may not be sustained in future.

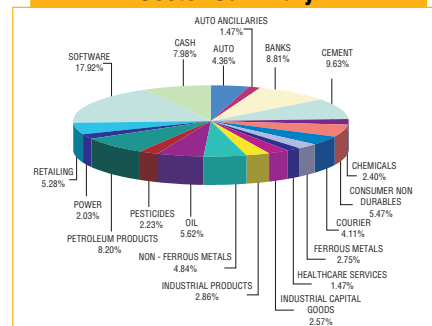
Disclaimer

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NAV Movement vis-à-vis S&P CNX 500



Sector Summary



Chola Global Advantage Fund

as on June 30, 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. 78.42 Crores |
| Type of Fund | : Open-Ended Equity Scheme |
| NAV | |
| Dividend Option | : Rs. 10.08# |
| Cumulative Option | : Rs. 10.08 |
| Inception Date | : 19-Apr-05 |
| 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 | : 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

"Chla Global Advantage Fund is now 70% 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. | 6.85% |
| ONGC | 6.03% |
| Hindalco Industries Ltd. | 5.15% |
| Tata Tea Ltd. | 4.74% |
| Welspun India Ltd. | 2.91% |
| Bharat Forge Ltd. | 2.61% |
| Tata Metaliks Ltd. | 2.58% |
| United Phosphorous Ltd. | 2.57% |
| Nicholas Piramal India Ltd. | 2.51% |
| Gujarat Ambuja Cements Ltd | 2.50% |
| Thermax Ltd. | 2.19% |
| Alfa Laval (India) Ltd. | 2.02% |
| Wipro Ltd. | 1.82% |
| Motherson Sumi Systems Ltd. | 1.70% |
| Amtek Auto Ltd. | 1.69% |
| Infosys Technologies Ltd | 1.68% |
| Sun Pharmaceutical Inds. Ltd. | 1.66% |
| Dabur India Ltd. | 1.63% |
| Hexaware Technologies Ltd | 1.60% |
| Motor Industries Co. Ltd. | 1.54% |
| Sona Koyo Steering Systems Ltd. | 1.53% |
| Alok Industries Ltd. | 1.50% |
| Raymond Ltd. | 1.50% |
| Volta Ltd. | 1.48% |
| Micro Inks Ltd. | 1.46% |
| Infotech Enterprises Ltd. | 1.45% |
| Arvind Mills Ltd. | 1.44% |
| Crompton Greaves Ltd. | 1.43% |
| Aventis Pharma Ltd. | 1.43% |
| Automotive Axles Ltd. | 1.41% |
| Cash | 29.39% |

Performance

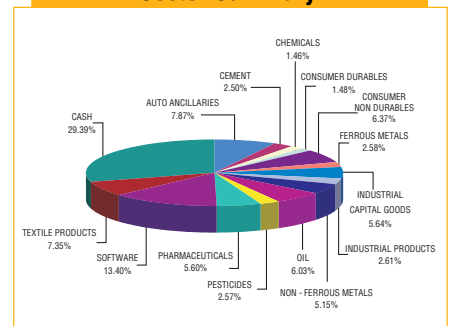
| | CGAF | S&P CNX 500 |
|--------------------|-------|-------------|
| Since Inception #* | 0.80% | 4.78% |

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.

Sector Summary



Chola Triple Ace

AAAF⁺
rated by
CRISIL

CTA

as on June 30, 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. 24.74 Crores |
| Type of Fund | : Open-Ended Pure Income Fund |
| NAV | |
| Quarterly Dividend Option | : Rs. 10.7988 |
| Semi Annual Dividend Option | : Rs. 11.0966 |
| Cumulative Option | : Rs. 22.9306 |
| Bonus Option | : Rs. 12.7417 |
| 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 | | | |
| Citibank Ltd | 13.00% | 12.89% | AAA |
| Fleet Trust April 2003 Series A2 | | 2.37% | AAA |
| Fleet Trust May III 2003 Series A2 | | 2.19% | AAA |
| GE Capital Services Ltd | 9.50% | 8.43% | AAA |
| GE Shipping Ltd | 10.25% | 2.09% | AAA |
| HDFC Ltd | 6.48% | 8.13% | AAA |
| Sundaram Finance Ltd | 12.60% | 12.14% | AAA |
| PSU/PFI Debt | | | |
| IDBI Ltd | | 4.06% | AA+ |
| Indian Oil (Corporation)Ltd | 7.15% | 14.19% | AAA |
| NTPC-PTC Series XII | | 7.94% | AAA |
| Call/Repo Deposit/NCA | | 25.57% | |

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 (91 Days)# | 0.70% | 1.48% |
| 6 Months (181 Days)# | 1.32% | 2.94% |
| 1 Year\$ | 1.90% | 3.24% |
| 3 Years\$ | 6.21% | NA\$ |
| 5 Years\$ | 8.78% | NA\$ |
| Since Inception\$ | 10.58% | NA\$ |

Absolute Returns

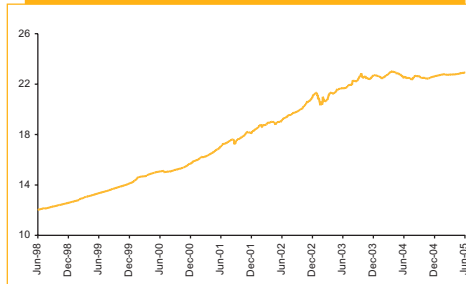
\$ Compounded Annualised Returns

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

1.41 Years

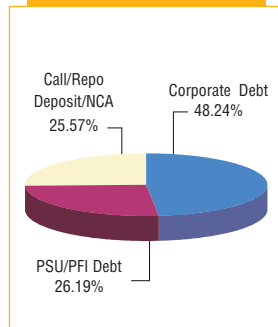
YTM

6.00%

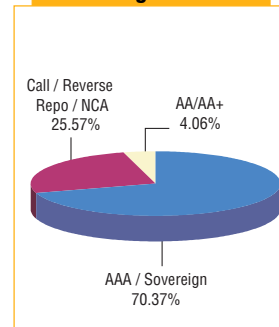
Fund Manager's Comments

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.

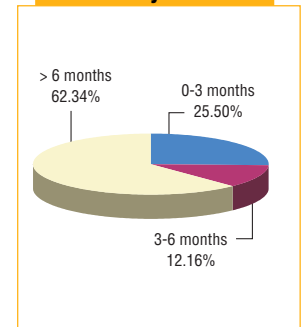
Asset Profile



Rating Profile



Maturity Profile



Chola Freedom Income - Short Term Fund

as on June 30, 2005

AAA^F
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. 23.97 Crores |
| Type of Fund | : Open-Ended Income Fund |
| NAV | |
| Regular - | |
| Monthly Dividend Option | : Rs. 10.2914 |
| Semi Annual Dividend Option | : Rs. 10.6130 |
| Cumulative Option | : Rs. 10.7065 |
| Institutional - | |
| Cumulative Option | : Rs. 10.8031 |
| 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. 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 Fund Index |

Portfolio

| Script | Coupon | Weight | Rating |
|------------------------------------|--------|--------|--------|
| Corporate Debt | | | |
| Citibank Ltd | 13.00% | 8.87% | AAA |
| Fleet Trust April 2003 Series A2 | | 7.35% | AAA |
| Fleet Trust May III 2003 Series A2 | | 2.27% | AAA |
| PSU/PFI Debt | | | |
| ICICI Bank Ltd | 14.25% | 21.13% | AAA |
| IDBI Ltd | 12.75% | 4.42% | AA+ |
| IDBI Ltd | | 2.09% | AA+ |
| Indian Oil (Corporation)Ltd | 7.15% | 14.65% | |
| NTPC-PTC Series XII | | 32.99% | AAA |
| Call/Repo Deposit/NCA | | 6.43% | |

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 |

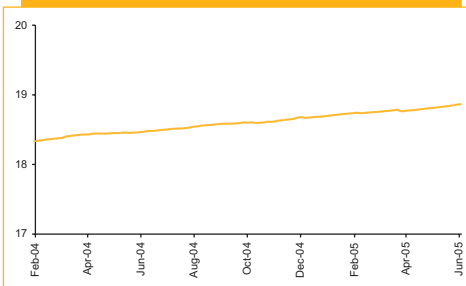
* Corporate \$ Individual
 • Semi Annual Dividend Plan # Monthly Dividend
[^] CFI-STF Regular ^{^^} CFI-STF Institutional
 Past performance may or may not be sustained in the future. The face value of the units is Rs. 10/-

Performance

| | CFI-STF | CFI-STF-Institu-tional | CRISIL STF Index |
|----------------------|---------|------------------------|------------------|
| 1 Month (30 Days)# | 0.47% | 0.49% | 0.44% |
| 3 Months (91 Days)# | 0.98% | 1.03% | 1.26% |
| 6 Months (181 Days)# | 1.88% | 2.01% | 2.62% |
| 1 Year\$ | 3.84% | 4.21% | 4.19% |
| 3 Years\$ | 5.65% | NA | NA |
| Since Inception\$ | 5.83% | 4.80% | NA |

\$ Compounded Annualised Returns-%
 # Absolute Returns
 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

1.07 Years

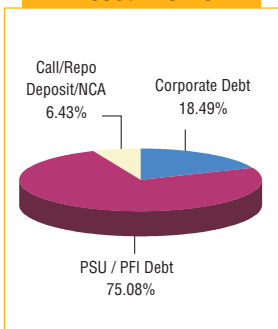
YTM

6.01%

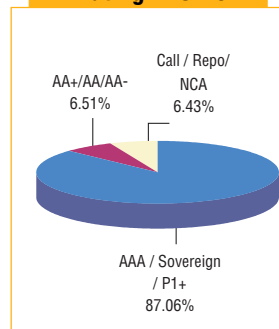
Fund Manager's Comments

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 AAA^F by CRISIL for its credit quality.

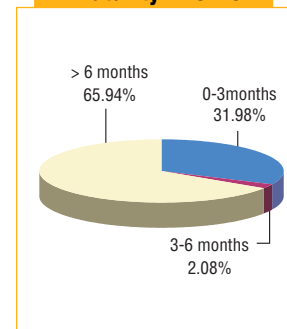
Asset Profile



Rating Profile



Maturity Profile



| | | |
|-----------------------|--------------------------------|-------------------------|
| Value Research | Debt : Ultra Short Term Insti. | Debt : Ultra Short Term |
| RATINGS | ★★★ | ★★★ |

Chola Liquid Fund

AAAF^{*}
rated by
CRISIL

CLF

as on June 30, 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. 561.11 Crores |
| Type of Fund | : Open-Ended Liquidity Income Scheme |
| NAV | |
| Regular- | |
| Weekly Dividend Option | : Rs. 11.6252 |
| Cumulative Option | : Rs. 13.5687 |
| Institutional Plus- | |
| Weekly Dividend Option | : Rs. 11.6252 |
| Cumulative Option | : Rs. 13.5687 |
| Inception | : 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 |

Portfolio

| Scrip | Coupon | Weight | Rating |
|------------------------------------|--------|--------|--------|
| Corporate Debt | | | |
| Citi Financial Con Fin (I) Ltd | | 0.89% | AAA |
| Ge Capital Services India Ltd | | 0.18% | AAA |
| Ge Capital Services India Ltd | | 0.89% | AAA |
| ICICI Securities & Finance Co. Ltd | 11.20% | 0.36% | P1+ |
| Indian Retail Trust Series | | 0.52% | AAA |
| Rabo India Finance P Ltd | | 1.80% | P1+ |
| Rabo India Finance P Ltd | | 2.67% | P1+ |
| Sterlite Industries Ltd | | 2.32% | P1+ |
| Sundaram Finance Ltd | 11.20% | 0.53% | P1+ |
| Citi Financial Con Fin (I) Ltd | | 2.55% | P1+ |
| HDFC Ltd | CP | 4.25% | P1+ |
| HDFC Ltd | CP | 3.24% | P1+ |
| PSU/PFI Debt | | | |
| Exim Bank Ltd | | 0.87% | P1+ |
| Exim Bank Ltd | | 3.40% | P1+ |
| Exim Bank Ltd | | 3.39% | P1+ |
| Exim Bank Ltd | | 0.70% | P1+ |
| National Housing Bank Ltd | | 2.65% | P1+ |
| CD's with Banks | | | |
| ICICI Bank Ltd | | 9.61% | P1+ |
| ICICI Bank Ltd | | 1.74% | P1+ |
| ING Vyasa Bank Ltd | | 1.72% | P1+ |
| Jammu and Kashmir Bank Ltd. | | 3.38% | P1+ |
| Kotak Mahindra Bank Ltd | | 0.88% | P1+ |
| UCO Bank Ltd | | 2.57% | P1+ |
| UCO Bank Ltd | | 1.71% | P1+ |
| UCO Bank Ltd | | 0.85% | P1+ |
| UTI Bank Ltd | | 3.54% | P1+ |
| UTI Bank Ltd | | 1.69% | P1+ |
| Sovereign | | | |
| GOI 2006 - Floating Rate Bond | 5.55% | 1.78% | Sov |
| Other Deposits | | | |
| | | 25.83% | |
| Net Current Assets | | | |
| | | 0.28% | |
| Call/Repo Deposit/TBill | | | |
| | | 13.21% | |

Performance

| | CLF- Cum | CLF-Cum Institu- tional Plus | CRISIL LF Index |
|----------------------|-------------|------------------------------------|-----------------------|
| 7 Days# | 0.1048% | 0.1049% | 0.08% |
| 14 Days# | 0.2097% | 0.2101% | 0.17% |
| 1 Month (30 Days)# | 0.45% | 0.45% | 0.37% |
| 3 Months (91 Days)# | 1.34% | 1.34% | 1.16% |
| 6 Months (181 Days)# | 2.63% | 2.63% | 2.29% |
| 1 Year\$ | 5.01% | 5.12% | 4.35% |
| 3 Years\$ | 5.26% | NA | NA |
| Since Inception\$ | 6.65% | 5.12% | NA |

Absolute Returns

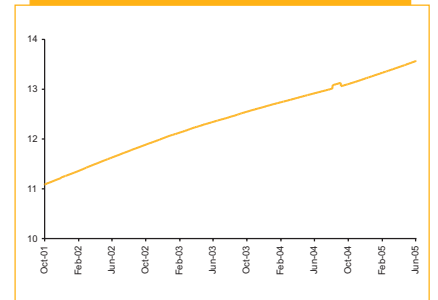
\$ Compounded Annualised Returns

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

159 days

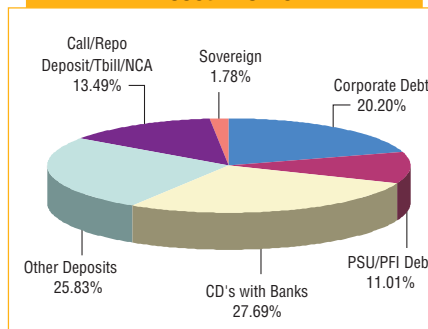
YTM

5.83%

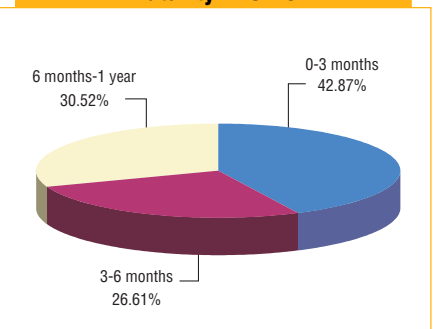
Fund Manager's Comments

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

as on June 30, 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. 33.42 Crores |
| Type of Fund | : Open-Ended Income Fund |
| NAV | |
| Dividend Option | : Rs. 10.1832# |
| Cumulative Option | : Rs. 10.4479 |
| 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 if redeemed within 3 months 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.

CFRF

Portfolio

| Scrip | Coupon | Weight | Rating |
|--------------------------------|--------|--------|--------|
| Corporate Debt | | | |
| Citi Financial Con Fin (I) Ltd | | 14.98% | AAA |
| Ge Capital Services India Ltd | | 12.24% | AAA |
| HDFC Ltd | 6.48% | 9.03% | AAA |
| ICICI Securities Ltd | 11.20% | 8.98% | P1+ |
| Sundaram Finance Ltd | 12.60% | 4.49% | P1+ |
| Sundaram Finance Ltd | 11.20% | 5.98% | P1+ |
| PSU/PFI Debt | | | |
| IDBI Ltd | | 9.01% | AA+ |
| Indian Oil Corporation Ltd | 7.15% | 9.01% | AAA |
| Net Current Assets | | 0.82% | |
| Call/Repo Deposit/TBill | | 25.46% | |

| Avg Maturity | YTM |
|--------------|-------|
| 301 Days | 5.90% |

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 |
| 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 Liquid Fund Index |
|----------------------|-------|--------------------------|
| 1 Month (30 days) # | 0.53% | 0.37% |
| 3 Months (91 Days) # | 1.46% | 1.16% |
| 6Months (181 Days) # | 2.62% | 2.29% |
| Since Inception#* | 4.48% | 3.80% |

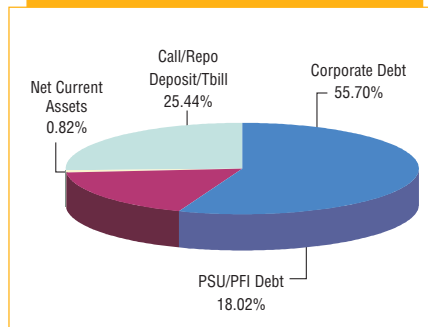
Absolute Returns

* Allotment date is 25/08/2004

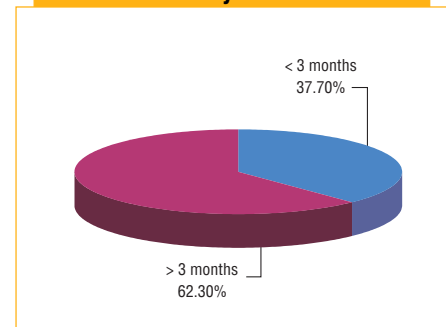
Past performance may or may not be sustained in the future.

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

Asset Profile



Maturity Profile



Chola GILT Investment Plan

as on June 30, 2005

Investment Objective

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

Features

| | |
|---------------------------|---|
| Fund Size | : Rs. 5.00 Crores |
| Type of Fund | : Open-Ended Dedicated Gilts Schemes |
| NAV | |
| Quarterly Dividend Option | : Rs. 10.0689 |
| Cumulative Option | : Rs. 18.0386 |
| 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 |

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.

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

CGIP

Portfolio

| Scrip | Coupon | Weight | Rating |
|-------------------------|--------|--------|--------|
| Call/Repo Deposit/TBill | | 100% | |

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 |

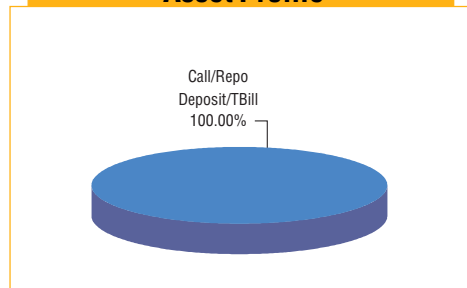
PF Plan

| 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 |
|--------------|-------|
| 2 Days | 5.43% |

Asset Profile



Performance

| | CGI | I-Sec Li-BEX |
|-------------------|--------|--------------|
| 1 Year\$ | 1.79% | 4.09% |
| 2 Years\$ | 5.67% | 4.06% |
| 3 Years\$ | 8.89% | NA\$ |
| 5 Years\$ | 12.20% | NA\$ |
| Since Inception\$ | 11.87% | 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 June 30, 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. 10.87 Crores |
| Type of Fund | : Open-Ended Income Scheme with no assured returns |
| NAV | |
| Monthly Dividend Option | : Rs. 10.0896 |
| Quarterly Dividend Option | : Rs. 10.1509 |
| Cumulative Option | : Rs. 11.8093 |
| Bonus Option | : Rs. 11.8093 |
| Inception | : 31-Jul-98 |
| Fund Manager | : Ashish Nigam/ Pradeep Kumar |
| 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%.

Value Research Hybrid : Monthly Income
RATINGS ★★

CMIP

Portfolio

| Script | Coupon | Weight | Rating |
|------------------------------------|--------|--------|--------|
| Corporate Debt | | | |
| Fleet Trust April 2003 | | | |
| Series A2 | | 5.40% | AAA |
| GE Shipping Ltd | 10.25% | 4.76% | AAA |
| PSU/PFI Debt | | | |
| IDBI Ltd | | 4.78% | AA+ |
| Sovereign | | | |
| 364 DayT Bill | | 61.32% | sov |
| Equity | | | |
| ACC Ltd. | | 2.09% | |
| Jai Prakash Hydro-Power Ltd. | | 0.38% | |
| Mahanagar Telephone | | | |
| Nigam Limited | | 1.60% | |
| Oil & Natural Gas Corp. Ltd | | 2.82% | |
| Satyam Computer Ser. Ltd. | | 2.80% | |
| Call/Repo Deposit/Tbill/NCA | | 14.21% | |

Dividend History

Regular Plan

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

* 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

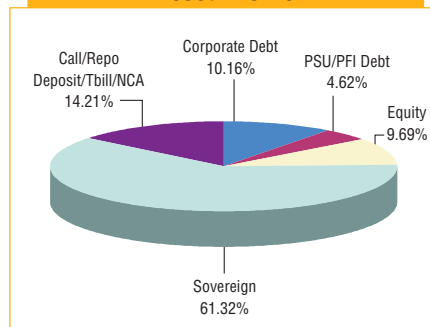
| | CMIP* | CRISIL Blended MIP Index |
|----------------------|-------|--------------------------|
| 1 Month (30 Days)# | 1.10% | 1.61% |
| 3 Months (91 Days)# | 1.98% | 2.62% |
| 6 Months (181 Days)# | 2.22% | 3.59% |
| 1 Year\$ | 9.82% | 8.75% |
| Since Inception\$ | 9.06% | 8.31% |

Absolute Returns \$ Compounded annualised returns

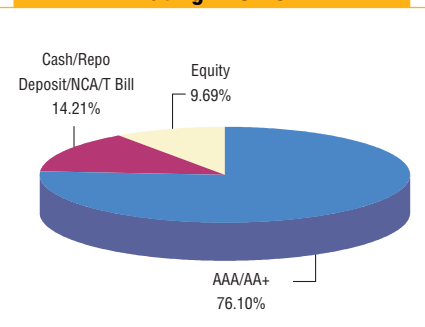
* Converted from close-ended to open-ended w.e.f. July 31, 2003 and renamed as **Chola Monthly Income Plan**. Hence the returns of 3 & 5 years are not given.

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 June 30, 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. 3.79 Crores |
| Type of Fund | : Open-Ended Income Scheme |
| NAV | |
| Quarterly Dividend Option | : Rs. 10.1754 |
| Cumulative Option | : Rs. 10.5011 |
| 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 <= 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

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 |
|--------------------------------------|--------|--------|--------|
| Corporate Debt | | | |
| Sundaram Finance Ltd | 12.60% | 13.21% | AAA |
| Sovereign | | | |
| 364 DayT Bill | | 75.37% | sov |
| Equity | | | |
| ACC Ltd. | | 1.40% | |
| Hindalco Industries Ltd | | 0.95% | |
| Jaiprakash Hydro- Power Limited | | 0.16% | |
| Mahanagar Telephone Nigam Limited | | 0.76% | |
| Oil & Natural Gas Corp'n. Ltd | | 1.62% | |
| Punjab National Bank | | 1.00% | |
| Ultratech Cement Co. Ltd | | 0.93% | |
| Call/Repo Deposit/NCA | | 4.60% | |

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/-

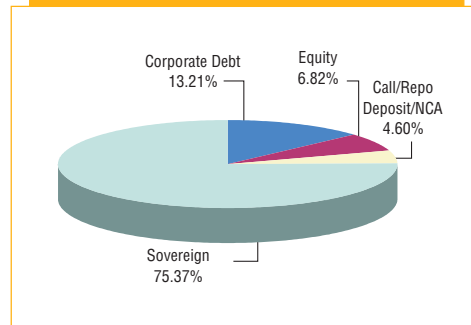
Avg Maturity

242 Days

YTM

5.44%

Asset Profile



Performance

| | CIP | CRISIL Blended MIP Index |
|-----------------------|-------|--------------------------|
| 30 Days # (1 Month) | 0.50% | 1.61% |
| 91 Days # (3 Months) | 0.66% | 2.62% |
| 181 Days # (6 Months) | 1.56% | 3.59% |
| Since Inception#* | 5.01% | 8.57% |

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.

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**

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-Jul-04 | 23.20 | 1000 | 43.10 | 1-Jul-02 | 12.17 | 1000 | 82.17 |
| 2-Aug-04 | 24.98 | 1000 | 40.03 | 1-Aug-02 | 11.39 | 1000 | 87.80 |
| 1-Sep-04 | 26.08 | 1000 | 38.34 | 2-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 | 2-Dec-02 | 12.36 | 1000 | 80.91 |
| 3-Jan-05 | 33.08 | 1000 | 30.23 | 1-Jan-03 | 12.78 | 1000 | 78.25 |
| 1-Feb-05 | 32.70 | 1000 | 30.58 | 3-Feb-03 | 12.49 | 1000 | 80.06 |
| 1-Mar-05 | 33.44 | 1000 | 29.90 | 3-Mar-03 | 12.68 | 1000 | 78.86 |
| 1-Apr-05 | 33.88 | 1000 | 29.52 | 1-Apr-03 | 12.11 | 1000 | 82.58 |
| 2-May-05 | 31.60 | 1000 | 31.65 | 2-May-03 | 12.07 | 1000 | 82.85 |
| 1-Jun-05 | 34.14 | 1000 | 29.29 | 2-Jun-03 | 13.32 | 1000 | 75.08 |
| Total | | 12000 | 407.12 | 1-Jul-03 | 14.66 | 1000 | 68.21 |
| Total Amount Invested | | | Rs. 12000 | 1-Aug-03 | 15.96 | 1000 | 62.66 |
| NAV as on 30th June 05 | | | Rs. 36.08 | 1-Sep-03 | 18.71 | 1000 | 53.45 |
| Average Cost Per Unit | | | Rs. 29.47 | 1-Oct-03 | 19.24 | 1000 | 51.98 |
| Value of investment as on 30th June 05 | | | Rs. 14689 | 3-Nov-03 | 22.34 | 1000 | 44.76 |
| One year annualised returns (%) | | 36.88% | | 1-Dec-03 | 23.51 | 1000 | 42.54 |
| Past performance may or may not be sustained in future. | | | | 1-Jan-04 | 26.08 | 1000 | 38.34 |
| | | | | 3-Feb-04 | 24.72 | 1000 | 40.45 |
| | | | | 1-Mar-04 | 26.24 | 1000 | 38.11 |
| | | | | 1-Apr-04* | 26.68 | 1000 | 37.48 |
| | | | | 3-May-04 | 26.22 | 1000 | 38.14 |
| | | | | 1-Jun-04 | 22.86 | 1000 | 43.74 |
| | | | | 1-Jul-04 | 23.20 | 1000 | 43.10 |
| | | | | 2-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 |
| | | | | 3-Jan-05 | 33.08 | 1000 | 30.23 |
| | | | | 1-Feb-05 | 32.70 | 1000 | 30.58 |
| | | | | 1-Mar-05 | 33.44 | 1000 | 29.90 |
| | | | | 1-Apr-05 | 33.88 | 1000 | 29.52 |
| | | | | 2-May-05 | 31.60 | 1000 | 31.65 |
| | | | | 1-Jun-05 | 34.14 | 1000 | 29.29 |
| Total | | | | Total | | 36000 | 1,961.85 |
| Total Amount Invested | | | | Total Amount Invested | | | Rs. 36000 |
| NAV as on 30th June 05 | | | | NAV as on 30th June 05 | | | Rs. 36.08 |
| Average Cost Per Unit | | | | Average Cost Per Unit | | | Rs. 18.35 |
| Value of investment as on 30th June 05 | | | | Value of investment as on 30th June 05 | | | Rs. 70784 |
| Three year annualised returns (%) | | | | Three year annualised returns (%) | | | 40.69% |
| Past performance may or may not be sustained in future. | | | | Past performance may or may not be sustained in future. | | | |

* 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.

Value Research Fund Category

RATINGS Fund Rating → Fund Category : It indicates the name of the fund category.

★★★★★ Top 10%
★★★★ Next 22.5%
★★★ Middle 35%
★★ Next 22.5%
★ Bottom 10%

Fund Rating : Value Research Fund Rating is a composite measure of a fund's return and risk relative to its peers in the category. It is purely quantitative. For equity and hybrid funds, the Fund Ratings for the two time periods (3 & 5 years) are combined. For debt funds, the Fund Ratings are based on 18-month weekly risk-adjusted performance. The equity funds are rated with a minimum performance history of three years and a debt fund with a minimum history of 18 months. The Ratings are as on 30/06/2005.

Value Research

For 12 years now, Value Research has been the acknowledged research house on Indian Mutual Funds. To help Investors make correct investment decisions, Value Research study every Mutual Fund, evaluate their returns, the risk they take, the investments they make and the people who manage them.