

## From the Desk of the Chief Executive

Sashi Krishnan

I drive over forty kilometers on the highway every morning to office. I drive back over forty kilometers on the highway every evening to home. I have been doing this for the last couple of years. On one of those daily trips recently, it suddenly struck me that investing money is so very similar to driving.

The first thing you need to know while driving on the highway is your destination. While investing money, likewise, you must know your destination or financial goal. If you know what to look out for on the highway, the greater the chances you will reach your destination in one piece. So also while investing, for if you know the pitfalls, the greater the probability that you will guard against them

and achieve your financial goals.

As in driving on the highway, so also while investing, the vehicle that we chose must suit our temperament. For the likes of Narain Karthikeyan the Formula 1, or the sheer thrill of the equity market, may do. For the likes of many of us, it could be the safe and tested 1200 cc car, or the stable mutual fund route, that is preferred.

Discipline is what marks out a good driver from a novice. I so very often see impatient drivers on the highway. These drivers are paying more attention to how the traffic is moving in other lanes rather than keeping an eye on their own lane. If they see the traffic in other lanes moving faster, they will cut across from their lane to the other lane. In the process they increase the level of danger for both themselves as well as others. Many a time they leave the clogged highway out of sheer frustration even though they do not know of any alternate route to their destination. So also it is while investing. Very often I observe investors take a very short term-ish view on their investments. These impatient investors are forever tracking the net asset value of the funds they have invested in. They are driven by their anxiety to always be on the "top" and keep changing lane (switching from fund to fund in search of their Shangri La). In the process they increase the risk to themselves and most often land up losers.

On the other hand you have those patient investors who stick to their chosen lane, whether slow or fast. These investors may not have exciting stories to share with others on their "conquests" in the market, but are the ones that invariably reach their destination safely and retire comfortably.

A good driver therefore knows his destination, understands his route, chooses his vehicle carefully and drives with discipline. Similarly a good investor knows his financial goals, studies the pitfalls in the market, chooses his investment vehicle carefully and sticks to an investment discipline. And crosses the chequered flag successfully.

## From the Desk of the Chief Investment Officer

Tridib Pathak

March was dominated by global events - the continued increase in Fed rates and a fresh spark up in international crude oil prices. The US Fed increased its rate by another 25 basis points, its seventh such increase in the last 12 months.

BSE Sensex declined 3.3%, still performing better than most emerging markets which fell more. The Midcap index, however, rose marginally by 0.9%. While FII flows were a high US\$1.7bn, the second half of the month saw flows weakening substantially. With the US interest rates now clearly expected to rise smartly by the end of the year, we are beginning to see more risk aversion towards emerging markets including India. In fact FII flows towards many emerging markets were negative. A couple of months back, we had discussed the growing linkage of Indian equity markets to FII flows and thus global events. This surely is a risk going forward. It is time to be extremely focused on stock selection. More so, in the case of Midcap investing where we see a lot of leap of faith from investors in the recent past and where we have an increasing participation from FIIs of late.

Meanwhile, economic growth continued to be robust. 3Q GDP growth was 6.8%, pulled down by a 1% decline agricultural growth. In fact, non-agricultural growth (industry and services) was a buoyant 8.8%. So far in 9 mths, GDP growth has averaged 6.7% with a 0.3% agricultural growth and 8.5% non agricultural growth. This proves the overall resilience of growth to weak monsoons and agricultural growth. This is a very positive macro development and to a great extent assures that GDP growth can be a robust 7%+ in the coming years irrespective of agricultural growth. This in turn can ensure steady corporate profit growth and thus returns from equity markets.

Stronger growth and higher level of economic activity will only mean that the risks to inflation are rising. Coupled with the pressure from strong crude oil prices, we could see inflation, which has been on a downward path, turning its course by the middle of the year. US Fed is expected to continue its policy of measured rate hikes raising US Fed rate to around 4-4.5% by end 2005 from the current 2.75%, bringing with it a secular rise in global interest rates and the return of positive real interest rates compared with zero to negative real interest rates that the world has seen in 2004. We reiterate that investors should stay in short duration assets and preferably focus on liquid funds and floating rate funds.

Stronger growth and higher level of economic activity will only mean that the risks to inflation are rising. Coupled with the pressure from strong crude oil prices, we could see inflation, which has been on a downward path, turning its course by the middle of the year. US Fed is expected to continue its policy of measured rate hikes raising US Fed rate to around 4-4.5% by end 2005 from the current 2.75%, bringing with it a secular rise in global interest rates and the return of positive real interest rates compared with zero to negative real interest rates that the world has seen in 2004. We reiterate that investors should stay in short duration assets and preferably focus on liquid funds and floating rate funds.

# Cholamandalam Growth Fund

as on March 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. 40.02 Crores               |
| Type of Fund                                    | : Open-Ended Growth Scheme       |
| NAV   |                                  |
| Quarterly Dividend Option                       | : Rs. 11.37                      |
| Cumulative Option                               | : Rs. 16.54                      |
| 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%<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, banking and IT services. There is also a blend of undervalued global cyclical stocks.

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

# CGF

## Portfolio

| Script                              | % of Portfolio |
|-------------------------------------|----------------|
| ONGC                                | 9.05%          |
| Reliance Industries Ltd             | 8.97%          |
| Infosys Technologies Ltd            | 5.92%          |
| ACC Ltd                             | 5.89%          |
| Hindalco Industries Ltd             | 5.87%          |
| Satyam Computer Services Ltd.       | 5.87%          |
| Corporation Bank                    | 5.77%          |
| State Bank of India                 | 5.26%          |
| Maruti Udyog Ltd                    | 5.16%          |
| Pantaloon Retail (India) Ltd.       | 4.49%          |
| Hexaware Technologies Ltd           | 4.10%          |
| Birla Corporation Ltd.              | 3.86%          |
| Tata Consultancy Services Ltd       | 3.44%          |
| ICICI Bank Ltd                      | 3.24%          |
| MTNL                                | 3.16%          |
| BHEL                                | 3.07%          |
| Gujarat Ambuja Cements Ltd          | 3.01%          |
| Punjab National Bank                | 2.49%          |
| Ultratech Cement Company Ltd        | 1.82%          |
| IVRCL Infrastructure & Project Ltd. | 0.76%          |
| Cash                                | 8.80%          |

## 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 (90 Days)#  | 1.04%  | -1.66%     |
| 6 Months (182 Days)# | 20.38% | 16.28%     |
| 1 Year\$             | 25.68% | 16.14%     |
| 3 Years\$            | 38.60% | 23.14%     |
| Since Inception\$*   | 41.16% | 27.10%     |

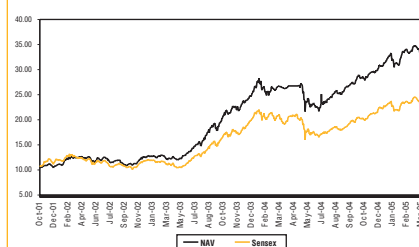
# Absolute Returns

\$ Compounded Annualised Returns

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

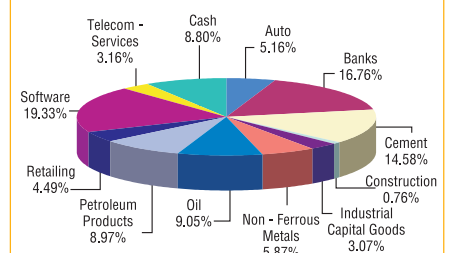
Past performance may or may not be sustained in future.

## NAV Movement vis-à-vis Sensex



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

## Sector Summary



# Chola Midcap Fund

as on March 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. 47.44 Crores              |
| Type of Fund                                    | : Open-Ended Equity Scheme      |
| NAV   |                                 |
| Dividend Option                                 | : Rs. 11.65#                    |
| Cumulative Option                               | : Rs. 14.90                     |
| 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%<br>>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.       | 3.58%          |
| Hexaware Technologies Ltd           | 3.36%          |
| Geometric Software Solutions Ltd.   | 3.33%          |
| Alfa Laval (India) Ltd.             | 3.30%          |
| Aventis Pharma Ltd.                 | 3.26%          |
| Tata Metaliks Ltd.                  | 3.15%          |
| Infotech Enterprises Ltd.           | 3.06%          |
| Bajaj Hindusthan Ltd.               | 3.00%          |
| Dabur India Ltd.                    | 3.00%          |
| Jain Irrigation Systems Ltd.        | 3.00%          |
| Welspun India Ltd.                  | 3.00%          |
| Voltas Ltd.                         | 2.97%          |
| LIC Housing Finance Ltd             | 2.96%          |
| Motherson Sumi Systems Ltd.         | 2.90%          |
| Birla Corporation Ltd.              | 2.90%          |
| Blue Dart Express Ltd.              | 2.86%          |
| United Phosphorous Ltd.             | 2.86%          |
| Emco Ltd.                           | 2.64%          |
| Micro Inks Ltd                      | 2.54%          |
| Crompton Greaves Ltd.               | 2.53%          |
| Motor Industries Company Ltd        | 2.21%          |
| Sona Koyo Steering Systems Ltd.     | 2.19%          |
| Chennai Petroleum Corporation Ltd.  | 2.10%          |
| Geodesic Information System Ltd     | 2.10%          |
| Ballarpur Industries Ltd.           | 1.93%          |
| Polyplex Corporation Ltd.           | 1.88%          |
| Shree Cement Ltd.                   | 1.47%          |
| Nicholas Piramal India Ltd.         | 1.41%          |
| Ipca Laboratories Ltd.              | 1.29%          |
| Cummins India Ltd.                  | 1.22%          |
| Vimta Labs Ltd                      | 1.20%          |
| IVRCL Infrastructure & Project Ltd. | 0.70%          |
| Kale Consultants Ltd.               | 0.33%          |
| Cash                                | 19.77%         |

## 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

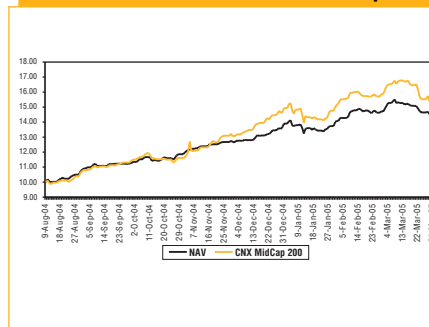
|                             | CMF    | CNX Midcap 200 |
|-----------------------------|--------|----------------|
| 3 months (90 days)#         | 7.19%  | 7.20%          |
| 6 months (182 days)#        | 31.86% | 39.60%         |
| Since Inception# (09/08/04) | 49.00% | 60.00%         |

# Absolute Returns

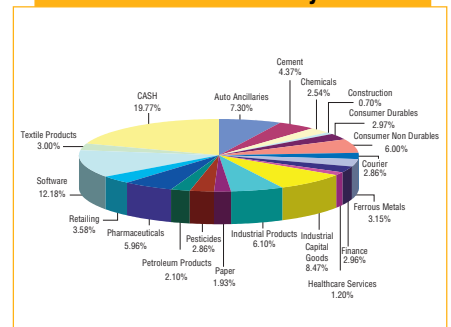
Scheme "Chola Midcap Fund (CMF)" was reopened on 9th Aug 04.

Past performance may or may not be sustained in future.

## NAV Movement vis-à-vis CNX Midcap 200



## Sector Summary



# Chola Opportunities Fund

as on March 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. 6.22 Crores                     |
| Type of Fund                                    | : Open-Ended Growth Fund              |
| NAV   |                                       |
| Quarterly Dividend Option                       | : Rs. 9.76                            |
| Cumulative Option                               | : Rs. 15.01                           |
| 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%<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. In March, Chola Opportunities Fund continues its strategy of overweight in IT & IT enabled services and underweight in Pharmaceuticals. It helped the fund as Pharma stocks corrected in the last month.

# COF

## Portfolio

| Script                              | % of Portfolio |
|-------------------------------------|----------------|
| Infosys Technologies Ltd            | 7.22%          |
| Geodesic Information System Ltd     | 7.12%          |
| Tata Consultancy Services Ltd       | 6.89%          |
| Geometric Software Solutions Ltd.   | 6.28%          |
| Patni Computers Systems Ltd         | 5.95%          |
| Satyam Computer Services Ltd.       | 5.89%          |
| Ahmednagar Forgings Ltd.            | 4.92%          |
| Hexaware Technologies Ltd           | 4.69%          |
| Infotech Enterprises Ltd.           | 4.44%          |
| Alok Industries Ltd                 | 4.22%          |
| Amtek Auto Ltd.                     | 4.16%          |
| Polyplex Corporation Ltd.           | 4.15%          |
| Alfa Laval (India) Ltd.             | 4.09%          |
| Welspun India Ltd.                  | 3.96%          |
| Vimta Labs Ltd                      | 3.29%          |
| Sundaram-Clayton Ltd.               | 3.17%          |
| Ipca Laboratories Ltd.              | 3.09%          |
| Micro Inks Ltd                      | 2.81%          |
| Motor Industries Company Ltd        | 0.98%          |
| IVRCL Infrastructure & Project Ltd. | 0.74%          |
| Cash                                | 11.94%         |

## 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 (90 Days)#  | 2.95%  | -1.66%     |
| 6 Months (182 Days)# | 25.61% | 16.28%     |
| 1 Year\$             | 34.14% | 16.14%     |
| Since Inception \$*  | 23.49% | 16.84%     |

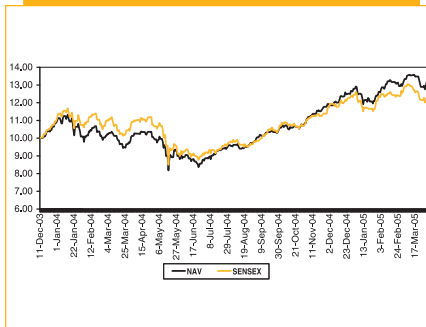
\* Scheme was renamed as **Chola Opportunities Fund** on December 11, 2003. Due to change in the investment objectives, the returns for 3 and 5 years is not given.

# Absolute Returns

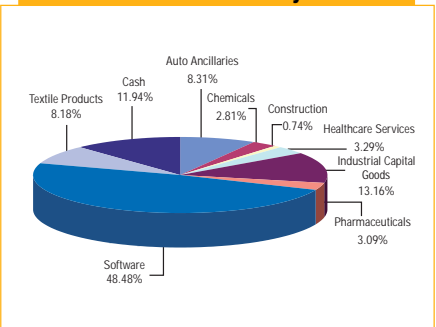
\$ Compounded Annualised Returns

Past performance may or may not be sustained in future.

## NAV Movement vis-à-vis Sensex



## Sector Summary



# Chola Multi-Cap Fund

as on March 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. 79.55 Crores                      |
| Type of Fund                                       | : Open-Ended<br>Equity Scheme           |
| NAV  |   |
| Dividend Option                                    | : Rs. 10.53#                            |
| Cumulative Option                                  | : Rs. 10.53                             |
| IPO Launch Date                                    | : 14-Dec-04                             |
| Fund Manager                                       | : Tridib Pathak                         |
| Dividend Distribution                              | : -                                     |
| Minimum Investment for<br>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 30% in mid cap stocks.

# CMCF

## Portfolio

| Scrip                               | % of Portfolio |
|-------------------------------------|----------------|
| Reliance Industries Ltd             | 8.27%          |
| ONGC                                | 6.27%          |
| ACC Ltd                             | 5.49%          |
| Infosys Technologies Ltd            | 5.24%          |
| ICICI Bank Ltd                      | 5.19%          |
| State Bank of India                 | 4.63%          |
| Corporation Bank                    | 4.57%          |
| Pantaloon Retail (India) Ltd.       | 4.04%          |
| Satyam Computer Services Ltd.       | 3.90%          |
| Infotech Enterprises Ltd.           | 3.83%          |
| United Phosphorous Ltd.             | 3.75%          |
| Gujarat Ambuja Cements Ltd          | 3.54%          |
| Birla Corporation Ltd.              | 3.44%          |
| Tata Consultancy Services Ltd       | 3.06%          |
| Blue Dart Express Ltd.              | 3.01%          |
| Jain Irrigation Systems Ltd.        | 3.00%          |
| Hindalco Industries Ltd             | 2.68%          |
| Tata Metaliks Ltd.                  | 2.57%          |
| Hexaware Technologies Ltd           | 2.21%          |
| Punjab National Bank                | 2.15%          |
| Geodesic Information System Ltd     | 2.06%          |
| Micro Inks Ltd                      | 1.99%          |
| Maruti Udyog Ltd                    | 1.85%          |
| Emco Ltd.                           | 1.40%          |
| Vimta Labs Ltd                      | 1.25%          |
| IVRCL Infrastructure & Project Ltd. | 0.71%          |
| Cash                                | 9.90%          |

## Performance

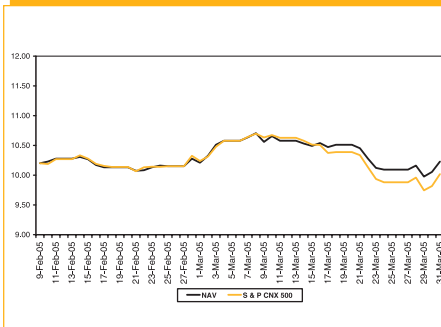
|                             | CMCF   | S&P<br>CNX 500 |
|-----------------------------|--------|----------------|
| Since Inception# (09/02/05) | 3.24%* | -1.79%         |

\* Scheme "Chola Multi - Cap Fund (CMCF)" was launched on 28th Jan 05 and first NAV was declared on 09/02/05.

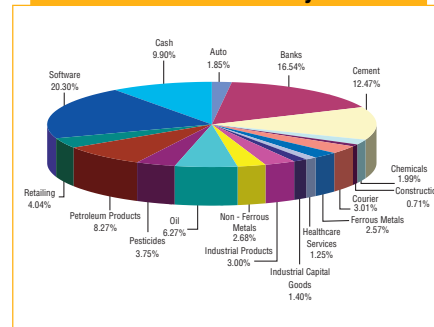
# Absolute Returns

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 March 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. 29.24 Crores  |
| Type of Fund                                    | : Open-Ended Pure Income Fund   |
| NAV   |   |
| Quarterly Dividend Option                       | : Rs. 10.7197   |
| Semi Annual Dividend Option                     | : Rs. 11.0153   |
| Cumulative Option                               | : Rs. 22.7627   |
| Bonus Option                                    | : Rs. 12.6483   |
| 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<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

| Script                             | Coupon | Weight | Rating |
|------------------------------------|--------|--------|--------|
| <b>Corporate Debt</b>              |        |        |        |
| Associates India Finance Ltd       | 7.80%  | 13.85% | AAA    |
| Citibank Ltd                       | 13.00% | 11.00% | AAA    |
| Fleet Trust April 2003 Series A2   |        | 2.37%  | AAA    |
| Fleet Trust April 2005 Series A1   |        | 1.26%  | AAA    |
| Fleet Trust May III 2003 Series A2 |        | 3.06%  | AAA    |
| GE Capital Services Ltd            | 9.50%  | 7.16%  | AAA    |
| GE Shipping Ltd                    | 10.25% | 1.78%  | AAA    |
| <b>PSU/PFI Debt</b>                |        |        |        |
| IDBI Ltd                           |        | 13.68% | AA+    |
| NTPC-PTC Series XII                |        | 7.40%  | AAA    |
| Power Finance Corpn. Ltd           | 9.25%  | 9.18%  | AAA    |
| <b>Sovereign</b>                   |        |        |        |
| CG - 2011                          | 9.39%  | 7.82%  | Sov    |
| 364 Days T Bill                    |        | 14.96% | Sov    |
| <b>Call/Repo Deposit/NCA</b>       |        | 6.48%  |        |

## 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 (90 Days)#  | 0.58%                   | 1.44%                       |
| 6 Months (182 Days)# | 0.70%                   | 2.04%                       |
| 1 Year\$             | -0.29%                  | 0.18%                       |
| 3 Years\$            | 6.56%                   | NA\$                        |
| 5 Years\$            | 9.15%                   | NA\$                        |
| Since Inception\$    | 10.82%                  | NA\$                        |

# Absolute Returns

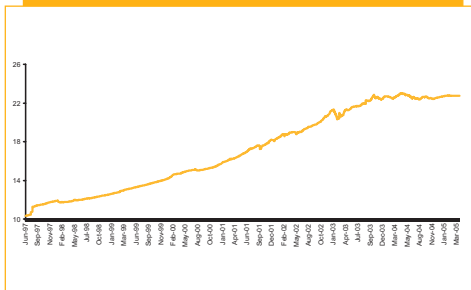
\$ Compounded Annualised Returns

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

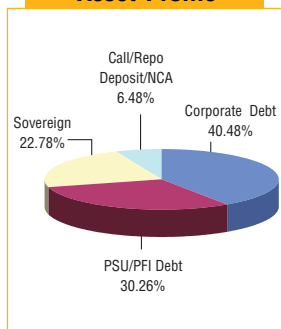


| Avg Maturity | YTM   |
|--------------|-------|
| 1.38 Years   | 5.60% |

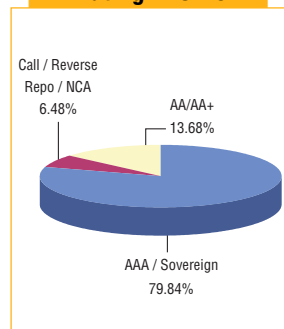
## Fund Manager's Comments

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.

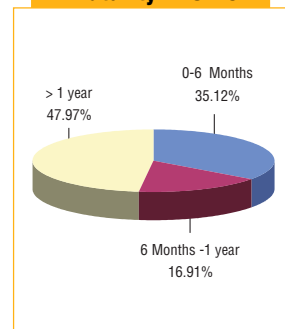
## Asset Profile



## Rating Profile



## Maturity Profile



# Chola Freedom Income - Short Term Fund

as on March 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. 53.11 Crores                |
| Type of Fund                | : Open-Ended<br>Income Fund       |
| NAV                         |                                   |
| Regular -                   |                                   |
| Monthly Dividend Option     | : Rs. 10.1912                     |
| Semi Annual Dividend Option | : Rs. 10.5097                     |
| Cumulative Option           | : Rs. 10.6023                     |
| Institutional -             |                                   |
| Cumulative Option           | : Rs. 10.6925                     |
| 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<br>Fund Index |

## Portfolio

| Script                             | Coupon | Weight | Rating |
|------------------------------------|--------|--------|--------|
| <b>Corporate Debt</b>              |        |        |        |
| Citibank Ltd                       | 13.00% | 4.04%  | AAA    |
| Fleet Trust April 2003 Series A2   |        | 3.92%  | AAA    |
| Fleet Trust May III 2003 Series A2 |        | 1.69%  | AAA    |
| GE Capital Services India Ltd      | 9.20%  | 9.42%  | AAA    |
| GE Shipping Ltd                    | 10.25% | 0.95%  | AAA    |
| ICICI Bank Ltd                     | 14.25% | 9.72%  | AAA    |
| <b>PSU/PFI Debt</b>                |        |        |        |
| IDBI Ltd                           | 12.75% | 2.01%  | AA+    |
| IDBI Ltd                           | 14.00% | 9.77%  | AA+    |
| IDBI Ltd                           |        | 2.07%  | AA+    |
| NTPC-PTC Series XII                |        | 16.29% | AAA    |
| Power Finance Corpn. Ltd           | 9.25%  | 1.01%  | AAA    |
| Power Finance Corpn. Ltd           | 7.00%  | 9.36%  | AAA    |
| <b>Sovereign</b>                   |        |        |        |
| 364 Days T Bill                    |        | 6.18%  | Sov    |
| CD's with Banks                    |        |        |        |
| Development Credit Bank            | CD     | 9.28%  | P1+    |
| <b>Call/Repo Deposit/NCA</b>       |        | 14.29% |        |

## 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 (31Days)#    | 0.21%   | 0.23%                  | 0.43%            |
| 3 Months (90 Days)#  | 0.89%   | 0.97%                  | 1.35%            |
| 6 Months (182 Days)# | 1.71%   | 1.90%                  | 2.23%            |
| 1 Year\$             | 3.68%   | 4.11%                  | 3.03%            |
| 3 Years\$            | 5.94%   | NA                     | NA               |
| Since Inception\$    | 5.98%   | 4.90%                  | NA               |

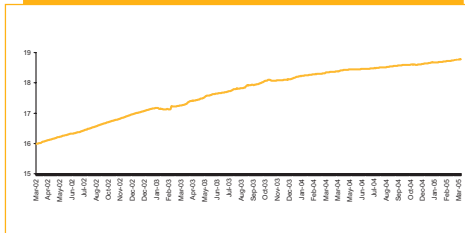
\$ Compounded Annualised Returns-%

# 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

0.64 Years

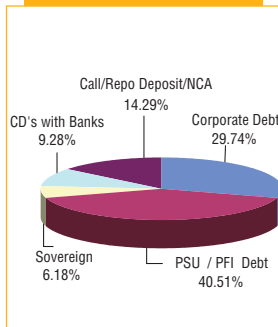
## YTM

5.23%

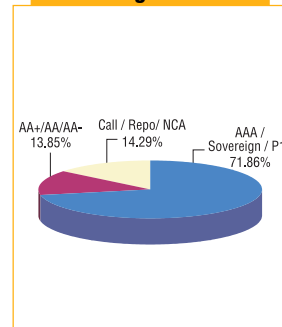
## Fund Manager's Comments

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<sup>F</sup> by CRISIL for its credit quality.

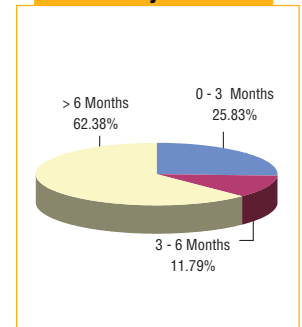
## Asset Profile



## 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 March 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. 716.19 Crores                  |
| Type of Fund                                    | : Open-Ended Liquidity Income Scheme |
| NAV   |                                      |
| Regular-  |                                      |
| Weekly Dividend Option                          | : Rs. 11.5688                        |
| Cumulative Option                               | : Rs. 13.3896                        |
| Institutional Plus-                             |                                      |
| Weekly Dividend Option                          | : Rs. 11.5709                        |
| Cumulative Option                               | : Rs. 13.4626                        |
| 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 |
|-------------------------------------|--------|--------|--------|
| <b>Corporate Debt</b>               |        |        |        |
| Citicorp Finance Ltd                | 7.75%  | 1.41%  | AAA    |
| Citi Financial Con Fin (I) Ltd      |        | 0.70%  | AAA    |
| GE Capital Services India Ltd       |        | 0.14%  | AAA    |
| Retail 2004 Series 1                |        | 0.13%  | AAA    |
| IDBI Ltd                            |        | 0.98%  | AA+    |
| Indian Retail Trust Series          |        | 0.70%  | AAA    |
| LIC Housing Finance Ltd.            |        | 0.14%  | AAA    |
| Madras Aluminium Co.Ltd.            |        | 0.84%  | P1+    |
| Madras Aluminium Co.Ltd             |        | 1.40%  | P1+    |
| NABARD                              | 4.80%  | 0.70%  | AAA    |
| Navneet Publications I. Ltd         |        | 0.70%  | P1+    |
| Rabo India Finance P Ltd            |        | 1.41%  | P1+    |
| Bajaj Auto Finance Ltd              |        | 1.35%  | P1+    |
| Bajaj Auto Finance Ltd              |        | 1.34%  | P1+    |
| Bajaj Auto Finance Ltd              |        | 1.33%  | P1+    |
| GE Capital Services India Ltd       |        | 2.03%  | P1+    |
| GE Capital Services India Ltd       |        | 1.39%  | P1+    |
| HDFC Ltd                            | CP     | 4.17%  | P1+    |
| HDFC Ltd                            | CP     | 1.38%  | P1+    |
| HDFC Ltd                            | CP     | 1.34%  | P1+    |
| HDFC Ltd                            | CP     | 2.01%  | P1+    |
| IL&FS Ltd                           | CP     | 1.38%  | P1+    |
| Kotak Mahindra Primus Ltd           |        | 2.78%  | P1+    |
| Standard Chartered Loans & Invt Ltd |        | 3.47%  | P1+    |
| Rabo India Finance P Ltd            |        | 0.67%  | P1+    |
| <b>PSU/PFI Debt</b>                 |        |        |        |
| Exim Bank Ltd                       |        | 0.67%  | P1+    |
| Exim Bank Ltd                       |        | 1.39%  | P1+    |
| Exim Bank Ltd                       |        | 1.33%  | P1+    |
| Exim Bank Ltd                       |        | 1.39%  | P1+    |
| National Housing Bank               |        | 1.34%  | P1+    |
| Power Finance Corpn. Ltd            |        | 1.38%  | P1+    |
| Power Finance Corpn. Ltd            |        | 1.37%  | P1+    |
| SIDBI                               | CP     | 1.38%  | P1+    |
| <b>CD's with Banks</b>              |        |        |        |
| Development Credit Bank             | CD     | 1.38%  | P1+    |
| Development Credit Bank             | CD     | 0.34%  | P1+    |
| ICICI Bank Ltd                      |        | 7.42%  | P1+    |
| ICICI Bank Ltd                      |        | 1.34%  | P1+    |
| ICICI Bank Ltd                      |        | 1.33%  | P1+    |
| ING Vyasa Bank                      |        | 1.33%  | P1+    |
| Jammu and Kashmir Bank Ltd.         |        | 1.38%  | P1+    |
| Kotak Mahindra Bank Ltd.            |        | 2.07%  | P1+    |
| <b>Sovereign</b>                    |        |        |        |
| 364 Days T Bill                     |        | 3.47%  | P1+    |
| <b>Other Deposits</b>               |        |        |        |
| Net Current Assets                  |        | 2.49%  |        |
| Call/Repo Deposit/TBill             |        | 17.25% |        |

## Performance

|                      | CLF-<br>Cum | CLF-Cum<br>Institu-<br>tional Plus | CRISIL<br>LF<br>Index |
|----------------------|-------------|------------------------------------|-----------------------|
| 7 Days#              | 0.1002%     | 0.1004%                            | 0.09%                 |
| 14 Days#             | 0.1998%     | 0.1995%                            | 0.17%                 |
| 1 Month (31 Days)#   | 0.44%       | 0.44%                              | 0.37%                 |
| 3 Months (90 Days)#  | 1.27%       | 1.27%                              | 1.12%                 |
| 6 Months (182 Days)# | 2.54%       | 2.55%                              | 2.21%                 |
| 1 Year\$             | 4.72%       | 4.91%                              | 4.17%                 |
| 3 Years\$            | 5.40%       | NA                                 | NA                    |
| Since Inception\$    | 6.72%       | 5.07%*                             | NA                    |

# Absolute Returns

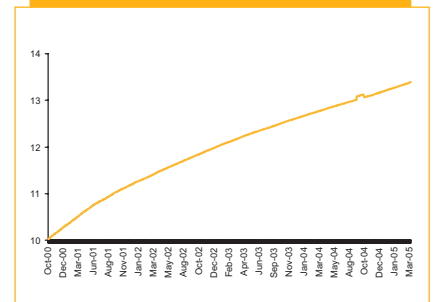
\$ Compounded Annualised Returns

NA - Not Applicable

\* From April 10, 2003

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

## Cumulative Plan - NAV Movement

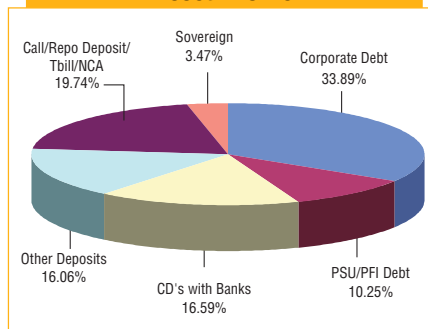


| Avg Maturity | YTM   |
|--------------|-------|
| 95 days      | 5.18% |

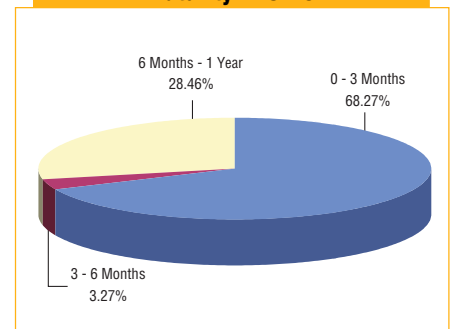
## Fund Manager's Comments

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 March 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. 30.71 Crores  |
| Type of Fund             | : Open-Ended<br>Income Fund   |
| NAV                      |   |
| Dividend Option          | : Rs. 10.1371#  |
| Cumulative Option        | : Rs. 10.2978   |
| 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<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

| Script                         | Coupon | Weight | Rating |
|--------------------------------|--------|--------|--------|
| <b>Corporate Debt</b>          |        |        |        |
| Citi Financial Con Fin (I) Ltd |        | 16.30% | AAA    |
| GE Capital Services India Ltd  |        | 13.32% | AAA    |
| LIC Housing Finance Ltd.       |        | 13.05% | AAA    |
| Madras Aluminium Co.Ltd        |        | 6.51%  | P1+    |
| <b>PSU/PFI Debt</b>            |        |        |        |
| IDBI Ltd                       |        | 7.82%  | AA+    |
| <b>Sovereign</b>               |        |        |        |
| 364 Days T Bill                |        | 6.48%  | Sov    |
| <b>CD's with Banks</b>         |        |        |        |
| Development Credit Bank        | CD     | 8.02%  | P1+    |
| <b>Net Current Assets</b>      |        |        |        |
|                                |        | 26.22% |        |
| <b>Call/Repo Deposit/TBill</b> |        |        |        |
|                                |        | 2.28%  |        |

| Avg Maturity | YTM   |
|--------------|-------|
| 76 Days      | 5.98% |

## 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                   |

\* Corporate \$ Individual

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

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

## Performance

|                             | CFRF  | CRISIL Liquid Fund Index |
|-----------------------------|-------|--------------------------|
| 1 Month (31 days)#          | 0.42% | 0.37%                    |
| 3 Months (90 Days) #        | 1.15% | 1.12%                    |
| 6 Months (182 Days)#        | 2.51% | 2.21%                    |
| Since Inception# (25/08/04) | 2.98% | 2.61%                    |

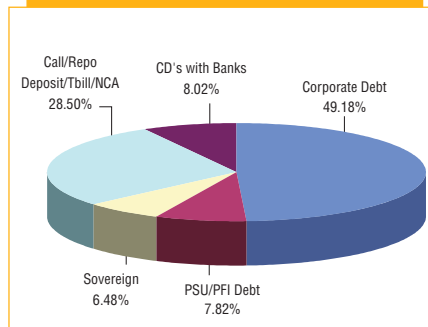
# Absolute Returns

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

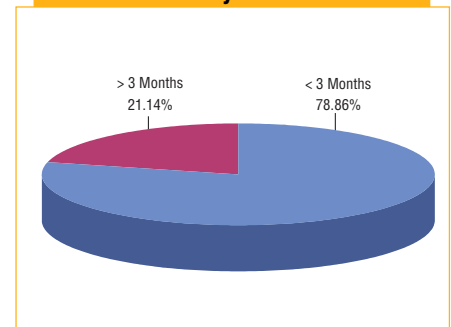
Past performance may or may not be sustained in the future.

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

## Asset Profile



## Maturity Profile



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

# CGIP

## Chola GILT Investment Plan

as on March 31, 2005

### Investment Objective

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

### Features

Fund Size : Rs. 5.98 Crores  
 Type of Fund : Open-Ended  
 Dedicated Gilts Schemes

NAV

Quarterly Dividend Option : Rs. 10.0601  
 Cumulative Option : Rs. 10.0229  
 Inception : 29-Mar-00  
 Fund Manager : Ashish Nigam  
 Dividend Distribution : Quarterly  
 Minimum Investment for New / Existing Investors : Rs. 10000/1000  
 Entry Load : Nil  
 Exit Load / CDSC : Nil  
 Cut Off Time  
 Purchase : 3 p.m.  
 Redemption : 3 p.m.  
 Benchmark Index : ISEC-Li-BEX

### Portfolio

| Scrip                          | Coupon | Weight | Rating |
|--------------------------------|--------|--------|--------|
| CG - 2011                      | 9.39%  | 66.76% | Sov    |
| 364 Days T Bill                |        | 24.19% | Sov    |
| <b>Net Current Assets</b>      |        | 1.78%  |        |
| <b>Call/Repo Deposit/TBill</b> |        | 7.27%  |        |

### 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                    |

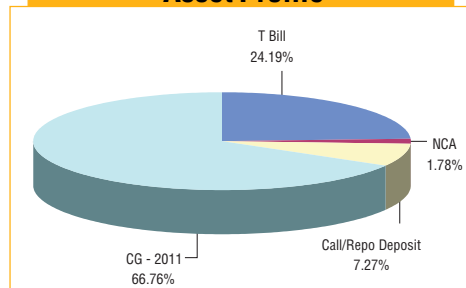
  

| PF Plan             |        |          |                               |
|---------------------|--------|----------|-------------------------------|
| Date of Declaration | % Unit | Rs./Unit | NAV as on date of declaration |
| 30-Mar-04           | 10     | 0.10     | Rs. 10.1314                   |

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

| Avg Maturity | YTM   |
|--------------|-------|
| 4.20 Years   | 5.96% |

### Asset Profile



### Performance

|                   | CGI    | I-Sec Li-BEX |
|-------------------|--------|--------------|
| 1 Year\$          | -0.25% | -2.21%       |
| 2 Years\$         | 7.80%  | 6.03%        |
| 3 Years\$         | 9.30%  | NA\$         |
| Since Inception\$ | 12.48% | NA\$         |

NA\$ Data not available NA - Not Applicable  
 \$ Compounded Annualised Returns - %  
 Past performance may or may not be sustained in the future.  
 The distribution tax has been included in the calculations of returns.

### Fund Manager's Comments

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

# Chola Monthly Income Plan

as on March 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. 11.88 Crores   |
| Type of Fund                                    | : Open-Ended Income Scheme with no assured returns   |
| NAV   |  |
| Monthly Dividend Option                         | : Rs. 10.0097  |
| Quarterly Dividend Option                       | : Rs. 10.1580  |
| Cumulative Option                               | : Rs. 11.5775  |
| Bonus Option                                    | : Rs. 11.5775  |
| Inception                                       | : 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 hovered around 10-15%. We booked profit in some of the cement stocks.

Value Research Hybrid : Monthly Income  
RATINGS ★★★★★

# CMIP

## Portfolio

| Script                               | Coupon | Weight | Rating |
|--------------------------------------|--------|--------|--------|
| <b>Corporate Debt</b>                |        |        |        |
| Fleet Trust April 2003 Series A2     |        | 5.84%  | AAA    |
| GE Shipping Ltd                      | 10.25% | 4.23%  | AAA    |
| GE Shipping Ltd                      | 10.25% | 4.38%  | AAA    |
| <b>PSU/PFI Debt</b>                  |        |        |        |
| IDBI Ltd                             |        | 4.21%  | AA+    |
| Power Finance Corpn. Ltd             | 9.25%  | 18.07% | AAA    |
| <b>Sovereign</b>                     |        |        |        |
| 364 Days T Bill                      |        | 25.11% | Sov    |
| <b>Equity</b>                        |        |        |        |
| ACC Ltd.                             |        | 2.28%  |        |
| Chennai Petroleum Corpn. Ltd         |        | 2.42%  |        |
| Gujarat Ambuja Cements Ltd           |        | 2.10%  |        |
| IVRCL Infrastructures & Projects Ltd |        | 0.15%  |        |
| Mahanagar Telephone Nigam Limited    |        | 1.45%  |        |
| Oil & Natural Gas Corpn. Ltd         |        | 2.23%  |        |
| Patni Computers Systems Ltd          |        | 1.25%  |        |
| Punjab National Bank                 |        | 1.14%  |        |
| Reliance Industries Ltd              |        | 2.30%  |        |
| Satyam Computer Services Ltd.        |        | 2.58%  |        |
| State Bank Of India                  |        | 1.66%  |        |
| <b>Call/Repo Deposit/Tbill/NCA</b>   |        | 18.60% |        |

## Dividend History

### Regular Plan

| Date of Declaration | % Unit    | Rs./Unit | NAV as on date of declaration |
|---------------------|-----------|----------|-------------------------------|
| 25-Oct-04           | 0.5790*   | 0.0579   | Rs.10.1632                    |
| 25-Oct-04           | 0.6190\$  | 0.0619   | Rs.10.1632                    |
| 25-Nov-04           | 0.5790*   | 0.0579   | Rs.10.1894                    |
| 25-Nov-04           | 0.6190\$  | 0.0619   | Rs.10.1894                    |
| 27-Dec-04           | 0.5790*   | 0.0579   | Rs.10.3179                    |
| 27-Dec-04           | 0.6190\$  | 0.0619   | Rs.10.3179                    |
| 27-Dec-04           | 1.7370*#  | 0.1737   | Rs.10.5158                    |
| 27-Dec-04           | 1.8570\$# | 0.1857   | Rs.10.5158                    |
| 25-Jan-05           | 0.5790*   | 0.0579   | Rs.10.2294                    |
| 25-Jan-05           | 0.6190#   | 0.0619   | Rs.10.2294                    |
| 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                    |

\* Corporate \$ Individual

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

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

# Quarterly Dividend

## Performance

|                      | CMIP*  | CRISIL Blended MIP Index |
|----------------------|--------|--------------------------|
| 1 Month (31 Days)#   | -0.06% | -0.21%                   |
| 3 Months (90 Days)#  | 0.22%  | 0.94%                    |
| 6 Months (182 Days)# | 4.12%  | 3.92%                    |
| 1 Year\$             | 5.77%  | 2.37%                    |
| Since Inception\$    | 9.18%  | 7.92%                    |

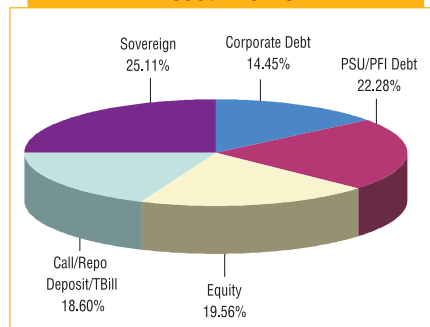
# Absolute Returns \$ Compounded annualised returns

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

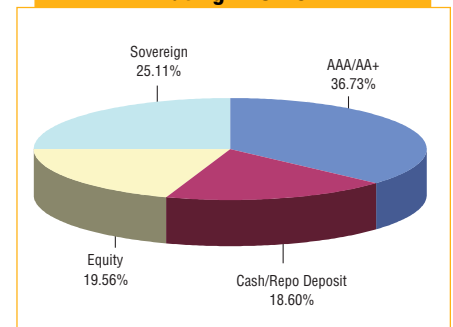
Past performance may or may not be sustained in the future. The distribution tax has been included in the calculations of returns.

| Avg Maturity | YTM   |
|--------------|-------|
| 1.20 Years   | 4.81% |

## Asset Profile



## Rating Profile



# Chola Income Plus

as on March 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. 4.14 Crores  |
| Type of Fund                                       | : Open-Ended<br>Income Scheme  |
| NAV  |  |
| Quarterly Dividend Option                          | : Rs. 10.1888  |
| Cumulative Option                                  | : Rs. 10.4317  |
| Inception  | : 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><= 25 Lacs: 0.5% if<br>redeemed within<br>6 months<br>For investments<br>> 25 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>                   |        |        |        |
| Associates India Finance Ltd            | 7.80%  | 24.48% | AAA    |
| <b>Sovereign</b>                        |        |        |        |
| 364 Days T Bill                         |        | 25.23% | P1+    |
| <b>Equity</b>                           |        |        |        |
| ACC Ltd.                                |        | 1.22%  |        |
| Hindalco Industries Ltd                 |        | 0.94%  |        |
| IVRCL Infrastructures &<br>Projects Ltd |        | 0.07%  |        |
| Mahanagar Telephone<br>Nigam Limited    |        | 0.69%  |        |
| Oil & Natural Gas Corpn. Ltd            |        | 1.28%  |        |
| Punjab National Bank                    |        | 0.95%  |        |
| Ultratech Cement Co. Ltd                |        | 0.86%  |        |
| <b>Net Current Assets</b>               |        | 21.75% |        |
| <b>Call/Repo Deposit</b>                |        | 22.53% |        |

## 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                    |

\* Corporate \$ Individual

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

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

## Avg Maturity

|         |              |
|---------|--------------|
| 62 Days | YTM<br>4.66% |
|---------|--------------|

## Performance

|                            | CIP   | CRISIL Blended MIP Index |
|----------------------------|-------|--------------------------|
| 1 Month (31 Days)#         | 0.05% | -0.21%                   |
| 3 Months (90 Days)#        | 0.89% | 0.94%                    |
| 6 Months (182 Days)#       | 2.65% | 3.92%                    |
| Since Inception#(09/08/04) | 4.32% | 5.80%                    |

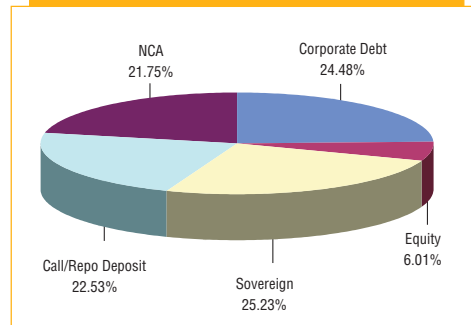
# Absolute Returns

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

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

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

## Asset Profile



## New Initiatives.....

### Systematic Investment Plan

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

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

**Options** : Monthly

Applicable Load

**Entry Load** : Nil

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

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

#### Disclaimer:

##### Chola Multi Cap Fund

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

##### Chola Midcap Fund

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

|   |  |  |
|---|--|--|
| <b>Value Research RATINGS</b>   | <b>Fund Category</b><br><b>Fund Rating</b>   |  |
| <b>Value Research</b>   | <b>Value Research</b>  |  |
| ★★★★★ Top 10%<br>★★★★ Next 22.5%<br>★★★ Middle 35%<br>★★ Next 22.5%<br>★ Bottom 10% | <b>Fund Rating</b> : 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 31/03/2005. | <b>Fund Category</b> : It indicates the name of the fund category.   |
|   |  | 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. |



### 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-Apr-04*                                      | 26.68 | 1000                 | 37.48                | 1-Apr-02  | 12.55 | 1000                 | 79.68                |
| 3-May-04                                       | 26.22 | 1000                 | 38.14                | 2-May-02  | 12.36 | 1000                 | 80.91                |
| 1-Jun-04                                       | 22.86 | 1000                 | 43.74                | 3-Jun-02  | 11.61 | 1000                 | 86.13                |
| 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                |
| <b>Total</b>                                   |       | <b>12000</b>         | <b>436.03</b>        | 1-Apr-03  | 12.11 | 1000                 | 82.58                |
| <b>Total Amount Invested</b>                   |       |                      | <b>Rs. 12000</b>     | 2-May-03  | 12.07 | 1000                 | 82.85                |
| <b>NAV as on 31st March 05</b>                 |       |                      | <b>Rs. 33.08</b>     | 2-Jun-03  | 13.32 | 1000                 | 75.08                |
| <b>Average Cost Per Unit</b>                   |       |                      | <b>Rs. 27.52</b>     | 1-Jul-03  | 14.66 | 1000                 | 68.21                |
| <b>Value of investment as on 31st March 05</b> |       |                      | <b>Rs. 14424</b>     | 1-Aug-03  | 15.96 | 1000                 | 62.66                |
| <b>One year annualised returns (%)</b>         |       |                      | <b>33.59%</b>        | 1-Sep-03  | 18.71 | 1000                 | 53.45                |
|  |       |                      |                      | 1-Oct-03  | 19.24 | 1000                 | 51.98                |
|  |       |                      |                      | 3-Nov-03  | 22.34 | 1000                 | 44.76                |
|  |       |                      |                      | 1-Dec-03  | 23.51 | 1000                 | 42.54                |
|  |       |                      |                      | 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                |
|  |       |                      |                      | <b>Total</b>  |       | <b>36000</b>         | <b>2,118.12</b>      |
|  |       |                      |                      | <b>Total Amount Invested</b>                            |       |                      | <b>Rs. 36000</b>     |
|  |       |                      |                      | <b>NAV as on 31st March 05</b>                          |       |                      | <b>Rs. 33.08</b>     |
|  |       |                      |                      | <b>Average Cost Per Unit</b>                            |       |                      | <b>Rs. 17.00</b>     |
|  |       |                      |                      | <b>Value of investment as on 31st March 05</b>          |       |                      | <b>Rs. 70067</b>     |
|  |       |                      |                      | <b>Three year annualised returns (%)</b>                |       |                      | <b>40.11%</b>        |
|  |       |                      |                      | 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.