

Fact Sheet

December - 2006

For Private Circulation Only

DBS Chola

MUTUAL FUND

In News

JUST **5** ? ? ? ? ?
Questions



*R Rajagopal,
 head of equities,
 DBS Cholaman-
 dalam MF*

● **What has been happening in the markets of late?**

As an equity fund manager, I am an eternal optimist, and am not concerned by this short-term volatility. Historically,

when the markets have traded at the current valuations, the levels have not sustained. Though we have opened up the economy, India still remains a domestic growth driven econo-

my, but this time around, the context is different. Most sectors have been registering growth rates of 20% and more. Moreover, the entire world is optimistic about India.

● **What is your view on the markets?**

Whether the markets rise or fall, there is always an opportunity to invest. There is always value in certain stocks and currently the mid caps need to bridge the valuation gap with the large caps. I will not be able to say how returns in this segment will pan out and when it will happen.

● **Are there any segments to watch out for?**

I am bullish on telecom, FMCG, information technology, pharmaceuticals, and oil & gas.

● **Any other observations?**

What one needs to look out for are the quarterly results from corporates and the year-on-year growth recorded by them.

● **Any negatives?**

Fiscal deficit may be a concern. If there is a forex outgo, then that might spell trouble. But I don't want to have a myopic view on the markets. The positives far outweigh the negatives in the long term, and if I do my due diligence well, I can pick the right stocks.

Equity Markets – By R.Rajagopal (Head - Equities)

The month saw a volatile Sensex registering a new high of 14035 in the first week and then plunging to a low of 12802 in the second week thereafter recovering to close at 13787 with a modest 0.6% gain over the previous month. During the year 2006 Sensex gained 46.7% and was clearly ahead of most of its Asian peers. The only other better performing markets were China, Russia and Mexico. Even amongst the emerging markets Indian equities did better than most of the others as reflected by the 49% gain registered by the MSCI India Index with respect to the 29% gain by MSCI emerging market Index. The FII investment for 2006 stood at approx. 36500 Cr. and the domestic net MF investment was around 12000 Cr. Thus both FII's and retail investors participated in the wealth creation process through Indian equity investment.

We did a complete portfolio restructuring of all our schemes in line with the fund objective. In DBS Chola Growth fund we increased exposure to Telecom, Auto, Pharma, Capital Goods and Oil & Gas /Petroleum Sector, exited Banking, Retailing and Auto-ancillary and reduced exposure in Construction, Cement and IT. Thus the growth fund is positioned as a large-cap fund with exposures to the growing sectors of the economy and benchmarked to Sensex. The DBS Chola Contra fund with top exposures in the Energy, Banking, Utilities, Consumer Nondurable, Metals and Pharmaceuticals truly reflect the contrarian approach towards investment. Thus we believe that with both DBS Chola Growth fund and DBS Chola Contra fund in his portfolio the investor stands truly diversified in his equity portfolio.

We believe in our stock picking abilities and hence are not unduly perturbed about market volatility at current levels. India is at an inflexion point as far as its economic growth is concerned and hence valuations running ahead of corporate delivery could be a short term phenomenon but once the expected earnings would start showing up in the results these valuations could sustain and the markets would move further. Thus we could be in the waiting for another robust Indian Equity market in 2007.

SIP is a very sound tool in the hands of investor to periodically participate in the process of wealth creation through equity investment. We once again advise investors to have a holistic approach towards investment by looking at both DBS Chola Growth fund and DBS Chola Contra fund as complementary to one another in one's portfolio.

Debt Markets – By Ashish Nigam (Head - Fixed Income)

RBI unexpectedly hiked CRR by 50 basis points in two tranches. The CRR is being increasingly used by the central bank as a short-term liquidity management tool, with the Sep-04 and the just-announced hike having revived this tool as a primary source of managing liquidity. While the RBI's medium-term objective is to bring down the CRR to 3.0%, going forward, we expect this tool to play a more active role in liquidity management, especially in the light of strong capital flows having ramifications on domestic liquidity conditions. The latest hike in the CRR can also be viewed in the context of containing sterilization costs. The move by the RBI also seems to be to dis-incentivize lending by banks to the commercial sector, especially sectors such as real estate. Credit growth has been reasonably sharp this year. However, while we might see some slowdown in credit in response to a possible increase in lending rates, this move might not sufficiently bring down credit growth numbers to levels that the RBI would deem comfortable. As per the latest Weekly Statistical Supplement, non-food credit is up 30.2% on the year. As far as WPI inflation goes, indeed most of the rise through this fiscal has essentially been in the nature of cost-push inflation, with supply shocks emanating from higher prices of primary articles and metals, albeit to a smaller extent. While the element of demand-pull factors has been relatively negligible through most of this year, there are signs that these demand pressure are slowly creeping in. In fact, contribution to WPI inflation from manufactured products (also taken as a proxy for core inflation) is currently at 50.0%, up sharply from 28.0% at the start of the fiscal year.

Interest rate market saw large volatility due to tight liquidity conditions. Overnight rates shot up to 18-20% tight liquidity and the system borrowed as high as INR 36000 crores from RBI under LAF Repo at 7.25%. Given high overnight rates and demand for money from banks, money market yields shot up by nearly 100-125 basis points. Demand for long term bonds continued and the 10Y key benchmark bond closed the month at 7.58%. Inflation continued to be benign at 5.32%. FII interest continued in the Indian capital markets, which strengthened the INR versus USD.

We expect that the interest rate market would continue to see uncertainty and volatility and there could be some more liquidity shocks in the system. We also expect that RBI may hike rates further on January 31, when it meets for the Credit Policy review.

We continue to advise investments in short-duration assets and avoid any mark-to-market risk on the portfolio. In this regard, we think investors need a product that has low interest rate risk but which has the potential to deliver higher returns compared with other short duration products such as liquid funds/short term floating rate funds/FMPs. We recommend DBS Chola Freedom Income - ST Income Fund and DBS Chola ST Floating Rate fund. These funds do not carry any MTM risk on the portfolio and are immune to any interest rate volatility. DBS Chola ST Floating rate fund has assets biased towards overnight rates and any liquidity shock will translate into higher returns in these funds.

DBS Chola Contra Fund

as on December 29, 2006

Features

Type of Fund

Open-Ended Equity Scheme

Load Structure

Entry Load : < Rs. 1 Crore : 2.25%
 >= Rs. 1 Crore: Nil
 Exit Load / CDSC : Nil

Minimum Investment for New / Existing Investors

Rs. 5000/1000

Cut Off Time

Purchase : 3 p.m.
 Redemption : 3 p.m.

Dividend Distribution

Declared as and when decided by the Trustees

Inception Date

27-Feb-06

NAV

Dividend Option : Rs. 11.67
 Cumulative Option : Rs. 11.67

Benchmark Index

S & P CNX 500

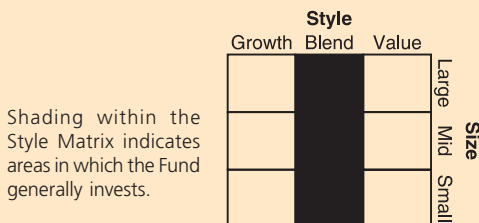
Fund Size

Rs. 83.32 Crores

Fund Manager

R. Rajagopal

Style Matrix



Fund Manager's Comments

DBS Chola Contra Fund is a diversified equity fund which adopts a 'contrarian' style of investing. The fund invests in fundamentally sound companies whose share prices have underperformed the market in the recent past.

Investment Objective

The objective of the scheme is to generate capital appreciation by investing in equity and equity related instruments by using a 'Contrarian strategy'. Contrarian investing refers to buying into fundamentally sound scripts which have underperformed/not performed to their full potential in their recent past.

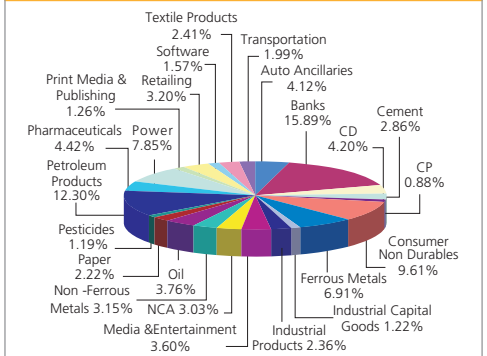
Portfolio

Scrip	% of Portfolio
Bharat Petroleum Corporation Ltd	5.72%
Hindustan Lever Ltd	4.89%
Hindustan Petroleum Corporation Ltd	4.50%
Nicholas Piramal India Ltd.	4.38%
Oil & Natural Gas Corporation Ltd	3.76%
Tisco Ltd.	3.76%
National Thermal Power Corp Ltd	3.68%
State Bank Of India	3.36%
ICICI Bank Ltd.	3.21%
Pantaloon Retail (India) Ltd	3.20%
Hindalco Industries Ltd.	3.15%
Steel Authority of India Ltd.	3.15%
Federal Bank Ltd	2.99%
Zee Telefilms Ltd.	2.96%
Birla Corporation Ltd.	2.86%
Reliance Energy Ltd	2.49%
Bharat Forge Ltd	2.36%
Amtek Auto Ltd	2.28%
Ballarpur Industries Ltd	2.22%
Indian Tobacco Company Ltd.	2.22%
Indian Petro Chemical Corp. Ltd.	2.08%
Colgate-Palmolive (India) Ltd	2.05%
Allahabad Bank	2.01%
Jet Airways (India) Ltd	1.99%
Motherson Sumi System Ltd	1.84%
Tata Power Ltd	1.68%
Karnataka Bank	1.63%
Welspun India Ltd	1.63%
Kale Consultants Ltd.	1.57%
Punjab National Bank Ltd.	1.42%
Bank of Baroda	1.27%
Jagran Prakashan Ltd.	1.26%
Bharat Earth Movers Ltd	1.22%
Monsanto India Ltd	1.19%
Aditya Birla Nuvo Ltd	0.78%
Wire & Wireless India Ltd	0.51%
GlaxoSmithkline Con. Healthcare Ltd.	0.45%
Zee News Ltd.	0.13%
Ranbaxy Ltd.	0.04%
Allahabad Bank - CD - 20 Feb 07	3.86%
SBI Cards & Payment Services -	
CP - 11 May 07	0.88%
UCO Bank Ltd CD- 01 Aug 07	0.34%
Net Current Asset (NCA)	3.03%

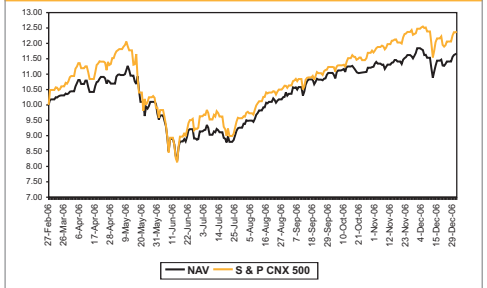
Performance

	DBSCCF	S & P CNX 500
3 Months (90 Days)#	5.71%	10.27%
6 Months (182 Days)#	27.68%	28.59%
Since Inception# (27/02/06)	16.70%	23.84%
# Absolute Returns		
Past performance may or may not be sustained in future.		

Sector Summary



Returns Since Inception



Disclaimer

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

DBS Chola Growth Fund

as on December 29, 2006

Features

Type of Fund

Open-Ended Growth Scheme

Load Structure

Entry Load : < Rs. 1 Crore : 2.25%
 : >= Rs. 1 Crore: Nil
 Exit Load / CDSC : Nil

Minimum Investment for New / Existing Investors

Rs. 5000/1000

Cut Off Time

Purchase : 3 p.m.
 Redemption : 3 p.m.

Dividend Distribution

Quarterly

Inception Date

17-Sep-01

NAV

Quarterly Dividend Option : Rs. 15.23
 Cumulative Option : Rs. 32.25

Benchmark Index

BSE Sensex

Fund Size

Rs. 28.43 Crores

Fund Manager

R. Rajagopal

Style Matrix

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

Fund Manager's Comments

DBS Chola 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, engineering and IT services.

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.

Portfolio

Scrip	% of Portfolio
Bharat Heavy Electricals Ltd	6.67%
Reliance Industries Ltd.	6.34%
Satyam Computer Services Ltd	5.92%
Oil & Natural Gas Corporation Ltd	5.05%
Reliance Communications Ltd	4.97%
Steel Authority of India Ltd.	4.84%
Gujarat Ambuja Cements Ltd.	4.79%
Ranbaxy Ltd	4.55%
Ultratech Cement Co. Ltd.	4.53%
Bharti Airtel Ltd	4.42%
Siemens Ltd.	4.39%
Infosys Technologies Ltd	3.94%
Suzlon Energy Ltd	3.78%
IDFC Ltd	3.67%
Telco Ltd	3.61%
Hindustan Lever Ltd	3.43%
Mahindra and Mahindra Ltd	3.19%
Larsen & Toubro Ltd	3.09%
Indian Petro Chemical Corp. Ltd.	2.84%
Bajaj Auto Ltd	2.76%
Indian Tobacco Company Ltd.	2.66%
Tata Consultancy Services Ltd	2.14%
Hindustan Zinc Ltd	1.74%
Net Current Asset (NCA)	6.68%

Performance

	DBSCGF	BSE Sensex
3 Months (90 Days)#	12.17%	10.70%
6 Months (182 Days)#	34.21%	29.95%
1 Year\$	39.97%	47.88%
3 Year\$	35.86%	33.20%
5 Year\$	43.34%	33.43%
Since Inception\$	45.21%	38.78%
# Absolute Returns		
\$ Compounded Annualised Returns		
Past performance may or may not be sustained in future.		

Systematic Investment Plan - Returns

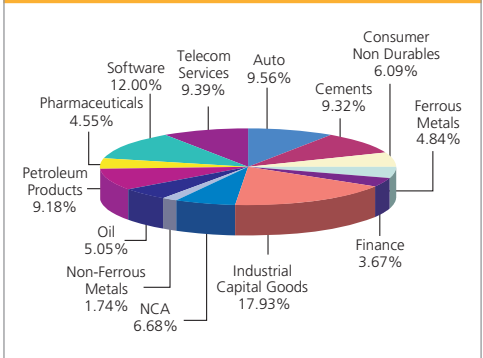
If you had invested Rs.1000/- starting of every month in DBS Chola Growth Fund (DBSCGF)

The Amount would have grown to		
	3 Years	5 Years
Total Amount	Rs. 65,924/-	Rs. 183,914/-
Annualised Return	43.69%	46.69%

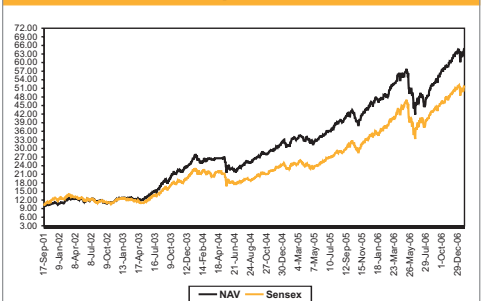
As on 29th December, 2006

Past performance may or may not be sustained in future.

Sector Summary



Returns Since Inception



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

Dividend History

Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
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
3-Oct -05	20	2.00	Rs. 14.83
27-Mar-06	15	1.50	Rs. 15.78
12-Dec-06	20	2.00	Rs. 16.17

\$ Quarterly Dividend

Past performance may or may not be sustained in future.

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

* Interim Dividend

DBS Chola Midcap Fund

as on December 29, 2006

Features

Type of Fund

Open-Ended Equity Scheme

Load Structure

Entry Load : < Rs. 1 Crore : 2.25%
 >= Rs. 1 Crore: Nil
 Exit Load / CDSC : Nil

Minimum Investment for New / Existing Investors

Rs. 5000/1000

Cut Off Time

Purchase : 3 p.m.
 Redemption : 3 p.m.

Dividend Distribution

Declared as and when decided by the Trustees

Inception Date

09-Aug-04

NAV

Dividend Option : Rs. 15.38
 Cumulative Option : Rs. 26.66

Benchmark Index

CNX Midcap Index

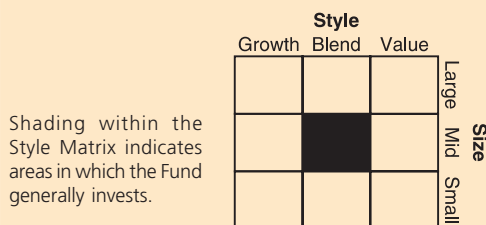
Fund Size

Rs. 47.92 Crores

Fund Manager

R. Rajagopal

Style Matrix



Fund Manager's Comments

DBS 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.

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.

Portfolio

Scrip	% of Portfolio
Pantaloon Retail (India) Ltd.	4.80%
Blue Dart Express Ltd	4.39%
Jain Irrigation Systems Ltd.	4.26%
Dishman Pharma. and Chem. Ltd.	4.10%
Jagran Prakashan Ltd.	3.86%
Amtek Auto Ltd	3.68%
Madras Cements Ltd	3.64%
Thermax Ltd	3.51%
Mahindra Gesco Developers Ltd	3.49%
Federal Bank Ltd	3.42%
Transport Corporation of India Ltd	3.22%
Karnataka Bank	3.15%
Infotech Enterprises Ltd.	3.12%
Crompton Greaves Ltd.	3.08%
Balkrishna Industries Ltd	3.02%
Goodlass Nerolac Paints Ltd	3.02%
Sintex Industries Ltd	2.72%
Kesoram Industries Ltd	2.62%
Goldiam International Ltd	2.52%
Motherson Sumi System Ltd	2.52%
Alfa Laval India Ltd.	2.48%
Kale Consultants Ltd.	2.46%
Engineers India Ltd	2.45%
Vijaya Bank Ltd.	2.41%
Volta Ltd	2.40%
Birla Corporation Ltd.	2.00%
Century Textiles	1.85%
Geodesic Information Systems Ltd	1.83%
Arihant Foundations & Housing Ltd	1.80%
Unitech Ltd	1.76%
Vimta Labs Ltd	1.56%
GlaxoSmithkline Con. Healthcare Ltd.	1.40%
Shreyas Shipping and Logistics Ltd	1.36%
Pitti Laminations Ltd	0.54%
Rabo India Finance - CP - 09 Feb 07	5.69%
Net Current Asset (NCA)	-0.13%

Performance

	DBSCMF	CNX Midcap Index
3 months (90days)#	10.48%	10.83%
6 months (182days)#	33.30%	31.82%
1 Year \$	26.65%	30.44%
Since Inception (09/08/04) \$	50.75%	45.66%

Absolute Returns

\$ Compounded Annualised Returns

Past performance may or may not be sustained in future.

Systematic Investment Plan - Returns

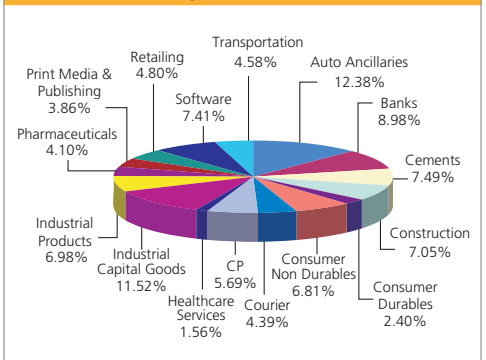
If you had invested Rs.1000/- starting of every month in DBS Chola Midcap Fund (DCMF)

	The Amount would have grown to	
	1 Year	2 Years
Total Amount	Rs. 14,017/-	Rs. 33,638/-
Annualised Return	32.95%	36.47%

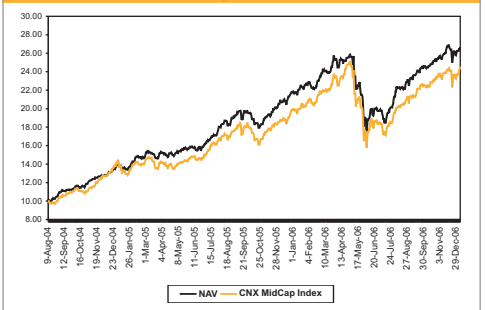
As on 29th December, 2006

Past performance may or may not be sustained in future.

Sector Summary



Returns Since Inception



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
19-Sep-05	20	2.00	Rs. 15.79
27-Mar-06	25	2.50	Rs. 16.36

Past performance may or may not be sustained in future.

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

Disclaimer

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DBS Chola Multi-Cap Fund

as on December 29, 2006

Features

Type of Fund

Open-Ended Equity Scheme

Load Structure

Entry Load : < Rs. 1 Crore : 2.25%
 >= Rs. 1 Crore: Nil
 Exit Load / CDSC : Nil

Minimum Investment for New / Existing Investors

Rs. 5000/1000

Cut Off Time

Purchase : 3 p.m.
 Redemption : 3 p.m.

Dividend Distribution

Declared as and when decided by the Trustees

Inception Date

28-Jan-05

NAV

Dividend Option : Rs. 15.09
 Cumulative Option : Rs. 18.93

Benchmark Index

S&P CNX 500

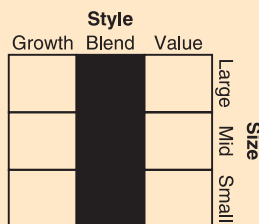
Fund Size

Rs. 71.37 Crores

Fund Manager

R. Rajagopal

Style Matrix



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

Fund Manager's Comments

DBS Chola Multi-Cap Fund, is a truly diversified fund with investments in large cap, mid cap and small cap stocks. Currently, 55% of the fund is invested in large cap and around 34% in mid cap stocks.

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.

Portfolio

Scrip	% of Portfolio
Reliance Industries Ltd.	5.52%
Associated Cement Companies Ltd.	5.09%
Ultratech Cement Co. Ltd.	4.62%
Wipro Ltd.	4.57%
Satyam Computer Services Ltd.	4.32%
Bharti Airtel Ltd	4.14%
Infosys Technologies Ltd	3.95%
National Thermal Power Corp Ltd	3.82%
Mahindra & Mahindra Ltd.	3.79%
Oil & Natural Gas Corporation Ltd	3.69%
Pantaloon Retail (India) Ltd.	3.57%
ICICI Bank Ltd.	3.29%
Siemens Ltd.	3.18%
Ranbaxy Ltd	2.74%
Suzlon Energy Ltd	2.69%
Reliance Communications Ltd	2.64%
Hindustan Lever Ltd	2.58%
Larsen & Toubro Ltd.	2.55%
Hindustan Zinc Ltd	2.31%
Punjab National Bank Ltd.	2.30%
Bharat Heavy Electricals Ltd	2.29%
Dr. Reddy Labs Ltd.	2.27%
Birla Corporation Ltd.	1.92%
Jain Irrigation Systems Ltd.	1.84%
Madras Cements Ltd	1.74%
Tata Motors Ltd.	1.51%
Unitech Ltd	1.47%
Thermax Ltd	1.38%
Blue Dart Express Ltd	1.32%
Crompton Greaves Ltd.	1.22%
Amtek Auto Ltd	1.11%
Goodlass Nerolac Paints Ltd	0.97%
Hindustan Petroleum Corporation Ltd	0.93%
Volta Ltd	0.78%
Jagran Prakashan Ltd.	0.67%
Transport Corporation of India Ltd	0.66%
Goldiam International Ltd	0.60%
Reliance Capital Ltd	0.55%
Shreyas Shipping and Logistics Ltd	0.52%
Balkrishna Industries Ltd	0.15%
Geodesic Information Systems Ltd	0.13%
Sundaram Finance Ltd. -CP- 07 Mar 07	3.46%
UCO Bank Ltd - CD - 01 Aug 07	3.75%
Net Current Asset (NCA)	-2.60%

Performance

	DBSCMCF	S&P CNX 500
1 Month (29days)#	0.05%	0.45%
3 Months (90 Days)#	10.31%	10.27%
6 Months (182 Days)#	30.73%	28.59%
1 Year \$	26.96%	35.03%
Since Inception \$(28/01/05)	39.48%	39.81%

Absolute Returns

\$ Compounded Annualised Returns

Past performance may or may not be sustained in future.

Systematic Investment Plan - Returns

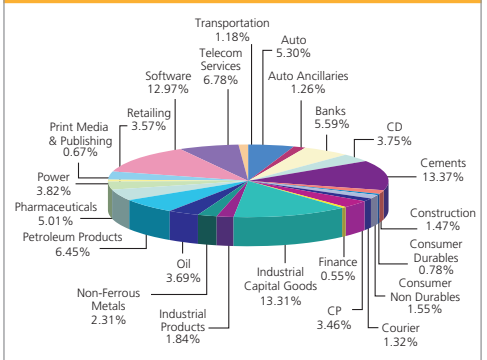
If you had invested Rs.1000/- starting of every month in DBS Chola Multi-Cap Fund (DCMCF)

The Amount would have grown to		
	1 Year	Since Inception
Total Amount	Rs. 14,020/-	Rs. 28,154/-
Annualised Return	33.01%	36.21%

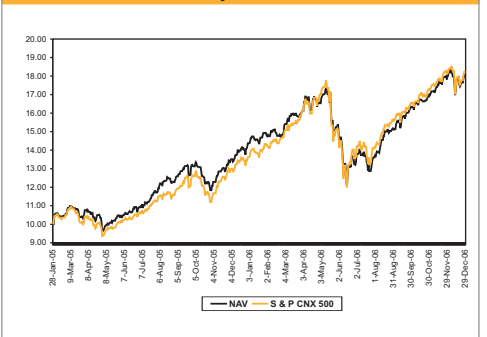
As on 29th December, 2006

Past performance may or may not be sustained in future.

Sector Summary



Returns Since Inception



Dividend History

Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
29-Aug-05	15	1.50	Rs. 12.85
20-Mar-06	15	1.50	Rs. 14.87

Past performance may or may not be sustained in future.

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

Disclaimer

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DBS Chola Tax Saver Fund

as on December 29, 2006

Features

Type of Fund

Equity Linked Savings Scheme

Load Structure

Entry Load : < Rs. 25 Lacs : 2.25%
 >= Rs. 25 Lacs: Nil
 Exit Load / CDSC : Nil

Minimum Investment for New / Existing Investors

Rs. 500 & in multiples of Rs. 500 thereafter

Cut Off Time

Purchase : 3 p.m.
 Redemption : 3 p.m.

Dividend Distribution

Declared as and when decided by the Trustees

Inception Date

18-Nov-05

NAV

Dividend Option : Rs. 13.71
 Cumulative Option : Rs. 13.71

Benchmark Index

BSE Sensex

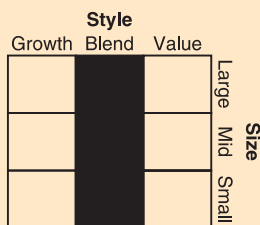
Fund Size

Rs. 33.68 Crores

Fund Manager

R. Rajagopal

Style Matrix



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

Fund Manager's Comments

DBS Chola Tax Saver Fund is a diversified equity fund. The fund will invest in large caps, midcaps as well as small cap stocks. The fund has no bias towards growth style or value style.

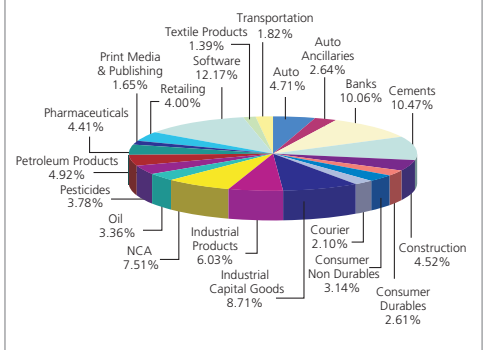
Investment Objective

To provide long term capital appreciation by investing predominantly in equity and equity related instruments and also enabling investors to get income tax rebate as per the prevailing tax laws and subject to applicable conditions.

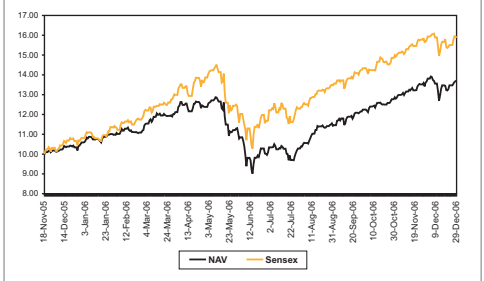
Portfolio

Scrip	% of Portfolio
Hindustan Petroleum Corporation Ltd	4.92%
Jain Irrigation Systems Ltd.	4.85%
Associated Cement Companies Ltd.	4.74%
Satyam Computer Services Ltd.	4.73%
Mahindra & Mahindra Ltd.	4.71%
Pantaloon Retail (India) Ltd.	4.00%
Infotech Enterprises Ltd.	3.98%
United Phosphorus Ltd.	3.78%
Infosys Technologies Ltd	3.46%
Karnataka Bank	3.45%
Crompton Greaves Ltd.	3.43%
Oil & Natural Gas Corporation Ltd	3.36%
Dishman Pharmaceuticals and Chem. Ltd.	3.25%
Gasim Industries Ltd.	3.13%
Suzlon Energy Ltd	2.87%
Federal Bank Ltd	2.79%
Balkrishna Industries Ltd	2.64%
Voltas Ltd	2.61%
Madras Cements Ltd	2.60%
Unitech Ltd	2.44%
Thermax Ltd	2.41%
Blue Dart Express Ltd	2.10%
GMR Infrastructure Ltd.	2.08%
Goldiam International Ltd	2.04%
ICICI Bank Ltd.	1.98%
Vijaya Bank Ltd.	1.84%
Jagran Prakashan Ltd.	1.65%
Transport Corporation of India Ltd	1.20%
Bharat Forge Ltd	1.18%
Nicholas Piramal India Ltd.	1.16%
Alok Industries Ltd.	1.15%
Goodlass Nerolac Paints Ltd	1.10%
Shreyas Shipping & Logistics Ltd	0.62%
Gokaldas Exports Ltd	0.24%
Net Current Asset (NCA)	7.51%

Sector Summary



Returns Since Inception



Performance

	DBSCTSF	SENSEX
3 Months (90 Days)#	11.92%	10.70%
6 Months (182 Days)#	32.59%	29.95%
1 Year \$	30.57%	47.88%
Since Inception \$ (18/11/05)	32.80%	51.48%

Absolute Returns
 \$ Compounded Annualised Returns
 Past performance may or may not be sustained in future.

DBS Chola Opportunities Fund

as on December 29, 2006

Features

Type of Fund

Open-Ended Growth Fund

Load Structure

Entry Load : < Rs. 1 Crore: 2.25%, >= Rs.1 Crore: Nil
Exit Load / CDSC : Nil

Minimum Investment for New / Existing Investors

Rs. 3000/1000

Cut Off Time

Purchase / Redemption : 3 p.m.

Dividend Distribution Inception Date

Quarterly 27-Nov-97

NAV

Quarterly Dividend Option : Rs. 18.08

Cumulative Option : Rs. 27.81

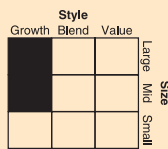
Benchmark Index Fund Size

BSE Sensex Rs. 9.87 Crores

Fund Manager

R. Rajagopal

Style Matrix



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

Investment Objective

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

Portfolio	
Scrip	% of Portfolio
Siemens Ltd.	6.61%
Reliance Energy Ltd	5.27%
Corporation Bank	5.26%
Reliance Industries Ltd.	5.15%
Satyam Computer Services Ltd.	4.90%
Hindustan Lever Ltd	4.67%
Century Textiles	4.50%
Punj Lloyd Ltd.	4.17%
MPhasis BFL Software Ltd.	4.00%
Jet Airways (India) Ltd	3.74%
Aditya Birla Nuvo Ltd	3.65%
India Cements Ltd	3.57%
Birla Corporation Ltd.	3.41%
Ultratech Cement Co. Ltd.	3.33%
Vipiro Limited	3.06%
Gujarat Ambuja Cements Ltd.	2.86%
Arihant Foundations and Housing Ltd	2.57%
Bharat Heavy Electricals Ltd	2.56%
Bharti Airtel Ltd	2.55%
Ashok Leyland Ltd	2.42%
Steel Authority of India Ltd.	2.26%
Zee Telefilms Ltd.	2.23%
Hindalco Industries Ltd.	2.12%
Punjab National Bank Ltd.	2.11%
Telco Ltd	1.82%
Goldiam International Ltd	1.65%
Dabur India Ltd	1.49%
Wire & Wireless India Ltd	0.38%
Zee News Ltd.	0.10%
Net current Asset (NCA)	7.59%

Fund Manager's Comments

DBS Chola Opportunities Fund is a concentrated equity fund with exposure to a few high growth sectors of the economy. The fund has a bias towards the growth style of investing. The fund is a "High Risk, High Return" fund.

Performance

	DBSCOF	BSE Sensex
1 Month (29 Days)#	0.87%	0.66%
3 Months (90 Days)#	16.55%	10.70%
6 Months (182 Days)#	46.91%	29.95%
1 Year\$	41.45%	47.88%
3 Years \$	30.86%	33.20%
Since Inception*\$	33.94%	36.78%

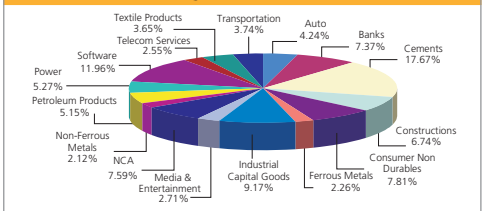
Absolute Returns \$ Compounded Annualised Returns
*Returns calculated from 11/12/2003, when the scheme was repositioned as DBS Chola Opportunities Fund.
Past performance may or may not be sustained in future.

Dividend History

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

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

Sector Summary



DBS Chola Global Advantage Fund

as on December 29, 2006

Features

Type of Fund

Open-Ended Equity Scheme

Load Structure

Entry Load : < Rs. 1 Crore : 2.25%, >= Rs. 1 Crore: Nil
Exit Load / CDSC : Nil

Minimum Investment for New / Existing Investors

Rs. 5000/1000

Cut Off Time

Purchase / Redemption : 3 p.m.

Dividend Distribution

Declared as and when decided by the Trustees

Inception Date

30-May-05

NAV

Dividend Option : Rs. 13.73

Cumulative Option : Rs. 14.64

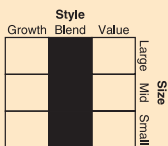
Benchmark Index Fund Size

S&P CNX 500 Rs. 20.97 Crores

Fund Manager

R. Rajagopal

Style Matrix



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

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 their business in global markets.

Portfolio	
Scrip	% of Portfolio
Dishman Pharmaceuticals and Chemicals Ltd.	5.72%
Volta Ltd	5.48%
Infosys Technologies Ltd	5.21%
Thermax Ltd	5.09%
Crompton Greaves Ltd.	5.07%
Kale Consultants Ltd.	5.04%
Satyam Computer Services Ltd.	4.94%
Bharat Forge Ltd	4.92%
Balkrishna Industries Ltd	4.71%
Suzlon Energy Ltd	4.59%
Gokaldas Exports Ltd	4.46%
Motherson Sumi System Ltd	3.96%
Welspun India Ltd	3.94%
Infotech Enterprises Ltd.	3.85%
Vimta Labs Ltd	3.45%
Alok Industries Ltd.	3.04%
United Phosphorus Ltd.	2.62%
Goldiam International Ltd	1.93%
Rabo India Finance - CP - 09 Feb 07	5.91%
Net Current Asset (NCA)	16.07%

Fund Manager's Comments

The investment in DBS Chola Global Advantage Fund 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.

Performance

	DBSCGAF	S&P CNX 500
1 Month (29 Days)#	0.14%	0.45%
3 Month (90 days)#	8.61%	10.27%
6 Months (182 days)#	20.79%	28.59%
1 Year \$	14.20%	35.03%
Since Inception\$ (30/05/05)	27.21%	45.52%

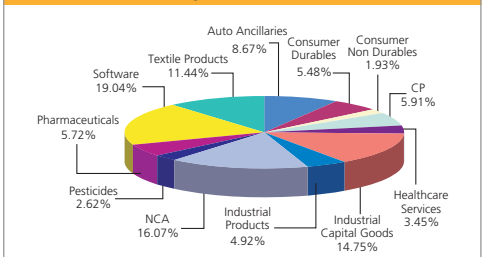
Absolute Returns \$ Compounded Annualised Returns
Scheme "DBS Chola Global Advantage Fund (DCGAF)" was launched on 19th Apr 05 & units allotted on 30th May 05
Past performance may or may not be sustained in future.

Dividend History

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
27-Sep-05	7.5	0.75	Rs. 11.94

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

Sector Summary





DBS Chola Triple Ace

as on December 29, 2006

Features

Type of Fund

Open-Ended Pure Income Fund

Load Structure

Entry Load : Nil
 Exit Load / CDSC : For investments <=10 Lacs:0.5% if Redeemed within 6 months
 For investments >10 Lacs: Nil

Minimum Investment for New / Existing Investors

Rs. 2000/1000

Cut Off Time

Purchase : 3 p.m.
 Redemption : 3 p.m.

Dividend Distribution

Quarterly/Semi Annual

Inception Date

31-Mar-97

NAV

Quarterly Dividend Option : Rs. 11.2240
 Semi Annual Dividend Option : Rs. 11.5353
 Cumulative Option : Rs. 23.8382
 Bonus Option : Rs. 13.2454

Benchmark Index

CRISIL Composite Bond Fund Index

Fund Size

Rs. 14.91 Crores

Fund Manager

Ashish Nigam

Fund Manager's Comments

DBS Chola Triple Ace 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 based on the interest rate view.

Investment Objective

The investment objective of the scheme would be to provide regular and stable income. 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.

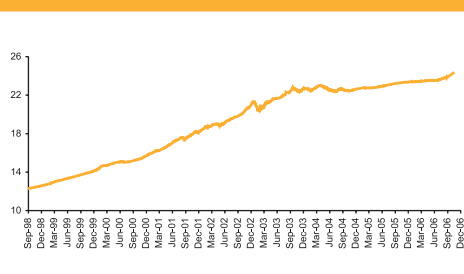
Portfolio

Scrip	Weight	Rating
Corporate Debt		
Rabo India Finance Pvt Ltd (Floating Rate)	13.70%	AAA
IDBI Omni Bond 2004 (Floating Rate)	13.59%	AA+
IRFC - 5YR INBMK	13.57%	AAA
Citicorp Maruti Finance Ltd. - 8.72%	13.30%	AAA
Sundaram Finance Ltd - (Floating Rate)	3.41%	MAAA
Fleet Trust April 2003 Series A2	0.01%	AAA
CD's With Bank		
UCO Bank Ltd - CD - 01 Aug 07	11.23%	P1+
Sovereign		
182 Days TBILL 26 Jan 07	23.36%	Sov
Cash (Call/Repo Deposit/TBill)	7.83%	

Avg Maturity

0.37 years YTM 5.32%

Cumulative Plan - NAV Movement

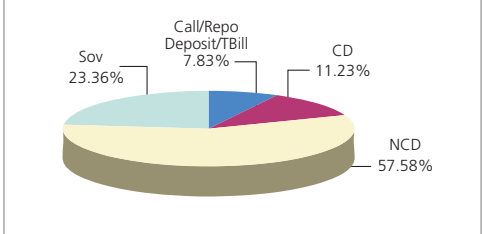


Performance

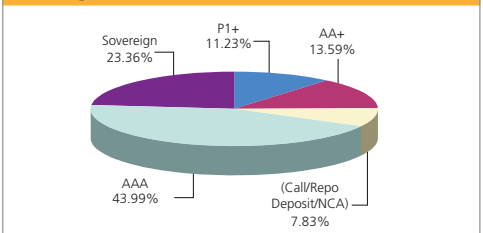
	DBSCTA- Regular Cumulative	CRISIL Composite Bond Index
1 Month (29 Days)#	-0.26%	-0.15%
3 Months (90 Days)#	0.09%	1.11%
6 Months (182 Days)#	1.37%	2.83%
1 Year\$	2.06%	3.95%
3 Years\$	1.68%	2.76%
5 Years\$	5.54%	NA
Since Inception\$	9.32%	NA

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

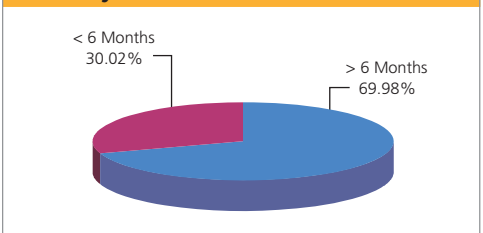
Asset Profile



Rating Profile



Maturity Profile



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 ^ DBSCTA Regular

• DBSCTA Semi Annual Dividend

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



DBS Chola Freedom Income - Short Term Fund

as on December 29, 2006

Features

Type of Fund

Open-Ended Income Fund

Load Structure

Entry Load : Nil
Exit Load / CDSC : Nil

Minimum Investment for New / Existing Investors

Regular : Rs. 3000/1000
Institutional : Rs. 1000000/100000

Cut Off Time

Purchase : 3 p.m.
Redemption : 3 p.m.

Dividend Distribution

Monthly/Semi Annual

Inception Date

08-Mar-02*

NAV

Regular -
Monthly Dividend Option : Rs. 10.9269
Semi Annual Dividend Option : Rs. 11.5709
Cumulative Option : Rs. 11.6633

Institutional -

Monthly Dividend Option : Rs. 10.9262
Cumulative Option : Rs. 11.8025

Benchmark Index

CRISIL Short Term Fund Index

Fund Size

Rs. 188.33 Crores

Fund Manager

Ashish Nigam

* Scheme was repositioned as DBS Chola Freedom Income - Short Term Fund from March 08, 2002

Fund Manager's Comments

DBS Chola Freedom Income is a short-term fund. The scheme seeks to provide better returns than liquid fund. The duration of the fund is longer than the liquid fund and the investment is in fixed income assets ranging from cash/repo to corporate bonds and gilts with residual maturity of 1 year or less. The fund aims to generate superior returns without taking any MTM risk on the portfolio. The fund is rated AAAF by CRISIL for its credit quality.

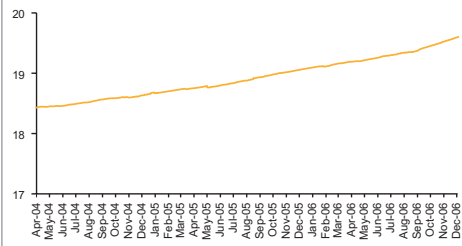
Investment Objective

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.

Portfolio

Scrip	Weight	Rating
Corporate Debt		
Citicorp Finance Ltd (Floating Rate)	2.70%	AAA
Indian Corp Loan Securitisation Trust -XI	2.66%	AAA (so)
CD's With Bank		
ICICI Bank Ltd	12.94%	A1+
ICICI Bank Ltd	12.81%	A1+
GE Capital Services India Ltd.	9.40%	P1+
Federal Bank Ltd.	6.69%	P1+
Kotak Mahindra Bank Ltd.	6.61%	P1+
ICICI Home Finance Co. Ltd.	5.01%	A1+
Jindal Steel and Power	4.93%	A1+
Allahabad Bank	2.63%	P1+
Kotak Mahindra Bank Ltd	2.58%	P1+
HSBC Ltd	2.55%	P1+
Kotak Mahindra Bank Ltd	2.55%	P1+
First India Credit Corp.Ltd.	2.52%	A1+
Federal Bank Ltd.	2.51%	P1+
IDBI Bank	2.51%	A1+
IDBI Ltd	2.48%	P1+
UCO Bank Ltd	2.04%	P1+
UCO Bank Ltd	0.39%	P1+
Other Deposits		
UTI Bank Ltd.	7.97%	
Oriental Bank of Commerce	5.31%	
Cash (Call/Repo Deposit/TBill)	0.21%	

Cumulative Plan - NAV Movement



Performance

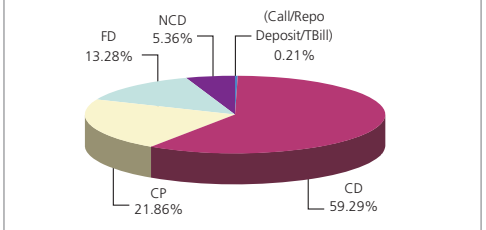
	DBSFCI-STF	DBSFCI-STF Institutional	CRISIL STF Index
1 Month (29 Days)#	0.60%	0.60%	0.17%
3 Months (90 Days)#	1.90%	1.91%	1.11%
6 Months (182 Days)#	4.09%	4.10%	2.97%
1 Year\$	6.42%	6.62%	5.49%
3 Year\$	4.83%	4.83%	4.23%
Since Inception\$	5.85%	N.A.	N.A.

Absolute Returns NA-Not Applicable

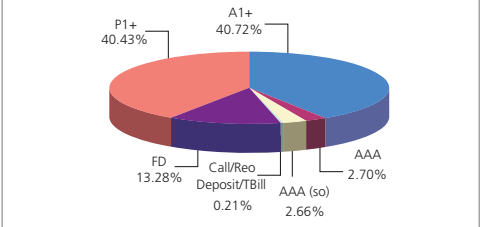
\$ Compounded Annualised Returns

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

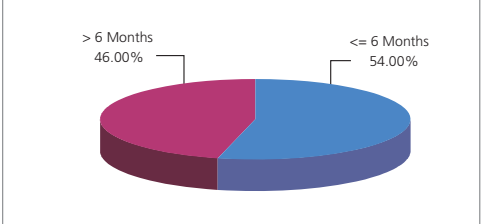
Asset Profile



Rating Profile



Maturity Profile



Avg Maturity

0.95 years

YTM

7.82%

Dividend History

Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
26-Oct-06^	0.4900*	0.0490	10.9708
26-Oct-06^	0.5260\$	0.0526	10.9708
26-Oct-06^^	0.4900*	0.0490	10.9707
26-Oct-06^^	0.5260\$	0.0526	10.9707
27-Nov-06^	0.5310*	0.0531	10.9845
27-Nov-06^	0.5700\$	0.0570	10.9845
27-Nov-06^^	0.5310*	0.0531	10.9836
27-Nov-06^^	0.5700\$	0.0570	10.9836

* Corporate \$ Individual

• Semi Annual Dividend Plan # Monthly Dividend
^ DBSFCI-STF Regular ^^ DBSFCI-STF Institutional
Past performance may or may not be sustained in the future. The face value of the units is Rs. 10/-



DBS Chola Liquid Fund

as on December 31, 2006

Features

Type of Fund

Open-Ended Liquidity Income Scheme

Load Structure

Entry Load : Nil
Exit Load / CDSC : Nil

Minimum Investment for New / Existing Investors

Regular : Rs. 10000/5000
Institutional Plus : Rs. 1000000/100000
Super Institutional Plan : Rs. 5 crore & any amt. thereafter

Cut Off Time

Purchase : 12 a.m.
Redemption : 3 p.m.

Dividend Distribution

Daily / Weekly

Inception Date

04-Oct-00

NAV

Regular-
Weekly Dividend Option : Rs. 11.9846
Cumulative Option : Rs. 14.8781

Institutional Plus-
Weekly Dividend Option : Rs. 11.9515
Cumulative Option : Rs. 14.9690

Super Institutional Plan
Weekly Dividend Option : Rs. 10.0305
Cumulative Option : Rs. 10.1758

Benchmark Index

CRISIL Liquid Fund Index

Fund Size

Rs. 644.27 Crores

Fund Manager

Ashish Nigam

Fund Manager's Comments

DBS Chola Liquid Fund is a very short-term fund with investments in fixed income assets of residual maturity of one year or less. The strategy for managing the fund is to invest in the highest rated instruments which are liquid in the secondary market. The fund is AAAf rated by CRISIL for its credit quality. The fund is managed actively with the duration ranging from 50 to 150 days based on the short-term view.

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.

Portfolio

Scrip	Weight	Rating
Corporate Debt		
Mahindra & Mahindra		
Financial Services - 7.90%	3.88%	P1+
IDBI Omni Bond 2004 (Floating Rate)	3.55%	AA+
Citicorp Finance Ltd (Floating Rate)	3.16%	AAA
Indian Corp Loan Securitn Trust -XV	2.33%	PR1 (so)
LIC Housing Finance Ltd (FR)	1.60%	AAA
Mahindra and Mahindra Finance Ltd		
3yr INBMK	1.59%	P1+
Sundaram Home Finance Ltd.3yr INBMK	1.58%	AAA
Indian Corp Loan Securitn Trust -X	1.55%	PR1 (so)
Tata Son Trust Series I - PTC	1.55%	P1+SO
IBS TRUST Sept 2005 - PTC	1.40%	AAA (so)
IRFC - 5YR INBMK	1.26%	AAA
Rabo India Finance Pvt Ltd (FR)	1.19%	AAA
PFC - 5YR INBMK	0.79%	AAA
Indian Corp Loan Securitn Trust -IV	0.78%	PR1 (so)
IDBI Ltd. 5.90%	0.78%	P1+
Kotak Mahindra Primus Ltd - 6.95%	0.78%	P1+
Sundaram Finance Ltd -(FR)	0.63%	MAAA
CD's with Bank		
ICICI Bank Ltd.	9.77%	P1+
IDBI Bank	6.67%	A1+
Standard Chartered Loans & Invst.	5.53%	P1+
UCO Bank Ltd.	4.89%	P1+
Allahabad Bank	4.11%	P1+
Rabo India Finance	4.01%	P1+
DSPML Capital Services Ltd.	2.92%	P1+
Sundaram Finance Ltd.	2.64%	P1+
IDFC Ltd	2.30%	A1+
HSBC Ltd.	2.20%	P1+
SBI Cards & Payments Ser. Ltd.	1.85%	P1+
State Bank of India	1.51%	P1+
Kotak Mahindra Prime Ltd.	1.50%	P1+
Exim Bank Ltd	1.49%	P1+
ABN Amro Bank	1.47%	P1+
L & T Finance Ltd.	1.44%	PR1+
ING Vysya Bank	1.11%	P1+
GE Capital.Services India Ltd.	0.77%	P1+
State Bank of Bikaner & Jaipur	0.75%	P1+

Portfolio

Scrip	Weight	Rating
ICICI Home Finance Co. Ltd.	0.73%	A1+
Yes Bank Ltd.	0.73%	A1+
UTI Bank Ltd	0.72%	P1+
Federal Bank Ltd.	0.34%	P1+
Other Deposits		
UTI Bank Ltd.	12.42%	
Yes Bank Ltd.	3.88%	
Cash (Call/Repo Deposit/TBill)	-4.15%	

Avg Maturity

Avg Maturity	YTM
135 days	7.25%

Performance

	DBS CLF-Cum	DBSCLF-Inst. Plus	DBSCLF-Super Inst. Plan	CRISIL LF Index
7 Days#	0.1387%	0.1486%	0.1437%	0.12%
14 Days#	0.2717%	0.2869%	0.2820%	0.23%
1 Month (29 Days)#	0.56%	0.58%	0.58%	0.43%
3 Months (90 Days)#	1.73%	1.78%	NA	1.44%
6 Months (182 Days)#	3.42%	3.49%	NA	2.87%
1 Year\$	6.65%	6.72%	NA	5.95%
3 Years\$	5.55%	17.96%	NA	4.86%
5 Years\$	6.40%	NA	NA	NA
Since Inception\$#	6.57%	NA	1.72%*	NA

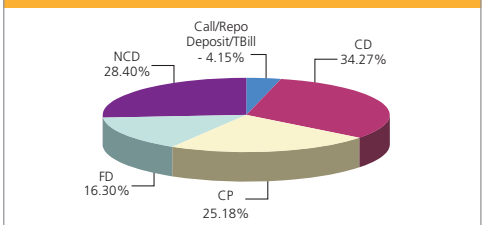
Absolute Returns NA - Not Applicable

\$ Compounded Annualised Returns

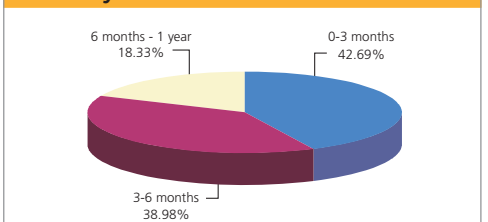
* DBS Chola Liquid Fund - Super Institutional Plan - Cum Option units allotted on 3 oct 06.

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

Asset Profile



Maturity Profile



Contd...



DBS Chola Short Term Floating Rate Fund

as on December 31, 2006

Features

Type of Fund

Open-Ended Income Scheme

Load Structure

Entry Load : Nil
Exit Load / CDSC : Nil

Minimum Investment for New / Existing Investors

Rs. 5000/1000

Cut Off Time

Purchase : 12 a.m.
Redemption : 3 p.m.

Dividend Distribution Inception Date

Daily / Weekly / Monthly : 10-Aug-05

NAV

Monthly Dividend Option : Rs. 10.1998
Cumulative Option : Rs. 10.9344

Benchmark Index

CRISIL Liquid Fund Index

Fund Size

Rs. 476.72 Crores

Fund Manager

Ashish Nigam

Fund Manager's Comments

DBS Chola Short Term Floating Rate Fund is a quasi - liquid fund with more than 50% of the assets in floating rate assets. Investments are in highest rated instruments. The duration of the portfolio is in the range of 100-150 days.

Investment Objective

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

Portfolio	Weight	Rating
Corporate Debt		
Sterlite Ind Ltd (Floating Rate)	5.67%	P1+
GE Capital Services Ltd.(FR)	5.27%	AAA
Citicorp Finance Ltd (FR)	2.14%	AAA
GE Capital Services Ltd. (FR)	2.11%	AAA
DSP ML Capital Ltd.(FR)	2.10%	AAA
Mahindra & Mahindra Fin. Ser. (FR)	2.10%	AA+
Sundaram Finance Ltd.(FR)	2.10%	A1+
Citi Financial Consumer Fin.Ltd.(FR)	1.06%	AAA
HDFC Ltd. (FR)	1.06%	AAA
Citicorp Maruti Finance Ltd.(FR)	1.05%	AAA
Sterlite Ind Ltd (FR)	0.21%	P1+
CD's with Bank		
Exim Bank Ltd.	5.80%	P1+
UTI Bank Ltd	4.91%	P1+
ING Vysya Bank	4.52%	P1+
Kotak Mahindra Primus Ltd	4.29%	P1+
UCO Bank Ltd	4.23%	P1+
Exim Bank Ltd	4.08%	P1+
First India Credit Corp.Ltd.	3.98%	A1+
Exim Bank Ltd	3.11%	P1+
UCO Bank Ltd.	3.07%	P1+
Kotak Mahindra Prime Ltd.	3.04%	P1+
L & T Finance Ltd.	3.04%	PR1+
GE CountryWide Con. Fin. Ltd.	3.03%	P1+
American Express Bank	2.96%	P1+
L & T Finance Ltd.	2.91%	PR1+
L & T Finance Ltd.	2.01%	PR1+
Federal Bank Ltd.	2.01%	P1+
Jindal Steel and Power	1.95%	A1+
Federal Bank Ltd.	1.88%	P1+
ICICI Home Finance Co. Ltd.	0.99%	A1+
State Bank of Patiala	0.97%	P1+
UCO Bank Ltd	0.90%	P1+
Rabo India Finance	0.83%	P1+
Standard Chartered Loans & Invst.	0.83%	P1+
GE Capital Services India Ltd.	0.30%	P1+
Rabo India Finance	0.21%	P1+
Other Deposits		
Vysya Bank Ltd	4.20%	
Oriental Bank of Commerce	2.10%	
UTI Bank Ltd.	2.10%	
Cash (Call/Repo Deposit/TBill)	0.88%	

Performance

	DBS CST-FRF	CRISIL Liquid Fund Index
3months (90 days)#	1.87%	1.44%
6months (182 days)#	3.63%	2.87%
1 Year\$	6.90%	5.95%
Since Inception\$(10/08/05)	6.61%	5.55%
# Absolute Returns	\$ Compounded annualised returns	
Past performance may or may not be sustained in future. The distribution tax has been included in the calculations of returns.		

Dividend History

Date of Declaration (Last Dividend Declared)	% Unit	Rs./Unit	NAV as on date of declaration
27-Nov-06	0.4900*	0.0490	10.1832
27-Nov-06	0.5260\$	0.0526	10.1832

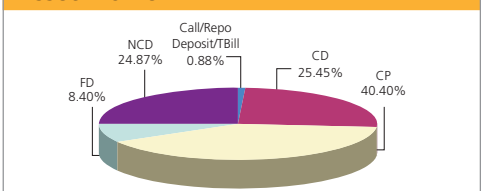
* Corporate \$ Individual

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

Avg Maturity

Avg Maturity	YTM
136 days	10.35%

Asset Profile



DBS Chola Floating Rate Fund

as on December 29, 2006

Features

Type of Fund

Open-Ended Income Scheme

Load Structure

Entry Load : Nil
Exit Load / CDSC : 0.30% for <= 10 lacs
if redeemed within 3 months
Nil for > 10 lacs

Minimum Investment for New / Existing Investors

Rs. 25000/1000

Cut Off Time

Purchase / Redemption : 3 p.m.

Dividend Distribution

Quarterly

Inception Date

25-Aug-04

NAV

Dividend Option : Rs. 10.2899
Cumulative Option : Rs. 11.3146

Benchmark Index

CRISIL Liquid Fund Index

Fund Size

Rs. 2.78 Crores

Fund Manager

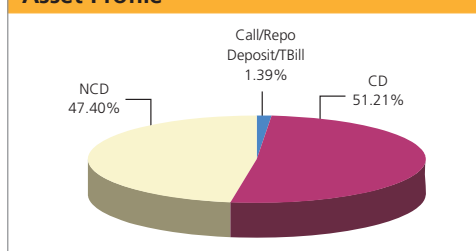
Ashish Nigam

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.

Portfolio	Weight	Rating
Corporate Debt		
Rabo India Fin Pvt. Ltd (FR)	18.38%	AAA
Sundaram Fin. Ltd -(FR)	18.31%	MAAA
Citicorp Maruti Finance Ltd. - 8.72%	10.71%	AAA
CD's With Bank		
UCO Bank Ltd	33.77%	P1+
Federal Bank Ltd.	17.44%	P1+
Cash (Call/Repo Deposit/TBill)	1.39%	

Asset Profile



Fund Manager's Comments

DBS 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.

Performance

	DBSCFRF	CRISIL Liquid Fund Index
1 Month (29days)#	0.39%	0.43%
3 Months (90 Days) #	1.28%	1.44%
6 Months (182 Days) #	2.72%	2.87%
1 Year\$	5.46%	5.95%
Since Inception (25/08/04)\$	5.41%	5.13%
# Absolute Returns	\$ 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.		

Absolute Returns \$ 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.

Dividend History

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
26-Dec-05	0.6530*	0.0653	Rs. 10.3230
26-Dec-05	0.7020\$	0.0702	Rs. 10.3230
27-Mar-06	1.2250*	0.1225	Rs. 10.4299
27-Mar-06	1.3160\$	0.1316	Rs. 10.4299
26-Jun-06	1.3160\$	0.1316	Rs. 10.4106
26-Jun-06	1.3160\$	0.1316	Rs. 10.4106
25-Sep-06	1.0620*	0.1062	Rs. 10.4076
25-Sep-06	1.1400\$	0.1140	Rs. 10.4076

* Corporate \$ Individual

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

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

Avg Maturity

Avg Maturity	YTM
0.35 years	5.60%

DBS Chola GILT Investment Plan

as on December 29, 2006

Features

Type of Fund

Open-Ended Dedicated Gilts Schemes

Load Structure

Entry Load : Nil

Exit Load / CDSC : Nil

Minimum Investment for New / Existing Investors

Rs. 10000/1000

Cut Off Time

Purchase : 3 p.m.

Redemption : 3 p.m.

Dividend Distribution

Quarterly

Inception Date

29-Mar-00

NAV

Quarterly Dividend Option : Rs. 10.2405

Cumulative Option : Rs. 18.6186

Benchmark Index

ISEC-Li-BEX

Fund Size

Rs. 2.65 Crores

Fund Manager

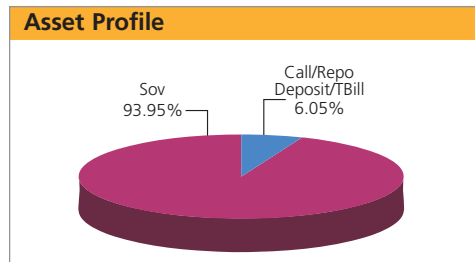
Ashish Nigam

Investment Objective

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

Portfolio			
Scrip		Weight	Rating
182 Days TBILL	26 Jan 07	93.95%	Sov
Cash (Call/Repo Deposit/TBill)		6.05%	

Avg Maturity	YTM
0.07 years	6.37%



Fund Manager's Comments

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

	DBSCGI	I-Sec Li-BEX
1 Year\$	0.84%	6.45%
3 Years\$	1.60%	3.68%
5 Years\$	7.11%	NA
Since Inception\$	9.64%	NA

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.

Dividend History

Regular Plan			
Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
27-Sep-04	0.8270*	0.0827	Rs.10.2309
27-Sep-04	0.8840\$	0.0884	Rs.10.2309
27-Mar-06	1.2250*	0.1225	Rs. 10.3095
27-Mar-06	1.3160\$	0.1316	Rs. 10.3095

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

DBS Chola Monthly Income Plan

as on December 29, 2006

Features

Type of Fund

Open-Ended Income Scheme with no assured returns

Load Structure

Entry Load : Nil

Exit Load / CDSC : For investments <=10 Lacs: 0.5% if redeemed within 6 months For investments >10 Lacs: Nil

Minimum Investment for New / Existing Investors

Rs. 5000/1000 (Cum.)

Rs. 10000/1000 (Div.)

Cut Off Time

Purchase : 3 p.m.

Redemption : 3 p.m.

Dividend Distribution

Monthly/Quarterly

Inception Date

31-Jul-98

NAV

Monthly Dividend Option : Rs. 10.3519

Quarterly Dividend Option : Rs. 10.5675

Cumulative Option : Rs. 13.2805

Benchmark Index

CRISIL Blended MIP Index

Fund Size

Rs. 6.13 Crores

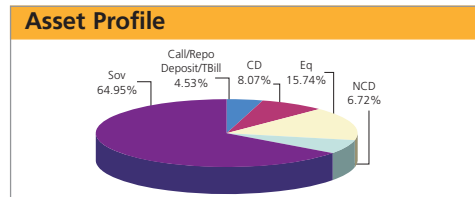
Fund Manager

Ashish Nigam / R. Rajagopal

Investment Objective

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

Portfolio			
Scrip		Weight	Rating
Equity			
Infosys Technologies Ltd		3.56%	Eq
Bharat Heavy Electricals Ltd.		2.62%	Eq
Reliance Industries Ltd.		2.28%	Eq
Ultratech Cement Co. Ltd.		1.79%	Eq
Birla Corporation Ltd		1.65%	Eq
Alfa Laval India Ltd.		1.60%	Eq
Tata Consultancy Services Ltd		1.52%	Eq
Punjab National Bank Ltd		0.25%	Eq
Infotech Enterprises Ltd.		0.24%	Eq
Reliance Communications Ltd		0.23%	Eq
Corporate Debt			
IDBI Omni Bond 2004 (FR)		6.61%	AA+
Fleet Trust April 2003 Series A2		0.11%	AAA
CD's with Bank			
State Bank of Indore		8.07%	P1+
Sovereign			
182 Days TBILL	26 Jan 07	64.95%	Sov
Cash (Call/Repo Deposit/TBill)		4.53%	



Fund Manager's Comments

In DBS Chola MIP, equity exposure was over 15%.

	DBSCMP*	CRISIL Blended MIP Index
1 Month (29 Days)#	0.41%	-0.06%
3 Months (90 Days)#	2.87%	2.52%
6 Months (182 Days)#	6.55%	6.24%
1 Year\$	7.71%	9.23%
3 Year\$	7.02%	6.74%
Since Inception\$	8.66%	8.96%

Absolute Returns \$ Compounded annualised returns
* Converted from close-ended to open-ended w.e.f. July 31, 2003 and renamed as **DBS 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.

Dividend History

Regular Plan			
Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
27-Mar-06	1.2250*#	0.1225	10.472
27-Mar-06	1.3160\$#	0.1316	10.472
25-Sep-06	1.4700*#	0.1470	10.5794
25-Sep-06	1.5790\$#	0.1579	10.5794

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

Avg Maturity	YTM
0.08 years	5.10%

Total AUM as on December 2006 : Rs. 2,082.40 crores



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DBS Chola
MUTUAL FUND

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 Coimbatore: 9894945345 Hyderabad: 66737001 Jaipur: 9829422699 Kolkata: 22837370 Ludhiana: 9815947016 Lucknow: 9839958537 Madurai: 9865966013
 Mangalore: 9342255286 Mumbai: 66574000/66104940/22029007 New Delhi: 23353048 Pune: 25510468

Investment Objectives: • DBS Chola Growth Fund: 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. • DBS Chola Midcap Fund: An open-ended equity scheme having an objective of generating 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. • DBS Chola Opportunities Fund: The Scheme will invest mainly to generate long-term capital appreciation from a diversified portfolio of equity-related securities. • DBS Chola Multi-cap Fund: To provide long term capital appreciation by investing in a well-diversified portfolio of equity & equity related instruments across all ranges of market capitalisation. • DBS Chola Global Advantage Fund: 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 their business in global markets. • DBS Chola Tax Saver Fund : To provide long term capital appreciation by investing predominantly in equity and equity related instruments and also enabling investors to get income tax rebate as per the prevailing Tax Laws and subject to applicable conditions. • DBS Chola Contra Fund: The objective of the scheme is to generate capital appreciation by investing in equity and equity related instruments by using a 'contrarian strategy'. Contrarian investing refers to buying into fundamentally sound scripts which have underperformed/not performed to their full potential in their recent past. **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. DBS Chola Growth Fund, DBS Chola Midcap Fund, DBS Chola Multi-Cap Fund, DBS Chola Opportunities Fund, DBS Chola Global Advantage Fund, DBS Chola Tax Saver Fund & DBS Chola Contra Fund are only the names of the Schemes and do not in any manner indicate the quality of the Schemes, their future prospects or returns. The Schemes do not guarantee any assured returns to the investors. Investors are requested to refer the offer document of the respective scheme carefully before making any investments. **Statutory Details:** DBS Chola Mutual Fund has been established as a trust under the Indian Trust Act, 1882 by Cholamandalam DBS Finance Limited (formerly known as Cholamandalam Investment and Finance Company Limited) (liability restricted to the seed corpus of Rs. 1 lakh) with DBS Cholamandalam Trustees Limited (formerly known as Cholamandalam Trustee Co. Ltd.) as the Trustee and DBS Cholamandalam Asset Management Limited (formerly known as Cholamandalam AMC Ltd.) as the Investment Manager.

DBS Chola Mutual Fund, is promoted by Cholamandalam DBS Finance Ltd.- the joint venture between Murugappa group and DBS Bank, Singapore.

DBS CHOLAMANDALAM ASSET MANAGEMENT LIMITED

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India. Tel. : 91.22.6657 4000 Fax : 91.22.6657 4004
www.dbscholamutualfund.com

For application forms and offer documents, please contact :

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* Application will not be accepted

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Risk Factors: • All investments in Mutual Funds and Securities are subject to market risks and the NAV of the Schemes 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 Schemes. • The Sponsor is not responsible or liable for any loss resulting from the operations of the Schemes beyond the initial contribution of Rs. 1 Lakh made by them towards setting of the Mutual Fund. • DBS Chola Growth Fund, DBS Chola Midcap Fund, DBS Chola Opportunities Fund, DBS Chola Monthly Income Plan (an open-ended fund, monthly income is not assured and is subject to the availability of distributable surplus), DBS Chola Triple Ace, DBS Chola Freedom Income - Short Term Fund, DBS Chola Floating Rate Fund, DBS Chola Gilt and DBS Chola Liquid Fund are only the names of the Schemes and does not in any manner indicate the quality of the Schemes, its future prospects or returns. • AA rating by CRISIL indicates that the fund's portfolio holdings provide a very strong protection against losses from credit defaults. • The rating of CRISIL is not an opinion on the Asset Management Company's willingness or ability to make timely payment to the investor. The rating is also not an opinion on the stability of the NAV of the Fund, which would vary with market developments. • Investors are requested to refer to the Offer Document of respective Scheme carefully before making any investment. • The Schemes does not guarantee any assured returns to the investors.

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