

# Fact Sheet

December - 2007

For Private Circulation Only

**DBS Chola**  

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**MUTUAL FUND**

# In News

## DBS Chola to put some funds in smaller IPOs

Our Bureau  
MISAGANI

DBS Chola MF, which has launched its three-year close-ended small cap fund recently, also intends to invest a part of the funds mobilised into small and mid-sized initial public offers (IPOs).

DBS Chola Small Cap Fund would be benchmarked against the BSE Small Cap Index. Unlike its bigger and more well-known index peer SENSEX 30, the BSE Small Cap Index includes stocks in the media and entertainment, hardware, mining, courier, sanitaryware and transportation sectors.

"Besides investing in small cap stocks, we would also look into high-quality small-sized IPOs. In recent times over here, a lot of IPOs aimed at raising anywhere between Rs 100 crore to Rs 500 crore," said DBS Chola MF chief marketing officer Vinod Puri. He said that while the large cap stocks were heavily owned by FII's and domestic institutional investors, the ownership in small caps left much to be desired.

**Institutional holding in small cap stocks was as low as 11.26% in FY04 rising to 15.64% in FY07. By September 2007, this stood at 16.84%**

Institutional holding in small cap stocks was as low as 11.26% in FY04 rising to a high 13.81% in FY06 and 15.64% in FY07. By September 2007, this stood at 16.84%.

The new fund offer (NFO) for the small cap fund would close on December 20, 2007 and would help to fill the existing equity basket of offering, he added.

Curiously, against the 484 stocks classified as "small cap" stocks, leverage-related coverage extends only for 268 stocks that are regularly researched. It is believed that DBS Chola MF may also advise on an India-centric off-shore fund. "DBS has a brand name in Asian markets. An offshore fund would be something of a natural fit, though nothing is on the drawing board at this point," Mr Puri added.

DBS Chola MF has over Rs 5,000 crore of assets under management (AUM).

Publication : The Economic Times  
Date : Tuesday, 27th November, 2007

## Speed Zone: India's Firing On All Cylinders

With raising of capital no longer being an issue & the govt acting as a catalyst for investment, India Inc's growth story will unfold over the next few decades against the backdrop of double-digit GDP growth



**mastermind**  
R Rajagopal  
MD, DBS Cholamandalam Asset Management

ASI wrote this article, the Senexes would have probably reached another milestone of 18000 from the time it started its journey in 1979, thereby giving it a compounded annual return (CAR) of around 16%. Very few

investors must be training this endless marathon from the beginning, while others would have joined the race at different entry points on this Indian superhighway.

India is beginning to build its economic superhighway on sound infrastructure at a much faster pace and at a much larger scale. Hence, the ride hereafter can be smooth if it is maintained and overhauled from time to time.

The beginning of the 21st century saw India being recognised as a global IT outsourcing hub. International investors started considering India as a global socio-economic power driven by its young demographic profile, with higher disposable incomes offering a big domestic market for products and services. During the same phase, the decadal gross domestic product (GDP) grew from an average 4% to the current 8% and the stock market indices

reflected this change. The financial market in India has also metamorphosed into a more mature, well-regulated sector of the economy. The acceptance of derivatives products is evident in the huge volumes seen in this segment. Our market has emerged as one of the largest stock options and futures markets in the world. This reflects the maturity level and understanding of various market players.

On the one hand, retail volumes are surging and on the other hand, institutional participation through mutual funds, insurance companies and foreign institutional investors (FIIs) is increasing. This augurs well for investment as a class since there's no domination by any single class of market participants.

With raising of capital no longer being an issue, and the government acting as a catalyst for investment and

more visibility of demand for goods and services, the corporate growth story across sectors is set to unfold over the next few decades against the backdrop of double-digit GDP growth.

Globalisation will also have an impact on corporate competitiveness, which will open up other geographies for Indian products and services.

With capital account convertibility becoming a reality in the near future, the domestic financial market will get seamlessly integrated with global markets and various asset classes will be opened up to investors. The current market level discounts the consensus FY08 earnings by 21.5x and consensus FY09 earnings by 18x. Corporate earnings growth seems to be in the range of 18-20%. The Q2 FY08 results will only strengthen this run rate. Thus, on a fundamental basis, the market can consolidate at these levels and surge ahead to deliver returns

in line with the earnings momentum. With FII inflows already exceeding \$13 billion and still counting, the short-term destiny of the Senex is in the hands of liquidity.

Investors tend to suffer from parallax syndrome, wherein the immediate movements in the market make them feel left out, though the long-term trend is on a firm footing. Such feelings of greed and fear can be overcome through a disciplined investment practice like systematic investment plans (SIPs), which can help investors to reap the benefits of compounding.

It is also imperative for investors to look at risk-adjusted returns. Indians are under-invested in equity as an asset class. Hence, domestic investors should allocate part of their investments towards equity and equity-related assets, which will enable them to beat the inflationary trends in the economy over the long term.

Publication : The Economic Times  
Date : Monday, 8th October, 2007

## Diversify into small cap funds: DBS Chola

BANGALORE MIRROR BUREAU

Investing in small cap mutual funds is not a substitute for investing in large and mid cap funds but can help diversify your portfolio," DBS Chola Mutual Funds chief marketing officer Vinod Puri said in a report after launching a three-year close-ended fund, DBS Chola Small Cap Fund.

Investors with large and mid cap funds also can look at investing in small cap funds, he said. The new fund aims at generating long-term capital appreciation by investing predominantly in equity and equity-related instruments of companies with small market capitalisation.

"Putting some money in small cap funds can help them complement their portfolios." The advantages are diversified investments, and the potential



of high returns. The disadvantage is having to manage market volatility. For small investors, small cap-based mutual funds are an option that can be considered.

However, returns versus risks have to be studied, he said. "Investing in small cap funds is very much down, which is difficult for the small investor to figure out. It is all the more reason for small investors to go for mutual funds that invest in

lower constituent of the BSE Small Cap Index. The company will rely on its own independent research to find out best investment opportunities available in the market. The fund will invest at least 65 per cent of its net assets in stocks of small companies.

"When choosing stocks, the fund will look at factors such as how well the firm is managed, which reflects the business it is in, its potential to grow revenues."

The fund offer opens for subscription on November 20 will close on December 20. The scheme will offer cumulative and dividend options. Units will be offered at Rs 10 per unit. The minimum application amount is Rs 5,000 and in multiples of Rs 1 thereafter.

Publication : Bangalore Mirror  
Date : Tuesday, 27th November, 2007

## Just 5 questions...



■ **DBS Chola Mutual Fund**

■ **Why do you think the small-cap space is hot?**  
Small-cap companies have the potential to deliver significant capital appreciation as they evolve into large caps. And with institutional players beginning to look at this space, there is lot of scope for them.

■ **Do you think corporate earnings are showing signs of slowdown?**  
No, I don't think they have just started picking up. Because of the high base effect, they might be recording flat on a CAGR basis, the growth is strong.

■ **Refinery stocks are seeing a bit of action lately. Do you think this is justified?**

When you are ready to give astounding premiums for companies which are yet to begin production, it is only natural that other companies in the space also begin to get attention.

■ **Are the institutional investors driving the mid- and small-cap rally in the last few days?**

It is difficult to guess who has bought and who has not. We will know only by the end of the month when figures are out.

■ **Have you been buying?**  
It becomes imperative for us to act with a view to beat the benchmark. We can't sit outside and watch as the stocks are running up 30-50%.

Publication : DNA Money  
Date : Wednesday, 21st November, 2007

# Equity & Debt Markets -

By R.Rajagopal (Chief Investment Officer)

## Equity

Calendar year 2007 has been eventful year for the financial markets. US sub prime problem, which raised its head in the second half of the year, weighed heavily on the sentiments of global investors and has resulted in large swings in liquidity flows. Moreover, concerns of US slowdown led to volatile periods for global financial markets during the last two quarters. However, emerging markets including India, with strong domestic consumption stories were able to brush aside the fears and had stellar overall performance.

Indian markets along with other emerging markets continued the stupendous performance during the year driven by strong capital flows. Apart from Shanghai Composite, which rose by 96.7% during the year, Indian markets have posted better returns relative to other emerging markets. S&P CNX Nifty, rose by 54.8% during the calendar year 2007 as compared to 39.3%, 11.7%, 43.5% and 32.2% returns posted by Hang Seng, Mexbol, Bovespa and Kospi respectively. Japanese key index Nikkei was the only loser with the fall of 11.1% during the year.

Indian Markets continued the Bull Run for the 5th straight year. Impressive growth in corporate profits, strong investment demand, improving Government finances and healthy investment climate have been the key factors that have attracted foreign investors to Indian markets. The surge in capital flows has though led to strong appreciation in rupee which has risen approximately 11% during the year impacting key export driven sectors viz. Textiles, IT, Pharma and Auto ancillary, which witnessed decline in profit margins. However, strong investment demand has been beneficial for infrastructure and related sectors viz capital goods, construction, metals, power and financials. Real estate sector has also emerged as one of the fastest wealth creating sector as far as capital markets are concerned and has got due recognition with two large companies viz. DLF and Unitech being included in key indices.

Metals, Capital goods and Oil & Gas have been the top performing sectors with BSE Metals, BSE Capital goods and BSE Oil & Gas indices rising by 121%, 117% and 115% respectively, thereby outperforming the broader market indices. BSE Bank index also rose by 61% during the period. IT, Auto, Healthcare and FMCG sectors have been laggards with the respective indices posting returns of negative returns of 14%, 2.7%, 16.5% and 19.9% respectively. Midcap and small cap stocks have been posting impressive returns with the respective indices rising 76.9% and 93.7% during the year.

Though US and European banks have already written off \$97 bn on account of losses from sub prime portfolios, still the dark clouds are looming large with the extent and estimates of further probable losses which are difficult to gauge. Moreover, majority of economists and analyst are predicting slowdown in US during the calendar year 2008. With this in backdrop we expect the export driven sectors would continue to be under pressure until some clarity emerge by the first half of the year 2008. Domestic investment demand is expected to remain strong as India has to travel far long to reach respectable global standards in terms of basic

infrastructure. Moreover, capital expenditure by domestic companies to ramp up the capacity would continue to provide opportunities to capital goods segment.

Strong corporate earnings growth in past couple of years has led to, re-rating of the earnings discounting for the benchmark indices. Nifty and Sensex are trading in the band of 20-24 times the forward earnings compared to the historic band of 14-18 times. We expect earnings growth for benchmark index companies to moderate to more normalized levels of 20-22% over next couple of years compared to current 30-35%. We expect the domestic markets to consolidate the gains made in the past and provide decent out performance relative to other markets.

## Debt

The month opened under pressure on account of lack of government spending and liquidity tightening with the shorter end of the curve moving under pressure. Rates were seen hardening as the liquidity tightened further during the course of the month due to advance tax payments estimated to the tune of INR Rs.300 bn-350 bn coupled with the Government bond auction of INR Rs.70 bn in the first week. Short Term Yields moved up by 20-40 basis points across tenors. Upto one year long end of the curve however remained firm especially the sovereign central government bonds as the average SLR holdings of the Banks dipped below 30% mark due to a spike in a credit deposit ratio which stood at 71.40%, as a result 10 year benchmark slipped 10-12 basis points and parallel rally was seen in the 5y and 10Y AAA corporate bonds. Rupee at the beginning of the month remained range bound in the range of 39.40-39.60 as the FII flows slowed on account of extended festive season holidays across the globe.

Quite a many global events took place during the month indicating some control and measures to ease off. The Federal Govt reduced the Benchmark rate from 4.50% to 4.25% which was coupled with freeze of housing interest rates for a seven year period to revive the housing industry. European economy saw a six year high inflation at 3%. While ECB kept the rates unchanged to 4%. Bank of England reduced its benchmark rates to from 5.75% to 5.50%. Royal Bank of Canada was seen cutting the rates from 4.50% to 4.25%, while Bank of Korea an Swiss National Bank kept their rates unchanged. The surprising factor was, that Bank of China increased the CRR rate to 14.50% on account of rising inflation in the economy.

Oil was seen cruising throughout the month with global news that continued to remain uncomfortable and threatening to curb the economic growth. Nymex Futures were seen to be highly volatile with crude moving northwards from USD 89.25- 95.98.

Going forward we expect the yields to improve across tenures as the banks would be hit with the maturity of special deposit schemes worth INR Rs.100 bn coupled with the government spending. On the global front the expectation of Fed rate cut in fed policy statement slated on 31st January shall keep the undercurrent bullish in the domestic debt markets.

# DBS Chola Opportunities Fund

Value Research **★★★★**  
RATINGS as on Dec 2007

as on Dec 31, 2007

## Features

### Type of Fund

Open-Ended Growth Fund

### Load Structure

Entry Load : < Rs. 3 cr : 2.25%  
>= Rs. 3 cr : Nil

Exit Load / CDSC : < Rs. 3 cr : 1.00% if redeemed within 6 months  
>= Rs. 3 cr < Rs. 5 cr : 0.50% if redeemed within 6 months  
>= Rs. 5 cr : Nil

### Minimum Investment for New / Existing Investors

Rs. 3000/1000

### Cut Off Time

### Benchmark Index

Purchase : 3 p.m.

S&P CNX Nifty

Redemption : 3 p.m.

### Dividend Distribution

Declared as and when decided by the Trustees

### NAV

Quarterly Dividend Option : Rs. 33.80

Cumulative Option : Rs. 52.02

### Fund Size

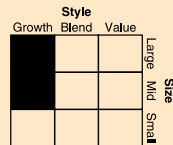
Rs.62.05 crores

### Fund Manager

R. Rajagopal  
Bajrang Kumar Bafna

### Style Matrix

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



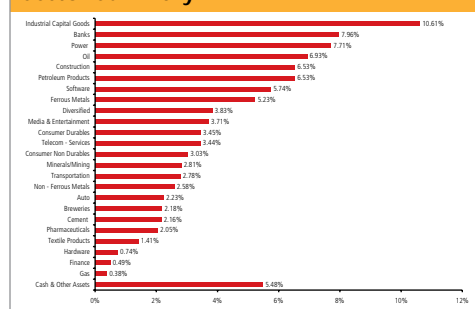
## Investment Objective

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

### Portfolio - Top 10 Holdings

Scrip	% of Portfolio
Reliance Industries Ltd.	6.53%
Bharat Heavy Electricals Ltd.	3.87%
Larsen and Toubro Ltd.	3.83%
Reliance Energy Ltd.	3.61%
Reliance Communications Ltd.	3.44%
Oil and Natural Gas Corporation Ltd.	3.34%
ICICI Bank Ltd.	2.89%
Gujarat NRE Coke Ltd.	2.81%
Tata Steel Ltd.	2.71%
Sterlite Industries Ltd.	2.58%

### Sector Summary



### 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	S&P CNX Nifty
1 Month (31 Days)#	14.61%	6.52%
3 Months (92 Days)#	43.78%	22.25%
6 Months (184 Days)#	67.64%	42.15%
1 Year\$	87.06%	54.77%
3 Years \$	52.81%	43.43%
Since Inception \$*	45.37%	37.32%

# 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.

### Systematic Investment Plan - Returns

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

The Amount would have grown to		
	1 Years	3 Years
Total Amount	Rs.20,020/-	Rs.87,443/-
Annualised Return	143.30%	67.12%

As on 31<sup>st</sup> Dec, 2007

Past performance may or may not be sustained in future.

### Dividend

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

Past performance may or may not be sustained in future.  
The face value per unit is Rs. 10/-

# DBS Chola Hedged Equity Fund

as on Dec 31, 2007

## Features

### Type of Fund

Open-Ended Equity Scheme

### Load Structure

Entry Load : < Rs. 3 cr : 2.50%  
>= Rs. 3 cr : Nil

Exit Load / CDSC : < Rs. 3 cr : 1.00% if redeemed within 6 months  
>= Rs. 3 cr < Rs. 5 cr : 0.50% if redeemed within 6 months  
>= Rs. 5 cr : 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

19-Apr-07

### Benchmark Index

S&P CNX Nifty

### NAV

Dividend Option : Rs. 11.76

Cumulative Option : Rs. 16.58

### Fund Size

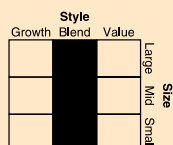
Rs.42.19 crores

### Fund Manager

R. Rajagopal

### Style Matrix

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



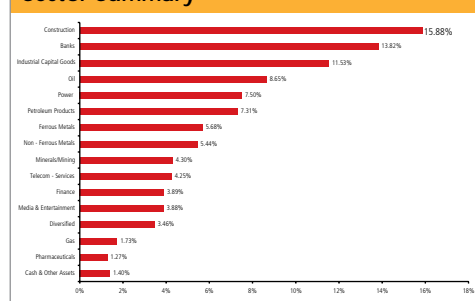
## Investment Objective

The investment objective of the fund is to generate long term capital appreciation by investing in equity, equity related and derivative instruments. The fund seeks to minimize risk by use of hedging instruments such as index and stock derivative instruments. The aim is to generate returns with a lower volatility.

### Portfolio - Top 10 Holdings

Scrip	% of Portfolio
Reliance Industries Ltd.	7.31%
Reliance Energy Ltd.	5.72%
Oil and Natural Gas Corporation Ltd.	5.60%
Bharat Heavy Electricals Ltd.	4.60%
Sesa Goa Ltd.	4.30%
Reliance Communications Ltd.	4.25%
Sterlite Industries Ltd.	4.17%
Jaiprakash Associates Ltd.	4.05%
HDFC Ltd.	3.89%
Zee Entertainment Enterprise Ltd.	3.88%

### Sector Summary



### Performance

	DBSCHF	S&P CNX Nifty
1 Month (31 Days)#	10.31%	6.52%
3 Months (92 Days)#	34.69%	22.25%
6 Months (184 Days)#	50.05%	42.15%
Since Inception # (19/04/07)	65.80%	53.56%

# Absolute Returns

Past performance may or may not be sustained in future.

### Dividend

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
11-Dec-07	11%	1.1	Rs. 12.49
02-Nov-07	10%	1.0	Rs. 12.63

Past performance may or may not be sustained in future.  
The face value per unit is Rs. 10/-

### Fund Manager's Comments

DBS Chola Hedged Equity Fund is an open ended equity scheme, which seeks to capture the growth potential of stocks while using active hedging strategy by use of index and stock derivative instruments to reduce the effect of market swings on the fund's long term performance. The aim is to generate returns both in the bull market and bear market as opportunities exist on both ends of the spectrum. The fund aims to generate returns with lower volatility.

## DBS Chola Midcap Fund

as on Dec 31, 2007



### Features

#### Type of Fund

Open-Ended Equity Scheme

#### Load Structure

Entry Load : < Rs. 3 cr : 2.25%  
>= Rs. 3 cr : Nil

Exit Load / CDSC : < Rs. 3 cr : 1.00% if redeemed within 6 months  
>= Rs. 3 cr < Rs. 5 cr : 0.50% if redeemed within 6 months  
>= Rs. 5 cr : 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

#### Fund Manager

R. Rajagopal  
Anant Deep Katare

#### NAV

Dividend Option : Rs. 25.32

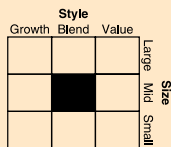
Cumulative Option : Rs. 43.88

#### Benchmark Index

CNX Midcap Index Rs.39.15 crores

### Style Matrix

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



## Investment Objective

To generate capital appreciation by investing primarily in midcap stocks. The scheme will invest in companies whose market capitalization falls between the highest and the lowest constituent of the CNX Midcap Index.

### Portfolio - Top 10 Holdings

Scrip	% of Portfolio
Adani Enterprises Ltd.	3.95%
Financial Technologies (India) Ltd.	3.68%
Jagran Prakashan Ltd.	3.44%
Punj Lloyd Ltd.	3.33%
Essar Oil Ltd.	3.33%
Sintex Industries Ltd.	2.92%
CESC Ltd.	2.88%
Lanco Infratech Ltd.	2.80%
Thermax Ltd.	2.66%
Titan Industries Ltd.	2.39%

### Dividend

#### Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
27-Mar-06	25	2.50	Rs. 16.36
19-Sep-05	20	2.00	Rs. 15.79
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/-

### 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 predominantly invest in companies in the market capitalisation range of the CNX Midcap Index.

### Performance

	DBSCMF	CNX Midcap Index
1 Month (31 Days)#	13.33%	15.09%
3 Months (92 Days)#	34.64%	33.97%
6 Months (184 Days)#	51.99%	53.96%
1 Year \$	64.59%	76.93%
3 Year\$	46.70%	45.53%
Since Inception (09/08/04) \$	54.60%	54.15%

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

### Systematic Investment Plan - Returns

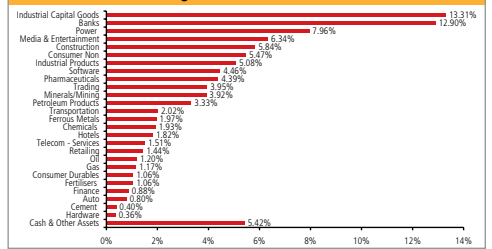
If you had invested Rs.1000/- starting of every month in DBS Chola Midcap Fund (DBSCMF)

	The Amount would have grown to	
	1 Year	3 Years
Total Amount	Rs.18,152/-	Rs. 73,517/-
Annualised Return	106.94%	52.37%

As on 31<sup>st</sup> Dec, 2007

Past performance may or may not be sustained in future.

### Sector Summary



## DBS Chola Multi-Cap Fund

as on Dec 31, 2007

### Features

#### Type of Fund

Open-Ended Equity Scheme

#### Load Structure

Entry Load : < Rs. 3 cr : 2.25%  
>= Rs. 3 cr : Nil

Exit Load / CDSC : < Rs. 3 cr : 1.00% if redeemed within 6 months  
>= Rs. 3 cr < Rs. 5 cr : 0.50% if redeemed within 6 months  
>= Rs. 5 cr : 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

#### Fund Manager

R. Rajagopal  
Anant Deep Katare

#### NAV

Dividend Option : Rs. 20.07

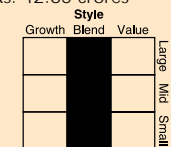
Cumulative Option : Rs. 25.18

#### Benchmark Index

S&P CNX 500 Rs. 42.65 crores

### Style Matrix

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



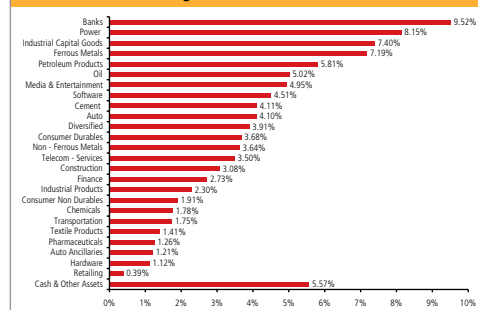
## Investment Objective

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 - Top 10 Holdings

Scrip	% of Portfolio
Reliance Industries Ltd.	5.81%
Tata Steel Ltd.	5.70%
Larsen and Toubro Ltd.	3.91%
Oil and Natural Gas Corporation Ltd.	3.81%
Videocon Industries Ltd.	3.68%
Sterlite Industries Ltd.	3.64%
National Thermal Power Corp Ltd.	3.53%
Reliance Communications Ltd.	3.50%
ICICI Bank Ltd.	3.48%
Grasim Industries Ltd.	3.31%

### Sector Summary



### 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.

### Performance

	DBSCMF	S&P CNX 500
1 Month (31 Days)#	10.63%	9.96%
3 Months (92 Days)#	20.65%	27.84%
6 Months (184 Days)#	32.74%	47.69%
1 Year \$	33.02%	62.51%
Since Inception \$(28/01/05)	37.15%	47.10%

# 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 (DBSCMF)

	The Amount would have grown to	
	1 Year	Since Inception
Total Amount	Rs.15,625/-	Rs. 55,471/-
Annualised Return	60.40%	36.84%

As on 31<sup>st</sup> Dec, 2007

Past performance may or may not be sustained in future.

### Dividend

#### Regular Plan

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

Past performance may or may not be sustained in future. The face value per unit is Rs. 10/-



## DBS Chola Contra Fund

as on Dec 31, 2007

### Features

#### Type of Fund

Open-Ended Equity Scheme

#### Load Structure

Entry Load : < Rs. 3 cr : 2.25%

>= Rs. 3 cr : Nil

Exit Load / CDSC : < Rs. 3 cr : 1.00% if redeemed within 6 months

>= Rs. 3 cr < Rs. 5 cr : 0.50% if redeemed within 6 months

>= Rs. 5 cr : 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

#### Fund Manager

R. Rajagopal

Bajrang Kumar Bafna

#### NAV

Dividend Option : Rs. 15.91

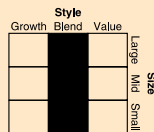
Cumulative Option : Rs. 15.91

Benchmark Index : Fund Size

S & P CNX 500 Rs. 35.18 crores

#### Style Matrix

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



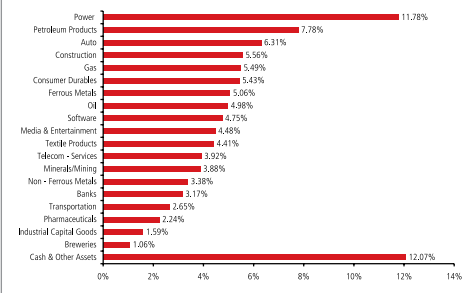
## Investment Objective

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 - Top 10 Holdings

Scrip	% of Portfolio
Reliance Industries Ltd.	7.78%
Jaiprakash Hydro-Power Ltd.	5.85%
Reliance Energy Ltd.	4.83%
Arvind Mills Ltd.	4.41%
Reliance Communications Ltd.	3.92%
Gujarat NRE Coke Ltd.	3.88%
Mahindra and Mahindra Ltd.	3.67%
Reliance Natural Resources Ltd.	3.63%
Sterlite Industries Ltd.	3.38%
ICICI Bank Ltd.	3.17%

### Sector Summary



### Performance

	DBSCCF	S&P CNX 500
1 Month (31 Days)#	11.41%	9.96%
3 Months (92 Days)#	21.27%	27.84%
6 Months (184 Days)#	34.15%	47.69%
1 Year \$	36.33%	62.51%
Since Inception \$ (27/02/06)	28.69%	46.21%
# 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 Contra Fund (DBSCCF)

	The Amount would have grown to	
	1 year	Since Inception
Total Amount	Rs.15,802/-	Rs. 29,588/-
Annualised Return	63.57%	45.41%

As on 31<sup>st</sup> Dec, 2007

Past performance may or may not be sustained in future.

### 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/notperformed to their full potential in their recent past.

## DBS Chola Growth Fund

as on Dec 31, 2007

Value Research   
 RATINGS as on Dec 2007

### Features

#### Type of Fund

Open-Ended Growth Scheme

#### Load Structure

Entry Load : < Rs. 3 cr : 2.25%

>= Rs. 3 cr : Nil

Exit Load / CDSC : < Rs. 3 cr : 1.00% if redeemed within 6 months

>= Rs. 3 cr < Rs. 5 cr : 0.50% if redeemed within 6 months

>= Rs. 5 cr : 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

17-Sep-01

#### Fund Manager

R. Rajagopal

Bajrang Kumar Bafna

#### NAV

Quarterly Dividend Option : Rs. 23.01

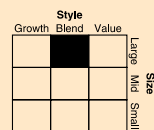
Cumulative Option : Rs. 48.72

Benchmark Index : Fund Size

S&P CNX Nifty Rs. 36.05 crores

#### Style Matrix

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



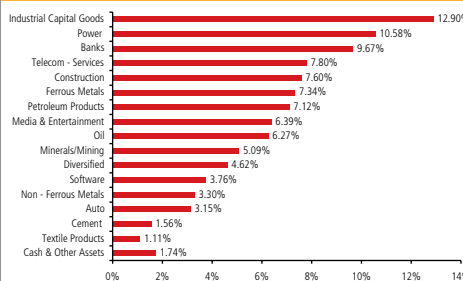
## Investment Objective

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 - Top 10 Holdings

Scrip	% of Portfolio
Reliance Industries Ltd.	7.12%
Reliance Communications Ltd.	5.18%
Larsen and Toubro Ltd.	4.62%
Bharat Heavy Electricals Ltd.	4.31%
Oil and Natural Gas Corporation Ltd.	3.77%
Reliance Energy Ltd.	3.73%
National Thermal Power Corp Ltd.	3.48%
Zee Entertainment Enterprise Ltd.	3.40%
Sterlite Industries Ltd.	3.30%
ICICI Bank Ltd.	3.09%

### Sector Summary



### 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.

### Performance

	DBSCGF	S&P CNX Nifty
1 Month (31 Days)#	8.22%	6.52%
3 Months (92 Days)#	27.71%	22.25%
6 Months (184 Days)#	44.66%	42.15%
1 Year\$	51.07%	54.77%
3 Year\$	43.84%	43.43%
5 Year\$	50.16%	41.18%
Since Inception\$	43.61%	32.29%
# 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. 71,595/-	Rs. 1,94,939/-
Annualised Return	50.20%	49.21%

As on 31<sup>st</sup> Dec, 2007

Past performance may or may not be sustained in future.

### Dividend

#### Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
12-Dec-06	20	2.00	Rs. 16.17
27-Mar-06	15	1.50	Rs. 15.78
3-Oct -05	20	2.00	Rs. 14.83
28-Mar-05\$	10	1.00	Rs. 12.30

\$ Quarterly Dividend

Past performance may or may not be sustained in future.

The face value per unit is Rs. 10/-

## DBS Chola Tax Saver Fund

as on Dec 31, 2007

### 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

#### NAV

Dividend Option : Rs. 17.19

Cumulative Option : Rs. 18.51

**Inception Date** **Fund Manager**

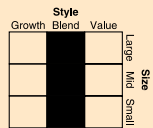
18-Nov-05 R. Rajagopal  
Anant Deep Katare

**Benchmark Index** **Fund Size**

S&P CNX Nifty Rs.46.48 crores

### Style Matrix

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



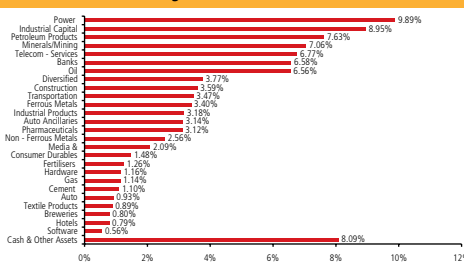
## Investment Objective

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 - Top 10 Holdings

Scrip	% of Portfolio
Reliance Industries Ltd.	7.63%
Sesa Goa Ltd.	5.34%
Reliance Communications Ltd.	4.74%
Bharat Heavy Electricals Ltd.	4.74%
Oil and Natural Gas Corporation Ltd.	3.99%
Larsen and Toubro Ltd.	3.77%
National Thermal Power Corp Ltd.	3.37%
Reliance Energy Ltd.	3.22%
Sterlite Industries Ltd.	2.56%
State Bank Of India	2.30%

### Sector Summary



### Lock-in Period

The scheme is open for continuous redemption subject to the completion of a lock-in period of 3 years from the date of allotment as prescribed in the ELSS guidelines. Currently, the tax benefits are restricted to an investment amount of Rs.1,00,000/-. However, any amount in excess of Rs.1,00,000/- would also be subject to the lock in period of 3 years.

### Performance

	DBSCTSF	S&P CNX Nifty
1 Month (31 Days)#	9.98%	6.52%
3 Months (92 Days)#	21.22%	22.25%
6 Months (184 Days)#	31.65%	42.15%
1 Year \$	35.01%	54.77%
Since Inception \$ (18/11/05)	33.74%	49.48%
# 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 Tax Saver Fund (DBSCTF)

The Amount would have grown to		
	1 Year	Since Inception
Total Amount	Rs. 15,604/-	Rs. 36,651/-
Annualised Return	60.03%	39.83%

As on 31<sup>st</sup> Dec, 2007

Past performance may or may not be sustained in future.

### Dividend

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
22-Jan-07	10	1.00	Rs.14.22

Past performance may or may not be sustained in future. The face value per unit is Rs. 10/-

### 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.

## DBS Chola Global Advantage Fund

as on Dec 31, 2007

### Features

#### Type of Fund

Open-Ended Equity Scheme

#### Load Structure

Entry Load : < Rs. 3 cr : 2.25%  
>= Rs. 3 cr : 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** **Fund Manager**

30-May-05 R. Rajagopal  
Bajrang Kumar Bafna

#### NAV

Dividend Option : Rs. 12.11

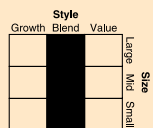
Cumulative Option : Rs. 17.45

**Benchmark Index** **Fund Size**

S&P CNX 500 Rs.13.12 crores

### Style Matrix

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



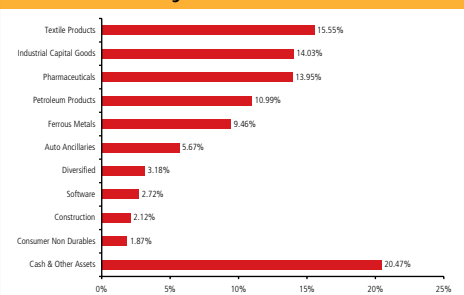
## Investment Objective

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 - Top 10 Holdings

Scrip	% of Portfolio
Reliance Industries Ltd.	10.99%
Tata Steel Ltd.	9.46%
Suzlon Energy Ltd.	5.90%
Balkrishna Industries Ltd.	5.67%
Alok Industries Ltd.	5.39%
Welspun India Ltd.	5.13%
Gokaldas Exports Ltd.	5.03%
Dishman Pharmaceuticals and Chemicals Ltd.	4.23%
Vimta Labs Ltd.	3.76%
Thermax Ltd.	3.75%

### Sector Summary



### Performance

	DBSCGAF	S&P CNX 500
1 Month (31 Days)#	7.98%	9.96%
3 Months (92 Days)#	17.43%	27.84%
6 Months (184 Days)#	24.82%	47.69%
1 Year \$	19.19%	62.51%
Since Inception\$ (30/05/05)	23.99%	51.74%
# 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

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
3-Dec-07	40	4	Rs. 15.37
27-Sep-05	7.5	0.75	Rs. 11.94

Past performance may or may not be sustained in future. The face value per unit is Rs. 10/-

### 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.



ICRA ~ MFR1

## DBS Chola Liquid Fund

as on Dec 31, 2007

Value Research  
RATINGS as on Dec 2007

### 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 p.m.  
Redemption : 3 p.m.

#### Dividend Distribution

Inception Date

#### Daily / Weekly

NAV

Regular-  
Weekly Dividend Option : Rs. 12.0012  
Cumulative Option : Rs. 15.9439  
Institutional Plus-  
Weekly Dividend Option : Rs. 11.9673  
Cumulative Option : Rs. 16.0779  
Super Institutional Plan-  
Cumulative Option : Rs. 10.9321

#### Benchmark Index

CRISIL Liquid Fund Index

#### Fund Size

Rs. 359.52 crores

#### Fund Manager

Ashish Nigam

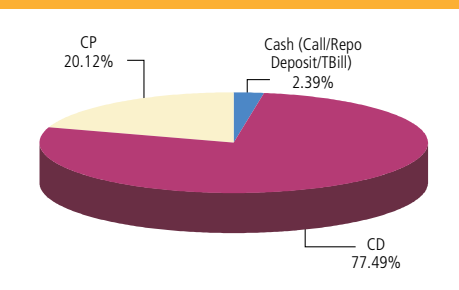
### Investment Objective

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 - Top 10 Holdings

Scrip	Weight	Rating
ICICI Bank Ltd.	36.89%	P1+
Reliance Capital Ltd.	13.59%	P1+
Union Bank	10.53%	P1+
Corporation Bank	6.74%	P1+
IDBI Ltd.	6.73%	P1+
State Bank of Indore	6.71%	P1+
HDFC Ltd.	6.54%	P1+
Development Credit Bank	3.19%	P1+
State Bank of Saurashtra	2.73%	P1+
Indian Overseas Bank	1.34%	P1+
Cash (Call/Repo Deposit/TBill)	2.39%	

#### Asset Profile



#### Avg Maturity

186 days

#### YTM

8.67%

#### Performance

	DBS CLF-Cum	DBSCLF-Cum. Inst. Plus	DBSCLF-Cum. Super Inst. Plan	CRISIL LF Index
7 Days#	0.1596%	0.1638%	0.1640%	0.17%
14 Days#	0.3140%	0.3226%	0.3230%	0.34%
1 Month (31 Days)#	0.61%	0.63%	0.64%	0.64%
3 Months (92 Days)#	1.74%	1.80%	1.80%	1.67%
6 Months (184 Days)#	3.46%	3.58%	3.59%	3.17%
1 Year\$	7.16%	7.41%	7.43%	7.61%
3 Years\$	6.44%	6.54%	NA	6.04%
5 Years\$	5.81%	NA	NA	5.34%
Since Inception\$	6.65%	5.99% <sup>^</sup>	7.43% <sup>*</sup>	5.48%

# Absolute Returns NA - Not Applicable

\$ Compounded Annualised Returns

<sup>^</sup>Since Inception returns of DBS Chola Liquid Fund - Institutional Plus Plan Cum option is from 10-Apr-03.

<sup>\*</sup> DBS Chola Liquid Fund - Super Institutional Plan - Cumulative 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.

#### 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.

## DBS Chola Short Term Floating Rate Fund

as on Dec 31, 2007

Value Research  
RATINGS as on Dec 2007

### 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 p.m.  
Redemption : 3 p.m.

#### Dividend Distribution

Daily / Weekly / Monthly

#### Inception Date

10-Aug-05

#### NAV

Monthly Dividend Option : Rs. 10.2711  
Cumulative Option : Rs. 11.8700

#### Benchmark Index

CRISIL Liquid Fund Index

#### Fund Size

Rs. 1207.59 crores

#### Fund Manager

Ashish Nigam /  
Chintan Mehta

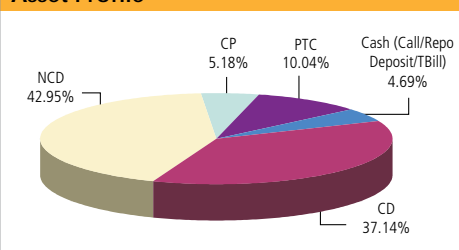
### Investment Objective

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 - Top 10 Holdings

Scrip	Weight	Rating
IDFC Ltd. (Floating Rate)	13.21%	LAAA
IDBI Ltd.	8.70%	P1+
Mahindra and Mahindra Financial Services (Floating Rate)	7.28%	AA+
Rabo India Finance Ltd (Floating Rate)	6.35%	AAA
State Bank of India	6.00%	P1+
Punjab National Bank	4.79%	P1+
Oriental Bank of Commerce	4.63%	P1+
HDFC Ltd. -(FC+70 BP)	3.89%	AAA
Indian Corporate Loan		
Securitisation Trust - Series LV 3	3.79%	P1+SO
Indian Overseas Bank	3.59%	P1+
Cash (Call/Repo Deposit/TBill)	4.69%	

#### Asset Profile



#### Avg Maturity

85.47 days

#### YTM

7.70%

#### Performance

	DBSCST-FRF	CRISIL Liquid Fund Index
7 Days#	0.16%	0.17%
14 Days#	0.32%	0.34%
1 Month (31 Days)#	0.72%	0.64%
3 Months (92 Days)#	2.09%	1.67%
6 Months (184 Days)#	4.11%	3.17%
1 Year\$	8.56%	7.61%
Since Inception\$(10/08/05)	7.43%	6.39%

# 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

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
27-Dec-07	0.4680*	0.0468	Rs. 10.2620
27-Dec-07	0.4680\$	0.0468	Rs. 10.2620
27-Nov-07	0.4680*	0.0468	Rs. 10.2503
27-Nov-07	0.4680\$	0.0468	Rs. 10.2503

\* Corporate \$ Individual

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

#### 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.

## DBS Chola Treasury Management Fund

as on Dec 31, 2007

### Features

#### Type of Fund

Open-Ended Liquid Fund

#### Load Structure

Entry Load : Nil

Exit Load / CDSC : Nil

#### Minimum Investment for New / Existing Investors

Rs. 5000/1000

#### Cut Off Time

Purchase : 12 p.m.

Redemption : 3 p.m.

#### Dividend Distribution Inception Date

Daily / Weekly : 23-Mar-07

#### NAV

Cumulative Option : Rs. 11.7465

#### Benchmark Index Fund Manager

CRISIL Liquid Fund Index Ashish Nigam

#### Fund Size

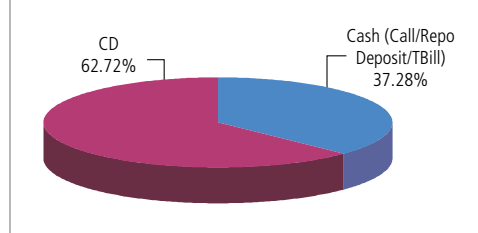
Rs.0.02 crores

### Investment Objective

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

Portfolio		
Scrip	Weight	Rating
<b>CD's with Bank</b>		
Development Credit Bank	62.72%	P1+
Cash (Call/Repo Deposit/TBill)	37.28%	

### Asset Profile



### Fund Manager's Comments

DBS Chola Treasury Management Fund aims to capture interest rate volatility arising out of high liquidity conditions. This is achieved by investing in MIBOR linked assets and lending in overnight market. The investments are in highest rated assets only.

Performance		
	DBSCTMF	CRISIL Liquid Fund Index
7 Days#	0.16%	0.17%
14 Days#	0.29%	0.34%
1 Month (31 Days)#	0.66%	0.64%
3 Months (92 Days)#	1.79%	1.67%
6 Months (184 Days)#	14.98%	3.17%
Since Inception#	17.47%	5.96%

#### # Absolute Returns

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

### Dividend

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
25-Mar-07	0.0682*	0.0068	Rs. 10.0000
25-Mar-07	0.0733\$	0.0073	Rs. 10.0000

\* Corporate \$ Individual

Past performance may or may not be sustained in future. The face value per unit is Rs. 10/-

### Avg Maturity

Avg Maturity	YTM
110 days	8.66%

## DBS Chola Freedom Income - Short Term Fund

as on Dec 31, 2007



### 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

Dividend Reinvestment : Rs. 100000/5000

#### Cut Off Time

Purchase : 3 p.m.

Redemption : 3 p.m.

#### Dividend Distribution Inception Date

Daily / Weekly / Monthly / Semi Annual : 08-Mar-02\*

#### NAV

Regular-

Monthly Dividend Option : Rs. 10.9982

Semi Annual Dividend Option : Rs. 11.9636

Cumulative Option : Rs. 12.5823

Institutional

Monthly Dividend Option : Rs. 11.2520

Cumulative Option : Rs. 12.7322

#### Benchmark Index

CRISIL Short Term Fund Index

#### Fund Manager

Ashish Nigam

#### Fund Size

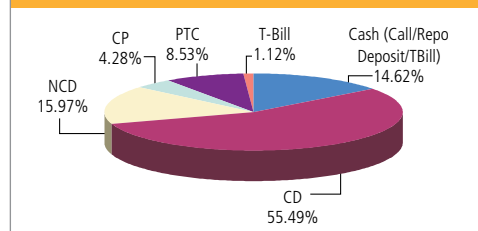
Rs.890.30 crores

### 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 - Top 10 Holdings		
Scrip	Weight	Rating
<b>CD's with Bank</b>		
State Bank of Hyderabad-CD-06/06/08	8.16%	P1+
Kotak Mahindra Bank-CD- 04 Jul 08	5.62%	P1+
State Bank of Patiala-CD-06 Jun 08	5.43%	P1+
State Bank of Travancore-CD-07 Jul 08	5.06%	P1+
State Bank of Patiala-CD-29 May 08	4.90%	P1+
Oriental Bank of Commerce CD-10 Oct 08	3.59%	P1+
State Bank of Travancore-CD-03 Jul 08	3.36%	P1+
Citi Fin.Con.Fin.(Floating Rate)	2.96%	AAA
Yes Bank Ltd.-CD (Floating Rate)	2.81%	P1+
State Bank of Patiala-CD-30 Aug 08	2.67%	P1+
Cash (Call/Repo Deposit/TBill)	14.62%	

### Asset Profile



### 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.

Performance			
	DBSCFI-STF	DBSCFI-STF Institutional	CRISIL STF Index
7 Days#	0.16%	0.16%	0.26%
14 Days#	0.34%	0.32%	0.44%
1 Month (31 Days)#	0.72%	0.70%	0.71%
3 Months (92 Days)#	2.07%	2.07%	1.99%
6 Months (184 Days)#	4.14%	4.18%	4.31%
1 Year\$	7.88%	7.88%	8.03%
3 Years\$	6.19%	6.19%	5.99%
5 Years\$	5.80%	NA	5.22%
Since Inception\$	6.19%	5.78%*	5.77%

#### # Absolute Returns

\$ Compounded Annualised Returns

\* From 10<sup>th</sup> April 2003

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

### Dividend

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
26-Dec-07^	0.6520*	0.0652	11.0658
26-Dec-07^	0.7010\$	0.0701	11.0658
26-Nov-07^	0.6520*	0.0652	Rs. 11.0722
26-Nov-07^	0.7010\$	0.0701	Rs. 11.0722
25-Oct-07^	0.6520*	0.0652	Rs. 11.0751
25-Oct-07^	0.7010\$	0.0701	Rs. 11.0751
25-Sep-07^	0.7340*	0.0734	Rs. 11.0942
25-Sep-07^	0.7880\$	0.0788	Rs. 11.0942
25-Sep-07^^	0.7340*	0.0734	Rs. 11.0980
25-Sep-07^^	0.7880\$	0.0788	Rs. 11.0980

\* Corporate \$ Individual # Semi Annual

^ DBSCFI-STF Regular ^^ DBSCFI-STF Institutional Past performance may or may not be sustained in the future. The face value per unit is Rs. 10/-

### Avg Maturity

Avg Maturity	YTM
152.52 days	7.79%

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





# DBS Chola Triple Ace

as on Dec 31, 2007

## Features

### Type of Fund

Open-Ended Pure Income Fund

### Load Structure

Entry Load : Nil  
 Exit Load / CDSC : For investments <= Rs.10 Lacs:  
 0.5% if redeemed within 6 months  
 For investments > Rs.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. 11.5933  
 Semi Annual Dividend Option : Rs. 10.4426  
 Cumulative Option : Rs. 24.6224  
 Bonus Option : Rs. 13.6812

### Benchmark Index

CRISIL Composite Bond Fund Index

### Fund Size

Rs.7.93 crores

### Fund Manager

Ashish Nigam / Chintan Mehta

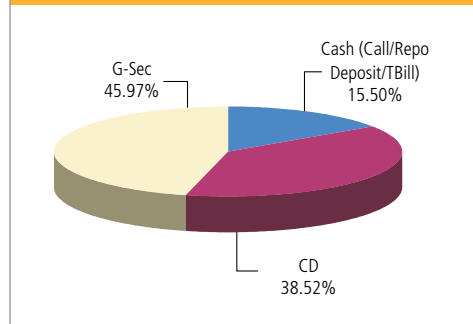
## Investment Objective

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
Development Credit Bank	0.12%	P1+
State Bank of India	12.24%	P1+
State Bank of Travancore	26.16%	P1+
CG - 2017 - 7.99 %	45.97%	
Cash (Call/Repo Deposit/TBill)	15.50%	

### Asset Profile



### 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.

### Performance

	DBSCTA-Reg. Cum.	CRISIL Comp. Bond Index
1 Month (31 Days)#	0.79%	0.92%
3 Months (92 Days)#	1.72%	2.57%
6 Months (184 Days)#	2.68%	5.23%
1 Year\$	3.29%	6.96%
3 Years\$	2.85%	5.20%
5 Years\$	3.15%	4.64%
Since Inception\$	8.74%	5.86%

# Absolute Returns \$ Compounded Annualised Returns  
 \* Since Inception returns of Crisil Composite Bond Fund Index is from 30-Mar-02.  
 Past performance may or may not be sustained in future. The distribution tax has been included in the calculations of returns.

### Dividend

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
17-Dec-07#	8.1530*	0.8153	Rs. 11.3495
17-Dec-07#	8.7590\$	0.8759	Rs. 11.3495
27-Sep-07#	4.0760*	0.4076	Rs.11.7081
27-Sep-07#	4.3800\$	0.4380	Rs.11.7081

\* Corporate \$ Individual  
 # DBSCTA Semi Annual Dividend  
 Past performance may or may not be sustained in the future. The face value per unit is Rs. 10/-

### Avg Maturity

Avg Maturity	YTM
3.73 years	7.69%

## DBS Chola GILT Investment Plan

as on Dec 31, 2007

### 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 / Redemption : 3 p.m.

#### Dividend Distribution Inception Date

Quarterly 29-Mar-00

#### NAV

Quarterly Dividend Option : Rs. 10.8280  
Cumulative Option : Rs. 19.6865

#### Benchmark Index Fund Size

ISEC-Li-BEX Rs.1.55 crores

#### Fund Manager

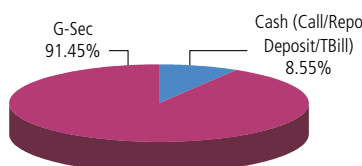
Ashish Nigam / Chintan Mehta

## Investment Objective

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

Portfolio		
Scrip	Weight	Rating
<b>Sovereign</b>		
CG - 2017 - 7.99 %	91.45%	Sov
Cash ( Call/Repo Deposit/TBill)	8.55%	

### Asset Profile



### 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.

	Performance	
	DBSCGI	Isec Li-BEX
1 Year\$	5.74%	6.60%
3 Years\$	3.17%	8.73%
5 Years\$	4.69%	6.07%
Since Inception\$	9.12%	8.05%

\$ 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

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

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

Avg Maturity	YTM
6.67 years	7.80%

## DBS Chola Monthly Income Plan

as on Dec 31, 2007



### Features

#### Type of Fund

Open-Ended Income Scheme with no assured returns

#### Load Structure

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

#### Minimum Investment for New / Existing Investors

Rs. 5000/1000 (Cum.)

Rs. 10000/1000 (Div.)

#### Cut Off Time

Purchase / Redemption : 3 p.m.

#### Dividend Distribution Inception Date

Monthly / Quarterly 31-Jul-03

#### NAV

Monthly Dividend Option : Rs. 11.7265  
Quarterly Dividend Option : Rs. 11.8226  
Cumulative Option : Rs. 15.4033

#### Benchmark Index Fund Size

CRISIL Blended MIP Index Rs.3.32 crores

#### Fund Manager

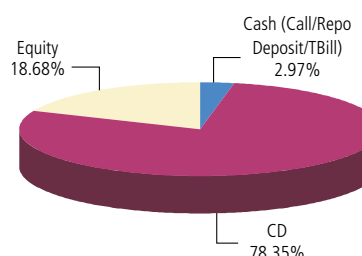
Chintan Mehta / Anant Deep Katara

## 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
ICICI Bank Ltd	66.73%	P1+
State Bank of Travancore	11.62%	P1+
<b>Equity</b>		
United Breweries Holdings Ltd.	3.74%	
Tata Sponge Iron Ltd.	3.71%	
IVRCL Infrastructures and Proj Ltd	3.35%	
Empee Distilleries Ltd.	3.30%	
Elgitread (India) Ltd.	1.80%	
Sterlite Industries Ltd.	1.56%	
AIA Engineering Ltd.	1.01%	
Federal Bank Ltd	0.20%	
Cash (Call/Repo Deposit/TBill)	2.97%	

### Asset Profile



	Performance	
	DBSCMIP	CRISIL Blended MIP Index
1 Month (31 Days)#	7.38%	1.78%
3 Months (92 Days)#	12.81%	5.47%
6 Months (184 Days)#	15.24%	10.36%
1 Year\$	15.98%	13.51%
3 Years\$	10.06%	10.59%
Since Inception\$	10.26%	9.96%

# 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

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
26-Dec-07	0.8150*	0.0815	Rs. 11.5542
26-Dec-07	0.8760\$	0.0876	Rs. 11.5542
25-Sep-07^	1.6310*	0.1631	Rs. 10.6064
25-Sep-07^	1.7520\$	0.1752	Rs. 10.6064

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

### Fund Manager's Comments

In DBS Chola MIP, equity exposure is 18.68%.

Total AUM as on December 2007 : Rs. 3,282.56 crores



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 **DBS**  **Cholamandalam**  
ASSET MANAGEMENT

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## DBS CHOLAMANDALAM ASSET MANAGEMENT LIMITED

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www.dbscholamutualfund.com

**For application forms and offer documents, please contact :**

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