

DBS Cholamandalam Asset Management Limited, has announced that Mr Rajnish Narula will be the company's new Chief Executive, effective June 23,2006.

DBS Chola AML, a subsidiary of Cholamandalam DBS Finance Limited, a joint venture between the Murugappa Group and DBS Bank of Singapore, is the investment manager of DBS Chola Mutual Fund.

Mr MA Alagappan, Chairman of the company said, "I am pleased to welcome Mr Rajnish Narula to DBS Cholamandalam. With his rich experience in banking and financial services, I am confident Mr Narula will provide the leadership that will enable the company achieve its plans for accelerated growth."

Mr Narula was earlier the Chief Executive Officer of Alliance Asset Management Limited. He has over two decades of experience in banking with ANZ Grindlays Bank (and, subsequently, Standard Chartered Bank) where he was the Head of Investment Services and Priority Banking.

Mr Narula's appointment follows the secondment of Mr Sashi Krishnan to DBS in Singapore. Mr Krishnan will work closely with the DBS South and Southeast Asia team in the areas of strategic planning and business development.

Extending a warm welcome to Mr Narula, Mr Rajan Raju, Director of DBS Cholamandalam and Managing Director - South and South East Asia, DBS Bank said, "The Asset Management business has immense potential in India. At this time, we are looking to leverage the existing strengths of DBS Chola with the pan-Asian capabilities of DBS in this area. We are delighted to have Mr Narula on board to lead the company's growth."

Mr Rajnish Narula said, "I am very excited about this assignment. DBS Chola represents the coming together of two great institutions, their strengths and their values. I look forward to this opportunity to take DBS Chola Mutual Fund to a position of leadership in the coming years."

About DBS

Headquartered in Singapore, DBS is one of the largest financial services groups in Asia. The largest bank in Singapore and the fifth largest banking group in Hong Kong as measured by assets, DBS has leading positions in consumer banking, treasury and markets, asset management, securities brokerage, equity and debt fund raising. Beyond the anchor markets of Singapore and Hong Kong, DBS serves corporate, institutional and retail customers through its operations in Thailand, Malaysia, Indonesia, India and The Philippines. In China, the Bank has branches and representative offices in Shanghai, Beijing, Guangzhou, Shenzhen, Fuzhou, Tianjin, Dongguan and Hangzhou. The Bank's credit ratings are one of the highest among banks competing in the Asia-Pacific region, and the highest among banks in Singapore. More information about DBS Group Holdings and DBS Bank can be obtained from our website (www.dbs.com).

About DBS Cholamandalam Asset Management Limited

DBS Cholamandalam Asset Management Limited (DCAM) is the asset management company and the investment manager of DBS Chola Mutual Fund, which offers mutual funds to retail, high networth and institutional investors. Established in 1996, the company manages funds in excess of Rs.2750 crores (as on May 31, 2006) across 17 schemes with over 200,000 customer accounts. Known for its prudent and disciplined investment philosophy, DCAM products cover the entire range of cash, debt and equity asset classes. DCAM is present in over 22 locations in the country and also has a strong distribution network.

About Murugappa Group

The Rs.7300-crore Murugappa Group, is a pioneer and market leader in several fields with over 40 manufacturing operations across 12 states in India, and a strong presence in farm inputs, engineering and cycles, sugar, abrasives, finance, general insurance, sanitary ware, plantations, bio-products and nutraceuticals.

From the Desk of the Chief Investment Officer



Tridib Pathak

Equity Markets

June saw the BSE Sensex rising 200 points to close at 10,609. However the month was volatile with the market moving down to as low as 8,929 points in the middle of the month and then recovering all the way back. This is in line with world markets which rallied after the US Fed showed a less aggressive stance in raising interest rates further while keeping its options open. Volumes were however lower in June 2006 in the Indian markets with cash and derivatives volumes being 30-40% lower compared with the highs seen in April/May 2006. The CNX Midcap index fell 10% showing a divergent trend compared with large caps.

After being net sellers in May 2006, FIIs were marginal net buyers in June 2006 to the extent of US\$288mn. FIIs were bigger net buyers in the F&O market having bought US\$ 1.4bn in June 2006. This is encouraging as most emerging and Asian markets continued to see FII selling. Domestic Mutual funds, however, net sold US\$524mn worth of stocks partly due to redemptions and partly due to raising of cash levels.

Volatility is expected to continue, although the risk levels in the market have reduced with the large correction. Risks arising from domestic factors of excessive speculation have reduced with the open interest in the F&O market having gone down by almost 50%. Risk arising from global factors, however, remain as the Indian market is still dependent on continuation of FII inflows. If interest rates keep rising further globally, then liquidity squeeze and risk aversion can affect flows to global equities and FII inflows into India. On the other hand, if interest rates were to stop rising, it could mainly be due to expectations of a slowdown in economic growth which may also not augur well for global equity markets. However, in such an eventuality India should be comfortably placed as India is a large domestic demand driven economy and is comparatively less dependent on global growth.

Fundamentals of India's economic growth and corporate earnings growth remain intact. Expectations for corporate profit growth in 1Q07 are robust at around 19-20%. In fact, corporate profit growth is surprising on the upside, although there is a trend slowdown in corporate profit growth. The second monsoon forecast of the IMD indicates that the rains in July - the crucial month for sowing are likely to be near normal. The quantum, timeliness and distribution of rainfall are key. However, the changing composition of GDP with lower contribution from agriculture and new growth drivers of consumerism, demographics and infrastructure improvements should ensure that GDP growth is less dependent on success of the monsoons.

With the correction in May 2006, valuations are now at around 15x one year forward P/E - which is far better than 19-20x we have reached in April 2006. This is also closer to the last 15 year average P/E ratio of 14.5x.

It is certainly not time or reason for investors to take away money from equities as a class of asset. Investors should have more realistic expectations of 12-15% return per annum from equities over the next 3 years. This expected return will still be almost double of what investors can expect from alternative asset classes. Long term focus is the best way to ride out volatility in the markets and generate superior returns from equities.

Fixed Income Markets

June saw a surprise rate hike of 25 basis points in Reverse Repo and Repo rates, a pre-emptive measure by RBI to contain inflation and in line with the trend of rate hikes globally. Federal Reserve hiked the overnight rates to 5.25% and the US treasury curve has flattened with US 10 Y at 5.23%. The tone of the Federal Reserve hinted at the US economy slowing down and a possible pause in hiking the interest rates in August subject to economic data coming up going forward. Locally, the key 10Y GOI benchmark rose to a 3 year high of 8.25% from 7.90% in May, 2006. However, liquidity continued to be comfortable at INR 44000 crores, on an average for the month. Uncertainty in the bond markets continued and there was a definite lack of buying interest. This was clearly visible by the fact that despite high liquidity in the system, T-Bill rates rose by 50 basis points across tenors. Inflation also continued to accelerate faster than expected and ended the month at 5.44%, higher than the short-term target of 5% set by RBI in April Credit Policy. Global Crude oil prices continued to be high which pose a threat to the interest rates. In a way, the market is factoring in another 25 bps hike in July policy review.

Going forward the markets would remain in a narrow range, with all eyes on the policy review on 25th July.

Our recommendation is to invest in low duration portfolio and look at products hedged against any interest rate volatility, like FMPs, Liquid Funds and Floating rate funds.

DBS Chola Growth Fund

as on June 30, 2006

Features

Type of Fund

Open-Ended Growth Scheme

Load Structure

Entry Load : <= 1 Cr : 2.25%
> 1 Cr: 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. 12.93

Cumulative Option : Rs. 24.03

Benchmark Index

BSE Sensex

Fund Size

Rs. 26.16 Crores

Fund Manager

Tridib Pathak

Style Matrix

		Style			Size	
		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
Satyam Computer Services Ltd	8.31%
Infosys Technologies Ltd	7.17%
ICICI Bank Ltd	6.85%
Mahindra and Mahindra Ltd	5.09%
Associated Cement Companies Ltd	4.92%
Bharat Heavy Electricals Ltd	4.74%
Nestle India Ltd	4.46%
Suzlon Energy Ltd	4.41%
Pantaloon Retail (India) Ltd	4.33%
HPCL	3.78%
Mahanagar Telephone Nigam Ltd	3.72%
Reliance Industries Ltd	3.64%
Bajaj Hindustan Ltd.	3.57%
Amtek Auto Ltd	3.54%
Larsen & Toubro	3.52%
Unitech Ltd	3.33%
Ultratech Cement Co.Ltd	3.20%
Grasim Industries Ltd	2.94%
Bank of Baroda	2.71%
Gammon India Ltd	2.66%
Punjab National Bank Ltd	2.07%
Allahabad Bank	2.05%
Oriental Bank of Commerce	1.93%
Cash	7.06%

Performance

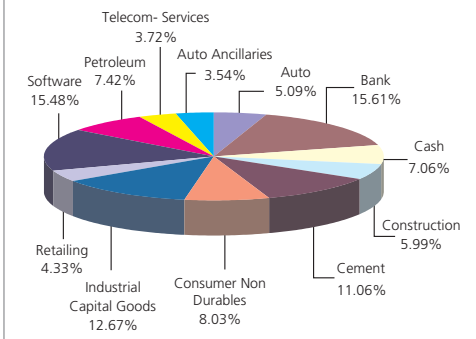
	DBSCGF	BSE Sensex
3 Months (91 Days)#	-10.47%	-5.95%
6 Months (181 Days)#	3.49%	12.89%
1 Year\$	33.20%	47.48%
3 Year\$	48.77%	43.23%
Since Inception\$	38.82%	33.29%

Absolute Returns

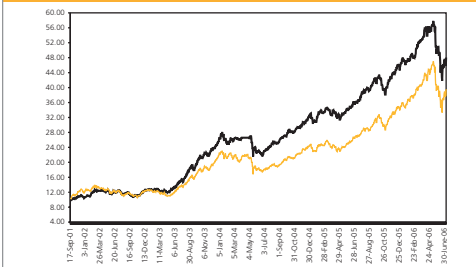
\$ Compounded Annualised Returns

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
26-Mar-02	20	2.00	Rs. 12.36
30-Jun-03	20	2.00	Rs. 12.24
29-Sept-03	20	2.00	Rs. 13.76
29-Dec-03	30	3.00	Rs. 15.42
28-Jan-04	10*	1.00	Rs. 12.64
29-Mar-04	10	1.00	Rs. 11.71
10-Dec-04	10	1.00	Rs. 12.42
28-Mar-05\$	10	1.00	Rs. 12.30
3-Oct -05	20	2.00	Rs. 14.83
27-Mar-06	15	1.50	Rs. 15.78

\$ 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 June 30, 2006

Features

Type of Fund

Open-Ended Equity Scheme

Load Structure

Entry Load : <= 1 Cr : 2.25%
>1 Cr: 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. 11.54
Cumulative Option : Rs. 20.00

Benchmark Index

CNX Midcap Index

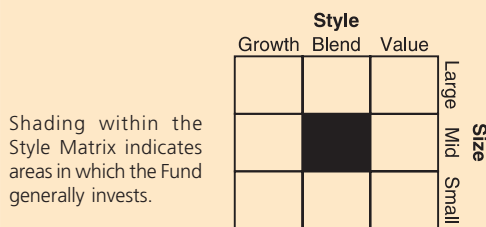
Fund Size

Rs. 47.54 Crores

Fund Manager

Tridib Pathak

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.

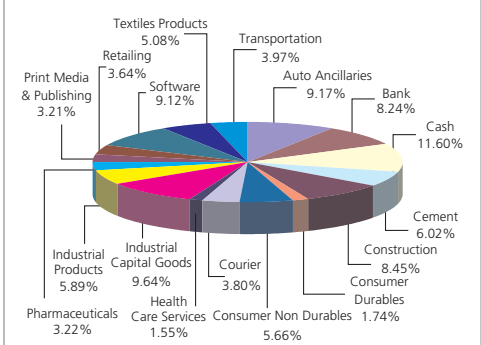
Investment Objective

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.

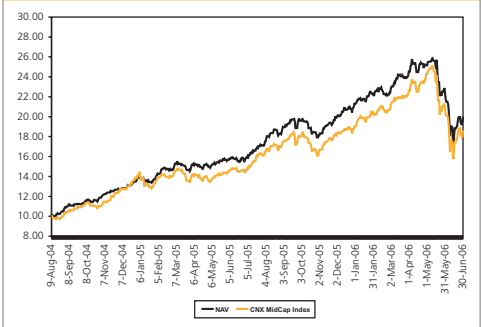
Portfolio

Scrip	% of Portfolio
Infotech Enterprises Ltd.	4.50%
Madras Cements Ltd	4.47%
Blue Dart Express Ltd	3.80%
Jain Irrigation Systems Ltd.	3.74%
Pantaloon Retail (India) Ltd.	3.64%
Mahindra Gesco Developers Ltd	3.58%
Balkrishna Industries Ltd	3.57%
Unitech Ltd	3.57%
Federal Bank Ltd	3.37%
Dishman Pharmaceuticals and Chemicals Ltd.	3.22%
Jagran Prakashan Ltd.	3.21%
Goldiam International Ltd	2.93%
Alfa Laval India Ltd.	2.91%
Amtek Auto Ltd	2.88%
Karnataka Bank	2.84%
Alok Industries Ltd.	2.76%
Goodclass Nerolac Paints Ltd	2.73%
Geodesic Information Systems Ltd	2.64%
Shreyas Shipping and Logistics Ltd	2.50%
Thermax Ltd	2.39%
Gokaldas Exports Ltd	2.32%
Engineers India Ltd	2.22%
Motherson Sumi System Ltd	2.18%
Sintex Industries Ltd	2.15%
Crompton Greaves Ltd.	2.12%
Viyaya Bank Ltd.	2.03%
Kale Consultants Ltd.	1.98%
Volta Ltd	1.74%
Vimta Labs Ltd	1.55%
Birla Corporation Ltd.	1.55%
Transport Corporation of India Ltd	1.47%
Arihant Foundations & Housing Ltd	1.06%
Pitti Laminations Ltd	0.54%
D. S Kulkarni Developers Ltd	0.24%
Cash	11.60%

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

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

Performance

	DBSCMF	CNX Midcap Index
3 months (91days)#	-18.50%	-17.60%
6 months (181days)#	-6.15%	-2.31%
1 Year \$	27.23%	28.91%
Since Inception (09/08/04)\$	44.29%	38.98%

Absolute Returns

\$ Compounded Annualised Returns

Past performance may or may not be sustained in future.

DBS Chola Opportunities Fund

as on June 30, 2006

Features

Type of Fund

Open-Ended Growth Fund

Load Structure (w.e.f. 1st July, 2006)

Entry Load : <= 1 Cr : 2.25%
> 1 Cr: Nil
Exit Load / CDSC : Nil

Minimum Investment for New / Existing Investors

Rs. 3000/1000

Cut Off Time

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

Dividend Distribution

Quarterly

Inception Date

27-Nov-97

NAV

Quarterly Dividend Option : Rs. 12.31
Cumulative Option : Rs. 18.93

Benchmark Index

BSE Sensex

Fund Size

Rs. 5.21 Crores

Fund Manager

Pradeep Kumar

Style Matrix

	Style			Size
	Growth	Blend	Value	
Large				Mid
Small				Small

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

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.

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
Unitech Ltd	9.91%
Amtek Auto Ltd	7.34%
Infotech Enterprises Ltd.	6.56%
ICICI Bank Ltd.	5.62%
Mahindra Gesco Developers Ltd	5.57%
Associated Cement Companies Ltd.	5.27%
Punjab National Bank Ltd.	5.13%
Goldiam International Ltd	4.83%
Hindalco Industries Ltd	4.66%
Alok Industries Ltd.	4.65%
Satyam Computer Services Ltd.	4.10%
Ansal Properties and Infrastructure Ltd	3.96%
Oriental Bank Of Commerce	3.93%
Arihant Foundations and Housing Ltd	3.33%
Pitti Laminations Ltd	1.54%
Jagran Prakashan Ltd.	1.05%
D. S Kulkarni Developers Ltd	0.33%
Cash	22.22%

Performance

	DBSCOF	BSE Sensex
3 Months (91 Days)#	-11.17%	-5.95%
6 Months (181 Days)#	-5.59%	12.89%
1 Year\$	19.81%	47.48%
Since Inception\$*	21.97%	31.23%

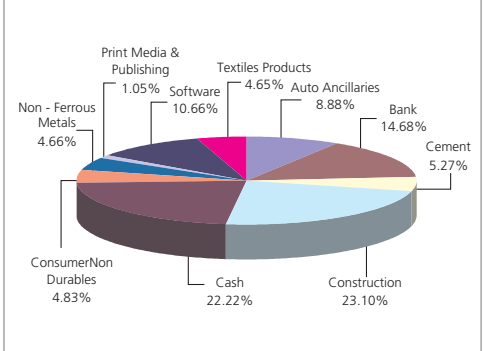
Absolute Returns

\$ Compounded Annualised Returns

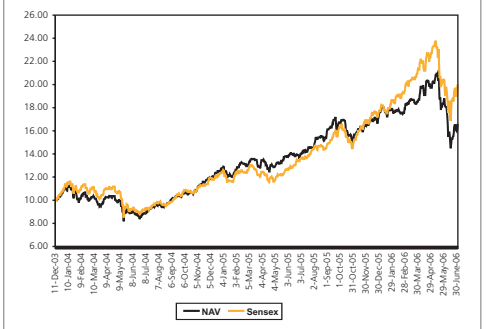
*Returns calculated from 11/12/2003, when the scheme was repositioned as Chola Opportunities Fund.

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
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/-

DBS Chola Multi-Cap Fund

as on June 30, 2006

Features

Type of Fund

Open-Ended Equity Scheme

Load Structure

Entry Load : <= 1 Cr : 2.25%
>1 Cr: 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. 11.54
Cumulative Option : Rs. 14.48

Benchmark Index

S&P CNX 500

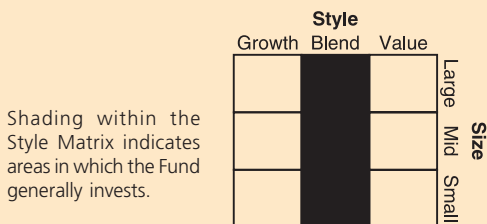
Fund Size

Rs. 60.06 Crores

Fund Manager

Tridib Pathak

Style Matrix



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, 61% of the fund is invested in large cap and around 27% in mid cap stocks.

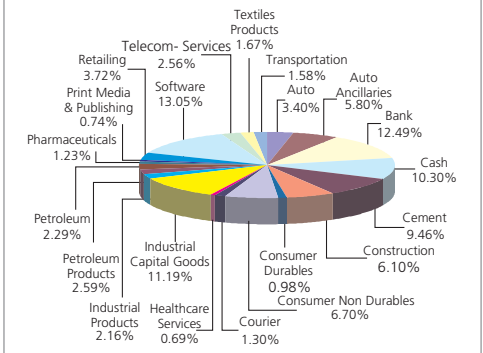
Investment Objective

To provide long term capital appreciation by investing in a well diversified portfolio of equity & equity related instruments across all ranges of market capitalisation.

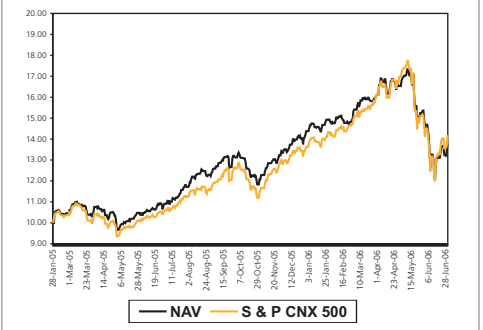
Portfolio

Scrip	% of Portfolio
Satyam Computer Services Ltd.	5.28%
Infosys Technologies Ltd	4.71%
ICICI Bank Ltd.	4.56%
Pantaloon Retail (India) Ltd.	3.72%
Amtek Auto Ltd.	3.45%
Mahindra & Mahindra Ltd.	3.40%
Unitech Ltd	3.21%
Associated Cement Companies Ltd.	3.19%
Suzlon Energy Ltd	2.90%
Bharat Heavy Electricals Ltd	2.86%
Nestle India Ltd.	2.65%
HPCL Ltd	2.59%
Mahanagar Telephone Nigam Ltd.	2.56%
Larsen & Toubro Ltd.	2.35%
Reliance Industries Ltd.	2.29%
Bajaj Hindustan Ltd.	2.10%
Ultratech Cement Co. Ltd.	2.05%
Grasim Industries Ltd.	2.03%
Bank of Baroda	1.83%
Gammon India Ltd.	1.77%
Madras Cements Ltd	1.64%
Infotech Enterprises Ltd.	1.55%
Balkrishna Industries Ltd	1.49%
Allahabad Bank	1.44%
Jain Irrigation Systems Ltd.	1.35%
Blue Dart Express Ltd	1.30%
Oriental Bank of Commerce	1.30%
Dishman Pharmaceuticals and Chemicals Ltd.	1.23%
Punjab National Bank Ltd.	1.21%
Karnataka Bank	1.08%
Federal Bank Ltd	1.07%
Shreyas Shipping and Logistics Ltd	1.05%
Mahindra Gesco Developers Ltd	1.04%
Goodlass Nerolac Paints Ltd	1.03%
Alfa Laval India Ltd.	0.98%
Gokaldas Exports Ltd	0.94%
Goldiam International Ltd	0.92%
Geodesic Information Systems Ltd	0.88%
Thermax Ltd	0.87%
Engineers India Ltd.	0.83%
Sintex Industries Ltd	0.81%
Crompton Greaves Ltd.	0.76%
Jagran Prakashan Ltd.	0.74%
Alok Industries Ltd.	0.73%
Vimta Labs Ltd	0.69%
Motherson Sumi System Ltd	0.67%
Kale Consultants Ltd.	0.63%
Volta Ltd	0.62%
Birla Corporation Ltd.	0.55%
Transport Corporation of India Ltd	0.53%
Pitti Laminations Ltd	0.19%
D S Kulkarni Developers Ltd	0.08%
Cash	10.30%

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

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

Performance

	DBSCMCF	S&P CNX 500
3 Months (91Days)#	-14.42%	-11.95%
6 Months (181Days)#	-4.04%	4.20%
1 Year\$	26.46%	34.43%
Since Inception (28/01/05)#\$	29.80%	31.75%

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

DBS Chola Global Advantage Fund

as on June 30, 2006

Features

Type of Fund

Open-Ended Equity Scheme

Load Structure

Entry Load : <=1 Cr: 2.25%
>1 Cr: 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

30-May-05

NAV

Dividend Option : Rs. 11.37
Cumulative Option : Rs. 12.12

Benchmark Index

S&P CNX 500

Fund Size

Rs. 24.81 Crores

Fund Manager

Tridib Pathak

Style Matrix

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

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.

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
Infosys Technologies Ltd	6.67%
Infotech Enterprises Ltd.	5.87%
Dishman Pharmaceuticals and Chemicals Ltd.	5.21%
Kale Consultants Ltd.	4.43%
Thermax Ltd	4.27%
Balkrishna Industries Ltd	4.22%
Alok Industries Ltd.	4.17%
Tata Tea Ltd	3.86%
Amtek Auto Ltd	3.80%
Crompton Greaves Ltd.	3.78%
Gokaldas Exports Ltd	3.76%
Bharat Forge Ltd	3.60%
Voltas Ltd	3.48%
Suzlon Energy Ltd	3.38%
United Phosphorus Ltd.	3.37%
Satyam Computer Services Ltd.	3.07%
Welspun India Ltd	3.05%
Alfa Laval India Ltd.	2.94%
Biocon Limited	2.90%
Motherson Sumi System Ltd.	2.70%
Vimta Labs Ltd	2.61%
Goldiam International Ltd.	1.82%
Cash	17.04%

Performance

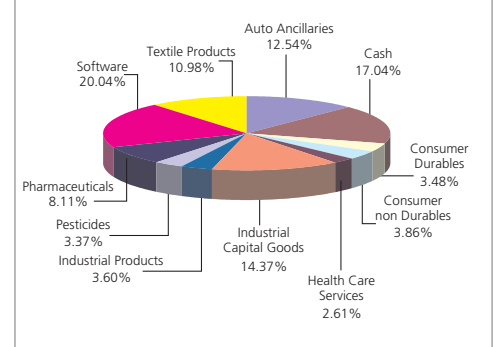
	DBSCGAF	S&P CNX 500
3 Months (81 days)#	-15.89%	-11.95%
6 Months (181 days)#	-6.48%	4.20%
1 Year\$	20.24%	34.43%
Since Inception (30/05/05)\$	19.39%	37.13%

Absolute Returns

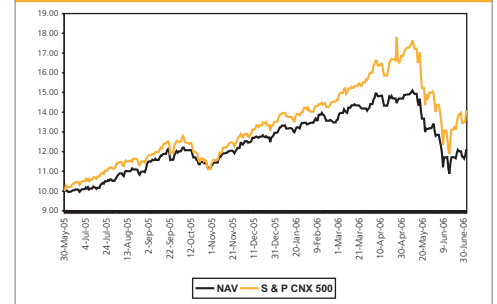
\$ Compounded Annualised Returns

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
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/-

DBS Chola Tax Saver Fund

as on June 30, 2006

Features

Type of Fund

Equity Linked Savings Scheme

Load Structure (w.e.f. 1st July, 2006)

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. 10.34
 Cumulative Option : Rs. 10.34

Benchmark Index

BSE Sensex

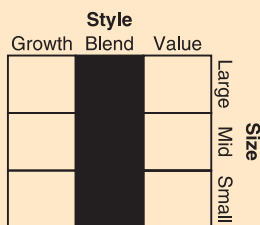
Fund Size

Rs. 24.42 Crores

Fund Manager

Tridib Pathak

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.

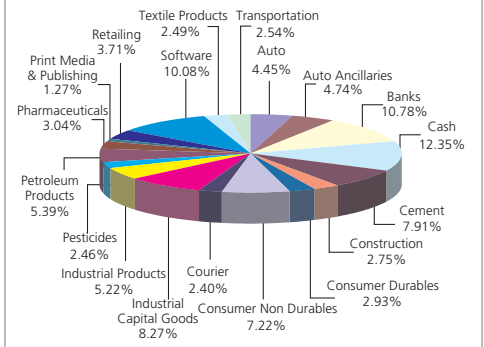
Investment Objective

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.

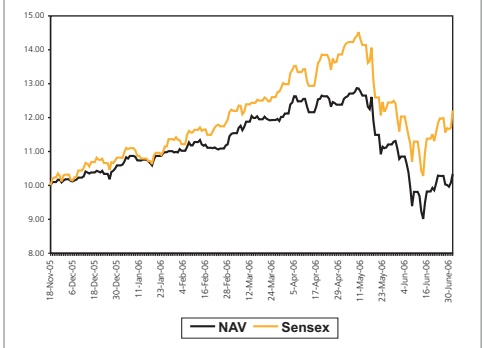
Portfolio

Scrip	% of Portfolio
Satyam Computer Services Ltd.	4.80%
Associated Cement Companies Ltd.	4.72%
Mahindra & Mahindra Ltd.	4.45%
Balkrishna Industries Ltd	3.86%
Jain Irrigation Systems Ltd.	3.81%
Pantaloon Retail (India) Ltd.	3.71%
Suzlon Energy Ltd	3.18%
Goldiam International Ltd	3.15%
Dishman Pharmaceuticals and Chemicals Ltd.	3.04%
Grasim Industries Ltd.	2.99%
Federal Bank Ltd	2.93%
Karnataka Bank	2.89%
Crompton Greaves Ltd.	2.84%
Indian Oil Corporation Ltd	2.83%
Infotech Enterprises Ltd.	2.75%
Bajaj Hindustan Ltd.	2.71%
HPCL Ltd	2.56%
Infosys Technologies Ltd	2.53%
United Phosphorus Ltd.	2.46%
Voltas Ltd	2.44%
Blue Dart Express Ltd	2.40%
Madras Cements Ltd	2.38%
Thermax Ltd	2.25%
Unitech Ltd	1.66%
ICICI Bank Ltd.	1.50%
Shreyas Shipping & Logistics Ltd	1.42%
Bharat Forge Ltd	1.41%
Goodclass Nerolac Paints Ltd	1.36%
Alok Industries Ltd.	1.31%
Jagran Prakashan Ltd.	1.27%
Transport Corporation Of India Ltd	1.12%
Amtek Auto Ltd	0.92%
Gokaldas Exports Ltd	0.88%
Mahindra Gesco Developers Ltd	0.87%
Birla Corporation Ltd.	0.81%
Gitanjali Gems Ltd	0.49%
Industrial Development Bank of India	0.47%
Celebrity Fashions Ltd	0.26%
D S Kulkarni Developers Ltd	0.22%
Cash	12.35%

Sector Summary



Returns Since Inception



Performance

	DBSCTSF	SENSEX
3 Months (91Days)#	-14.69%	-5.95%
6 Months (181Days)#	-2.36%	12.89%
Since Inception (18/11/05) #	3.40%	22.13%
# Absolute Returns		
Past performance may or may not be sustained in future.		

DBS Chola Contra Fund

as on June 30, 2006

Features

Type of Fund

Open-Ended Equity Scheme

Load Structure (w.e.f. 1st July, 2006)

Entry Load : <= 1 Cr : 2.25%
> 1 Cr: 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

16-Mar-06

NAV

Dividend Option : Rs. 9.14
Cumulative Option : Rs. 9.14

Benchmark Index

S & P CNX 500

Fund Size

Rs. 112.01 Crores

Fund Manager

Tridib Pathak

Style Matrix

	Style			Size
	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 Contra Fund is a diversified equity fund which adopts a 'contrarian' style of investing. The fund was launched in February and is now fully invested.

Investment Objective

The objective of the scheme is to generate capital appreciations 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.

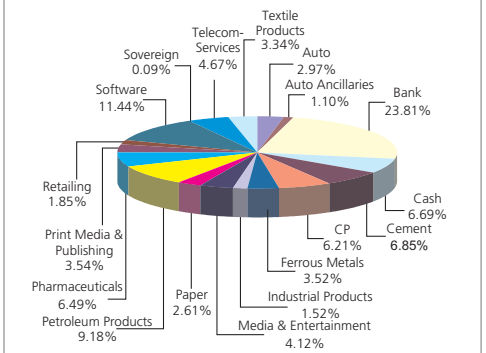
Portfolio

Scrip	% of Portfolio
IDBI Home Finance Ltd	6.21%
Infosys Technologies Ltd	5.57%
Grasim Industries Ltd.	5.02%
Tata Consultancy Services Ltd	4.86%
Indian Oil Corporation Ltd.	4.82%
Mahanagar Telephone Nigam Ltd.	4.67%
HPCL Ltd.	4.36%
Zee Telefilms Ltd	4.12%
Bank of Baroda	3.60%
Jagran Prakashan Ltd.	3.54%
Tata Iron and Steel Co. Ltd.	3.52%
Alok Industries Ltd.	3.34%
Punjab National Bank Ltd.	3.23%
Oriental Bank of Commerce	3.01%
Federal Bank Ltd	2.99%
Hero Honda Ltd	2.97%
Ranbaxy Ltd.	2.87%
Ballarpur Industries Ltd	2.61%
Karnataka Bank Ltd	2.45%
Satyam Computers Ltd.	2.35%
Allahabad Bank	2.08%
Kale Consultants Ltd.	2.06%
Pantaloon Retail (India)Ltd	1.85%
Birla Corporation Ltd.	1.83%
Nicholas Piramal India Ltd.	1.83%
Biocon Ltd	1.79%
Bharat Forge Ltd.	1.52%
Welspun India Ltd	1.46%
Industrial Development Bank of India	1.13%
Motherson Sumi System Ltd	1.10%
Vijaya Bank Ltd.	0.46%
CG - 2006 - 5.71 % (Floating Rate)	0.09%
Cash	6.69%

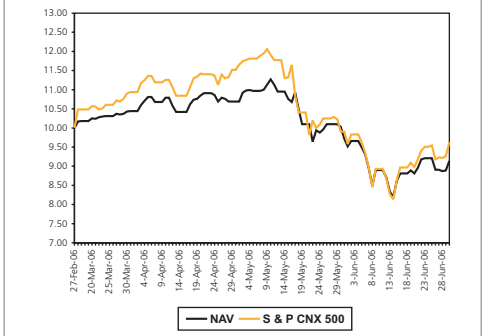
Performance

	DBSCCF	S & P CNX 500
3 Months (91Days)#	-12.45%	-11.95%
Since Inception (27/02/06) #	-8.60%	-3.69%
# 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 Triple Ace

as on June 30, 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. 11.0721
 Semi Annual Dividend Option : Rs. 11.3792
 Cumulative Option : Rs. 23.5154
 Bonus Option : Rs. 13.0661

Benchmark Index

CRISIL Composite Bond Fund Index

Fund Size

Rs. 17.91 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.

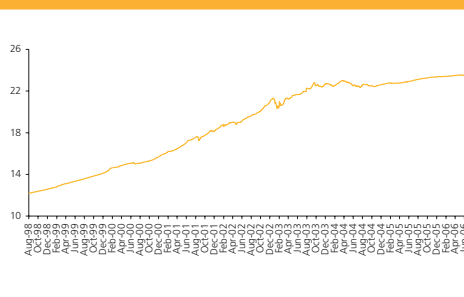
Portfolio

Scrip	Weight	Rating
Corporate Debt		
Citi Financial Consumer Finance Ltd	10.79%	AAA
IBS Trust Sept 2005 - PTC	5.59%	AAA
Fleet Trust April 2003 Series A2	0.24%	AAA
PSU/PFI Debt		
IDBI Omni Bond 2004 (Floating Rate)	13.68%	AA+
Sovereign		
ABN Amro Bank - CD - 24 Oct 06	27.41%	P1+
182 Days TBill	14.45%	Sov
CG -2017 - 8.07%	13.05%	Sov
CG - 2006 - 6.30 % (Floating Rate)	2.79%	Sov
Call/Repo Deposit/TBill	12.00%	

Avg Maturity

Avg Maturity	YTM
1.93 Years	6.81%

Cumulative Plan - NAV Movement

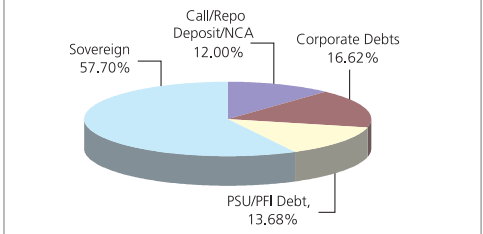


Performance

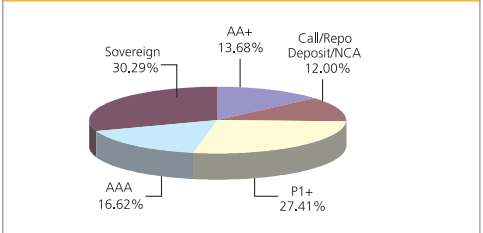
	DBSCTA- Regular Cumulative	CRISIL Composite Bond Index
3 Months (91 Days)#	0.29%	1.03%
6 Months (182 Days)#	0.67%	1.07%
1 Year\$	2.55%	2.84%
3 Years\$	2.78%	3.15%
5 Years\$	6.60%	NA
Since Inception\$	9.68%	NA

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

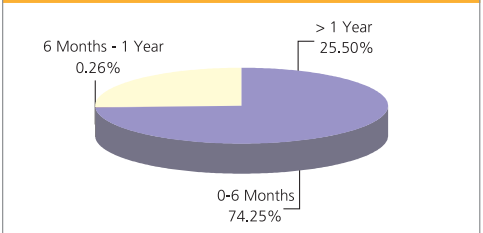
Asset Profile



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 ^ CTA Regular

• CTA Semi Annual Dividend

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



DBS Chola Freedom Income - Short Term Fund

as on June 30, 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. 10.7791
Semi Annual Dividend Option : Rs. 11.1159
Cumulative Option : Rs. 11.2052

Institutional -
Cumulative Option : Rs. 11.3381

Benchmark Index

CRISIL Short Term Fund Index

Fund Size

Rs. 11.52 Crores

Fund Manager

Ashish Nigam

* Scheme was repositioned as 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 5 years and less. The fund is rated AAAF by CRISIL for its credit quality.

Investment Objective

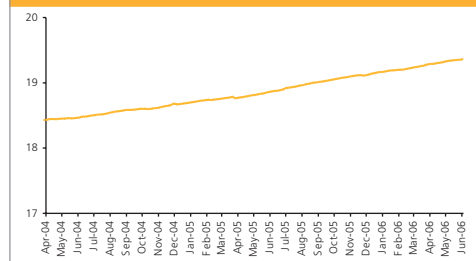
An income scheme with at least 80% investments in fixed income securities with the objective of generating regular and stable income for the unit holders. The balance will be invested in money market instruments of high quality. The scheme will not invest in equities or equity related instruments.

Portfolio

Scrip	Weight	Rating
Corporate Debt		
Citi Fin.Consumer		
Finance Ltd	16.77%	AAA
IDBI Ltd	8.68%	AA+
Bajaj Auto Finance Ltd	2.11%	P1+
Fleet Trust April 2003		
Series A2	1.12%	AAA
PSU/PFI Debt		
IDBI Omni Bond 2004 (Floating Rate)	13.29%	AA+
Sovereign		
CG - 2006 - 5.71 % (Floating Rate)	6.51%	Sov
Call/Repo Deposit/TBill	51.52%	

Avg Maturity	YTM
0.61 Years	6.57%

Cumulative Plan - NAV Movement

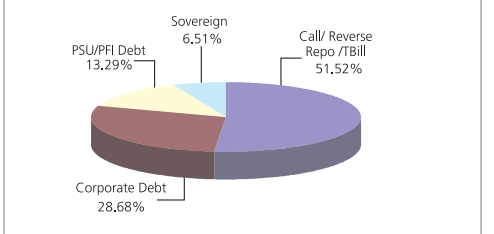


Performance

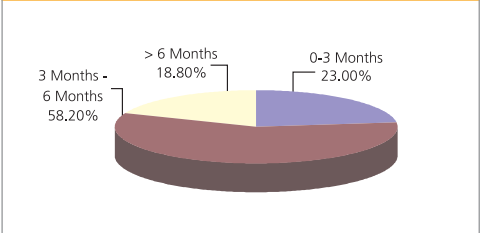
	DBSCFI-STF Institutional	DBSCFI-STF	CRISIL STF Index
1 Month (30Days)#	0.28%	0.30%	0.27%
3 Months (91 Days)#	1.11%	1.16%	1.71%
6 Months (182 Days)#	2.22%	2.41%	2.42%
1 Year\$	4.66%	4.95%	4.30%
3 Years\$	4.50%	4.50%	4.24%
Since Inception\$	5.56%	4.76%	5.22%

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

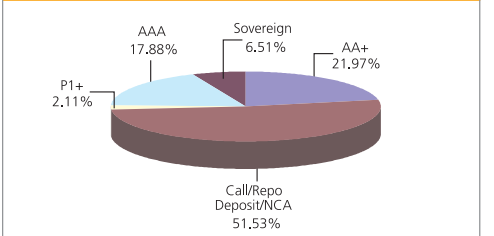
Asset Profile



Rating Profile



Maturity Profile



Dividend History

Regular Plan			
Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
27-Sep-04^	0.2480*	0.0248	Rs.10.0769
27-Sep-04^	0.2650\$	0.0265	Rs.10.0769
27-Sep-04^^	0.2980*	0.0298	Rs.10.0781
27-Sep-04^^	0.3180\$	0.0318	Rs.10.0781
27-Sep-04•	0.8270*	0.0827	Rs.10.4326
27-Sep-04•	0.8840\$	0.0884	Rs.10.4326
25-Oct-04^	0.2270*	0.0227	Rs.10.0676
25-Oct-04^	0.2430\$	0.0243	Rs.10.0676
25-Oct-04^^	0.2270*	0.0227	Rs.10.0663
25-Oct-04^^	0.2430\$	0.0243	Rs.10.0663

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

AAA^F
rated by
CRISIL

DBS Chola Liquid Fund

as on June 30, 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

Cut Off Time

Purchase : 1 p.m.
Redemption : 10 a.m.

Dividend Distribution

Daily / Weekly

Inception Date

04-Oct-00

NAV

Regular-
Weekly Dividend Option : Rs. 11.8678
Cumulative Option : Rs. 14.3808

Institutional Plus-

Weekly Dividend Option : Rs. 11.8377
Cumulative Option : Rs. 14.4591

Benchmark Index

CRISIL Liquid Fund Index

Fund Size

Rs. 1,636.63 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 AAA^F 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		
Raymond Ltd. (Floating Rate)	4.28%	A1+
Rabo India Finance Ltd.	2.62%	P1+
National Housing Bank Ltd.	1.51%	P1+
IL & FS Ltd.	1.50%	P1+
IL & FS Ltd.	1.50%	P1+
GE CountryWide Consumer Finance Ltd.	1.49%	P1+
National Housing Bank Ltd.	1.49%	P1+
IDBI Omni Bond 2004 (Floating Rate)	1.15%	AA+
IDBI Home Finance Ltd.	1.09%	A1+
Citifinancial Consumer Finance (I) Ltd	0.92%	P1+
GE Capital Services Ltd.	0.92%	AAA
Rabo India Finance Ltd.	0.89%	P1+
Kotak Mahindra Primus Ltd	0.88%	P1+
Rabo India Finance Pvt Ltd (Floating Rate)	0.63%	AAA
LIC Housing Finance Ltd (Floating Rate)	0.63%	AAA
Mahindra and Mahindra Finance Ltd 3YR INBMK	0.63%	P1+
IL & FS Ltd.	0.62%	P1+
Sundaram Finance Ltd 3YR INBMK	0.62%	AAA
Indian Corp Loan Securitin Trust -IV	0.61%	A1+
Berger Paints I Ltd. (Floating Rate)	0.61%	P1+
SBI Cards & Payments Ser. Ltd.	0.61%	P1+
Citifinancial Consumer Finance Citicorp Finance Ltd	0.61%	P1+
SBI Cards & Payments Ser. Ltd.	0.59%	P1+
Rabo India Finance Ltd.	0.58%	P1+
SBI Cards & Payments Ser. Ltd.	0.57%	P1+
Bajaj Auto Finance Ltd	0.57%	P1+
IBS TRUST Sept 2005 - PTC	0.43%	AAA
Indian Retail ABS Trust Series 49	0.32%	AAA
Indian Retail ABS Trust Series 49	0.32%	AAA
UTI Bank - 1YR INBMK	0.31%	AAA
PFC - 5YR INBMK	0.31%	AAA
Kotak Mahindra Primus Ltd	0.31%	P1+
DSP ML Capital Ltd.	0.31%	P1+
GE Capital Services India Ltd.	0.29%	P1+
Sundaram Finance Ltd.	0.29%	P1+
GE Countrywide CFS Ltd.	0.12%	AAA
HDFC Ltd (Floating Rate)	0.06%	AAA
GE Capital Services India Ltd.	0.02%	P1+
Sovereign		
CG - 2006 - 6.30 % (Floating Rate)	0.31%	Sov
Certificate of Deposits with Banks		
ICICI Bank Ltd	2.96%	P1+
IDBI Ltd.	2.96%	P1+
Allahabad Bank	2.42%	P1+
State Bank of Patiala Ltd	2.11%	A1+
Jammu and Kashmir Bank Ltd.	1.52%	P1+
Federal Bank Ltd.	1.52%	P1+
Jammu and Kashmir Bank Ltd.	1.52%	P1+
Corporation Bank Ltd.	1.51%	P1+
State Bank of India	1.49%	P1+
State Bank of Indore	1.49%	P1+
ING Vysya Bank Ltd.	1.44%	P1+
ICICI Bank Ltd	1.43%	A1+
UCO Bank Ltd.	1.43%	P1+
UCO Bank Ltd.	1.43%	P1+
Development Credit Bank	1.21%	P1+
HDFC Bank Ltd	1.21%	P1+
Standard Chartered Bank	1.19%	P1+
ICICI Bank Ltd	1.16%	P1+
HSBC	0.90%	P1+
HSBC	0.90%	P1+
ICICI Bank Ltd.	0.87%	P1+
ICICI Bank Ltd	0.87%	P1+
UCO Bank Ltd.	0.86%	P1+
UCO Bank Ltd.	0.86%	P1+
Karnataka Bank Ltd.	0.61%	A1+
IDBI Ltd.	0.61%	P1+
Kotak Mahindra Bank Ltd	0.61%	P1+
Karnataka Bank Ltd.	0.61%	P1+
UTI Bank Ltd.	0.60%	P1+
Jammu and Kashmir Bank Ltd.	0.60%	P1+
Kotak Mahindra Bank Ltd	0.60%	P1+
YES Bank	0.60%	A1+
State Bank of Bikaner & Jaipur	0.60%	P1+

Portfolio

Scrip	Weight	Rating
ABN Amro Bank	0.60%	P1+
UCO Bank Ltd.	0.60%	P1+
IDBI Ltd.	0.60%	P1+
HDFC Bank Ltd	0.60%	P1+
American Express Bank	0.58%	P1+
UCO Bank Ltd.	0.30%	P1+
UCO Bank Ltd.	0.30%	A1+
State Bank of Indore	0.30%	P1+
Punjab National Bank Ltd.	0.30%	P1+
Karur Vysya Bank Ltd	0.30%	P1+
ICICI Bank Ltd.	0.29%	A1+
Other Deposits		
State Bank Of Patiala	2.44%	
Development Credit Bank	1.53%	
ICICI Bank Ltd	1.53%	
Jammu&Kashmir Bank Ltd	1.53%	
Oriental Bank Of Commerce	1.53%	
Syndicate Bank Limited	1.53%	
Call/Repo Deposit/Tbill	12.29%	

Avg Maturity

102 days

YTM

6.45%

Performance

	DBSCLF- Cum	DCLF- Cum-Institu- tional Plus	CRISIL LF Index
7 Days#	0.1232%	0.1226%	0.10%
14 Days#	0.2468%	0.2447%	0.18%
1 Month (30 Days)#	0.53%	0.52%	0.38%
3 Months (91 Days)#	1.61%	1.61%	1.60%
6 Months (182 Days)#	3.11%	3.10%	2.98%
1 Year\$	5.99%	5.98%	5.32%
3 Years\$	5.21%	4.58%	4.58%
5 Years\$	5.88%	NA	NA
Since Inception\$	6.53%	NA	NA

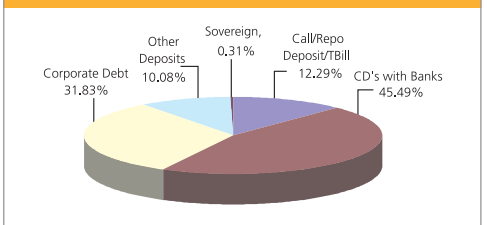
Absolute Returns

\$ Compounded Annualised Returns

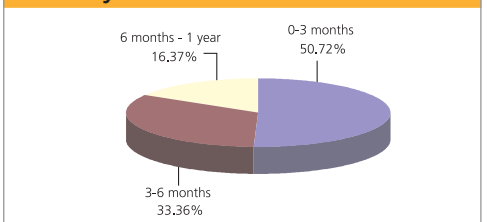
NA - Not Applicable

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 June 30, 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 : 1 p.m.
Redemption : 10 a.m.

Dividend Distribution

Daily / Weekly / Monthly

Inception Date

10-Aug-05

NAV

Monthly Dividend Option : Rs. 10.1493
Cumulative Option : Rs. 10.5459

Benchmark Index

CRISIL Liquid Fund Index

Fund Size

Rs. 131.44 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 100-120 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

Scrip	Weight	Rating
Corporate Debt		
IRFC - 5YR INBMK	7.67%	AAA
Motherson Sumi Systems	7.61%	A1+
Ge Capital Services Ltd. (Floating Rate)	3.90%	AAA
Citi Financial Consumer Fin Ltd. (Floating Rate)	3.86%	AAA
IDFC LTD	3.82%	AAA
HDFC Ltd. (Floating Rate)	3.81%	AAA
Kotak Securities Ltd.	3.81%	P1+
Citicorp Maruti Fin Ltd. (Floating Rate)	3.80%	AAA
HDFC Ltd. (Floating Rate)	3.80%	P1+
SBI Cards and Payment Services Ltd.	3.57%	P1+
HDFC Ltd. (Floating Rate)	3.04%	AAA
IDBI Omni Bond 2004 (Floating Rate)	2.02%	AA+
Sovereign		
GOI 6.30% 2006 - Floating Rate Bond	2.47%	Sov
Certificate Deposit		
ABN Amro Bank Ltd.	11.20%	P1+
Federal Bank Ltd.	7.55%	P1+
Allahabad Bank	7.05%	P1+
ICICI Bank Ltd.	3.61%	PR1+
Other Deposits		
Development Credit Bank	15.22%	
IDBI	1.52%	
Call/Repo Deposit/TBill	0.67%	

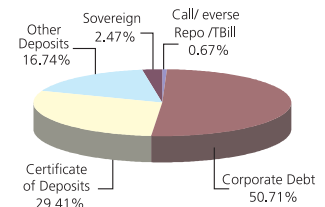
Avg Maturity

85 days

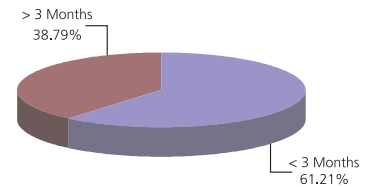
YTM

6.85%

Asset Profile



Maturity Profile



Performance

	DBS CST-FRF	CRISIL Liquid Fund Index
3 Months (92 days)#	1.60%	1.60%
6 Months (182 days)#	3.14%	2.98%
Since Inception (10/08/05)#	5.46%	4.76%

Absolute 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
29-May-06	0.3270*	0.0327	Rs. 10.1648
29-May-06	0.3510\$	0.0351	Rs. 10.1648

* Corporate \$ Individual

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

DBS Chola Floating Rate Fund

as on June 30, 2006

Features

Type of Fund

Open-Ended Income Fund

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

Dividend Distribution

Quarterly

Inception Date

25-Aug-04

NAV

Dividend Option : Rs. 10.2673
Cumulative Option : Rs. 11.0151

Benchmark Index

CRISIL Liquid Fund Index

Fund Size

Rs. 6.97 Crores

Fund Manager

Ashish Nigam

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.

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.

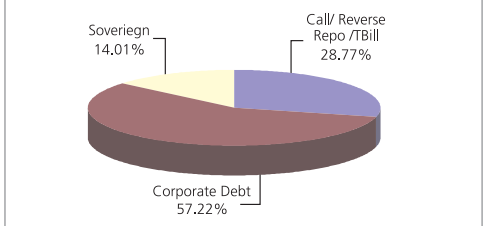
Portfolio

Scrip	Weight	Rating
Corporate Debt		
IBS TRUST Sept 2005 - PTC	28.72%	AAA
Citi Financial Consumer		
Fin. Ltd - 7.05%	13.85%	AAA
UCO Bank Ltd. 24 Oct 06	9.15%	P1+
Allahabad Bank Ltd.	3.41%	P1+
Bajaj Auto Finance Ltd	2.10%	P1+
Sovereign		
182 Days TBILL 17 Nov. 06	14.01%	Sov
Call/Repo Deposit/TBill	28.77%	

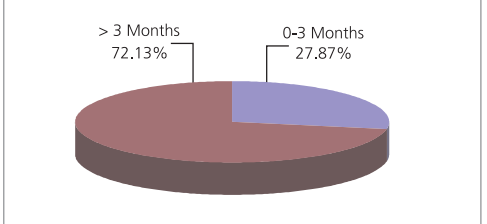
Avg Maturity

Avg Maturity	YTM
231 days	6.32%

Asset Profile



Maturity Profile



Performance

	DBSCFRF	CRISIL Liquid Fund Index
1 Month (30days)#	0.35%	0.38%
3 Months (91 Days) #	1.30%	1.60%
6 Months (182 Days) #	2.65%	2.98%
1 Year\$	5.43%	5.32%
Since Inception (25/08/04)\$	5.38%	4.94%

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

Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
27-Jun-05	0.8170*	0.0817	Rs. 10.2781
27-Jun-05	0.8770\$	0.0877	Rs. 10.2781
26-Sep-05	0.6530*	0.0653	Rs. 10.3230
26-Sep-05	0.7020\$	0.0702	Rs. 10.3230
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-June-06	1.3160\$	0.1316	Rs. 10.4106
26-June-06	1.3160\$	0.1316	Rs. 10.4106

* Corporate \$ Individual

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

DBS Chola GILT Investment Plan

as on June 30, 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. 9.7100

Cumulative Option : Rs. 17.6540

Benchmark Index

ISEC-Li-BEX

Fund Size

Rs. 2.66 Crores

Fund Manager

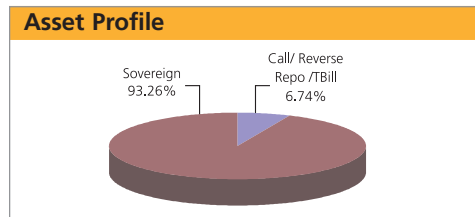
Ashish Nigam

Investment Objective

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

Portfolio		
Scrip	Weight	Rating
Sovereign		
CG-2017-8.07%	93.26%	Sov
Call/Repo Deposit/TBill	6.74%	

Avg Maturity	YTM
9.82 years	7.81%



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	I-Sec Li-BEX
1 Year\$	-2.31%	-0.43%
3 Years\$	3.01%	2.55%
5 Years\$	8.34%	NA
Since Inception\$	9.51%	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

PF Plan

30-Mar-04	10	0.10	Rs. 10.1314
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* 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 June 30, 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. 10.0431

Quarterly Dividend Option : Rs. 10.2585

Cumulative Option : Rs. 12.4642

Bonus Option : Rs. 12.4642

Benchmark Index

CRISIL Blended MIP Index

Fund Size

Rs. 9.94 Crores

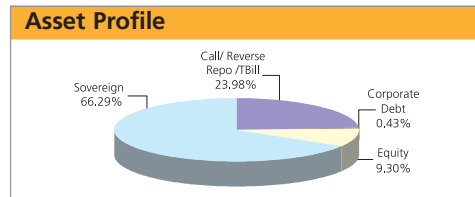
Fund Manager

Ashish Nigam/Pradeep Kumar

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	2.01%	Eq
Infotech Enterprises Ltd.	1.46%	Eq
Allahabad Bank	1.45%	Eq
Tata Consultancy Services Ltd	1.22%	Eq
Alfa Laval India Ltd	1.08%	Eq
Oriental Bank Of Commerce	0.86%	Eq
Birla Corporation Ltd	0.70%	Eq
Jagran Prakashan Ltd	0.19%	Eq
Hindalco Industries Ltd	0.11%	Eq
Punjab National Bank Ltd	0.10%	Eq
Hindalco Industries Ltd (Rights shares)	0.07%	Eq
D. S Kulkarni Developers Ltd	0.05%	Eq
Celebrity Fashions Ltd	0.01%	Eq
Corporate Debt		
Fleet Trust April 2003 Series A2	0.43%	AAA
Sovereign		
182 Days TBILL 17 Nov 06	62.37%	Sov
CG - 2006 - 6.30 % (Floating Rate)	2.51%	Sov
CG -2017 - 8.07%	1.40%	Sov
Call/Repo Deposit/TBill	23.98%	



Fund Manager's Comments

In DBS Chola MIP, equity exposure was less than 15%.

Performance

	DBSCMIP*	CRISIL Blended MIP Index
1 Month (30 Days)#	-0.64%	0.32%
3 Months (91 Days)#	-0.75%	-0.11%
6 Months (182 Days)#	1.02%	2.73%
1 Year\$	5.55%	8.27%
Since Inception\$	7.84%	8.30%

Absolute Returns \$ Compounded annualised returns
* Converted from close-ended to open-ended w.e.f. July 31, 2003 and renamed as Chola Monthly Income Plan. Hence the returns of 3 & 5 years are not given.
Past performance may or may not be sustained in the future.
The distribution tax has been included in the calculations of returns.

Dividend History

Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
27-Mar-06	0.4080*	0.0408	10.2942
27-Mar-06	0.4390\$	0.0439	10.2942
27-Mar-06	1.2250*#	0.1225	10.472
27-Mar-06	1.3160\$#	0.1316	10.472

* 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

Avg Maturity	YTM
0.3 Years	5.42%

Total AUM as on June 2006 : Rs. 2,475.16 crores

NOTICE

Notice is hereby given that the following changes are made in the load structure of the equity schemes of DBS Chola Mutual Fund:

Load Structure for investments other than Systematic Investment Plan (SIP)

Name of the Scheme	Existing Load Structure (as applicable upto 30.06.2006)		Revised Load Structure (as applicable on and from 01.07.2006)	
	Entry Load	Exit Load	Entry Load	Exit Load
1. DBS Chola Growth Fund 2. DBS Chola Midcap Fund 3. DBS Chola Multi-Cap Fund 4. DBS Chola Global Advantage Fund	2.25% - for an investment <= Re.1 crore	NIL		
DBS Chola Opportunities Fund	NIL - for an investment > Rs.1 crore		2.25% - for an investment < Rs.1 crore NIL - for an investment >= Rs.1 crore	NIL
DBS Chola Contra Fund	2.25% - for an investment <= Re. 1 crore NIL - for an investment > Rs. 1 crore upto Rs. 5 crore NIL - for an investment > Rs. 5 crore	NIL 0.5% - if redeemed within 3 months NIL		
DBS Chola Tax Saver Fund	2.25% - for an investment <= Re. 25 lac NIL - for an investment > Rs.25 lac	NIL	2.25% - for an investment < Rs. 25 lac NIL - for an investment > = Rs.25 lac	NIL

Load Structure for investments under Systematic Investment Plan (SIP)

Name of the Scheme	Existing Load Structure (as applicable upto 30.06.2006)		Revised Load Structure (as applicable on and from 01.07.2006)	
	Entry Load	Exit Load	Entry Load	Exit Load
1. DBS Chola Growth Fund 2. DBS Chola Midcap Fund 3. DBS Chola Multi-Cap Fund 4. DBS Chola Global Advantage Fund 5. DBS Chola Opportunities Fund	1%	1.25% - if redeemed within 2 years NIL - if redeemed after 2 years	2.25% - for an investment < Rs.1 crore	NIL
DBS Chola Contra Fund	NIL	2.25% - if redeemed on or before 365 days NIL - if redeemed on or before 365 days	NIL - for an investment >= Rs.1 crore	
DBS Chola Tax Saver Fund	1%	NIL	2.25% - for an investment < Rs. 25 lac NIL - for an investment > = Rs.25 lac	NIL

The change in the load structure of the aforesaid DBS Chola Mutual Fund Schemes shall be effective in respect of investments made on or after July 1, 2006.

For DBS Cholamandalam Asset Management Limited

Place : Mumbai

Trupti Vyas

Date : June 27, 2006

Company Secretary & Compliance Officer

Investment Objective: ♦ 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.