



In News

# High on returns, low on expenses

Suraj Saraf

**Name:** DBS Chola Short Term - FRF - Cumulative  
**Type:** Debt-floating rate fund  
**Fund manager:** Ashish Nigam  
**Inception date:** August 08, 2005

DBS Chola Short Term - Floating Rate Fund aims to generate regular income through investments in a portfolio comprising substantially of floating rate debt/ money market instruments swapped for floating rate returns, fixed rate debt securities, government securities and money market instruments.

DBS Chola ST - FRF manages a corpus of Rs 194.21 crore. This has doubled in the last one year, but it is still only around 2% of the category corpus.

The scheme has performed pretty well despite the small size. It has been a consistent performer since its inception, and its returns have risen at a compounded annualised growth rate of 8.33%. It has outperformed its benchmark and the category average in the last one

## Performance as on September 19, 2006

Returns (in %)	Absolute				Compound annualised
	3-mths	6-mths	1-yr	Since inception	
<b>Scheme name</b>					
DBC Chola ST FRF- G	1.71	3.38	6.36	6.33	
<b>Rank</b>	2/19	1/19	2/19	--	
Crisil Liquid Fund Index	1.38	3.13	5.55	--	
Peer group average	1.63	3.17	5.96	--	

### SCHEME WATCH

year.

The scheme has invested 56.38% of its asset in debt and 43.62% in cash and equivalent. The debt portfolio is invested in good quality papers, with 74.44% in AAA/P+ and equivalent rated paper. The average maturity for the scheme stood at 174 days, slightly higher than the category average of 150 days.

In view of the above average

performance of the scheme and its low expense ratio an investment in the scheme can be considered.

The minimum investment is Rs 5,000 and both dividend and growth options are available. The expense ratio is 0.45% (31-July-06) — lower than the category average of 0.73.

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## Managerspeak

—Ashish Nigam

The fund has performed well in the recent past. What are the reasons for the same?

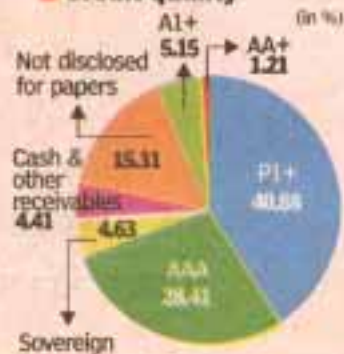
DBS Chola ST Floating Rate Fund is a AAA-rated fund by CRISIL. The portfolio of the fund is managed actively with a close watch on the duration and the asset mix depending on the interest rate view. The portfolio management strategy revolves around credit quality, liquidity and consistency of performance. Apart from managing the duration and asset allocation, the assets are traded frequently to deliver higher and consistent returns.

In a scenario where inter-

est rates have been going up, what will be the investment philosophy of the fund

The investment philosophy of the fund is to deliver consistent above average performance without compromising on the safety or liquidity of the portfolio. During a rising interest rate scenario, the duration of the portfolio is shortened and the asset allocation is more biased towards floating/MIBOR linked assets. With larger asset allocation in MIBOR linked/floating rate assets, the higher interest rates are captured effectively. This helps in delivering superior performance.

### Credit quality



## From the Desk of the Chief Investment Officer



**Tridib Pathak**

### Equity Markets

The rally continued in September as well. BSE Sensex rose 755 points or 6.5% to end at 12454. CNX Midcap index outperformed the large cap Sensex, ending the month higher by 8.9%. The rebound to levels seen pre-correction in May/June 2006 is now almost complete. With falling crude oil prices, concerns on inflation and further rate hikes have abated. Yet again the rally was driven by strong FII inflows supported by domestic Mutual Funds buying. FIIs bought US\$1071 million worth of stocks in September 06 compared to US\$955 million in August 06. India continues to buck the trend seen in other emerging markets where FII selling continues/FII buying is weak. Mutual Funds bought only US\$256 mn worth of stocks. India continued to be one of the best performing emerging market in September 2006 as well. The current month's movement, once again, proves the dependence of Indian markets on continued FII flows in the short term.

With the market close to its all time highs, it is time to run a reality check. We examine the markets on 4 parameters - E S L V - earnings, sentiment, liquidity and valuation.

**Earnings** - FY07 could now turn out to be the 4th year in running with a GDP growth of more than 8%. 1QFY07 GDP growth was 8.9%, second month in running with close to 9% growth. Both

services and industrial sectors are growing at 10%+. Economic growth momentum thus continues to be robust. Expectations of 2Q07 earnings growth are in the range of 28%-35%. This could lead to further upgrades to earnings estimates of FY07 and FY08.

**Sentiment** - Unlike in the past, sentiment towards equities as an asset class is improving. This has been helped by the now more than 3 years old bull market rally based on strong fundamentals.

**Liquidity** - Domestic investors remain underinvested in equities. Insurance companies will increasingly buy into equities as insurance penetration and premium collections rise. With fears of further US Fed hikes subsiding, FII inflows can continue to be benign. Risk to FII inflows can be a sharp US slowdown which can lead to risk aversion.

**Valuation** - At near to peak levels, the market is trading at 16.5X one year forward earnings, much lower than the 19-20X seen at same levels in May 2006. The last 15 year average P/E ratio of the market is around 15X. So while valuations are not cheap anymore, they are in line with the past and in line with the strong corporate profit growth we are witnessing.

We maintain that 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

The fixed income markets have shown mixed trends. While long end yields have come off, short term yields have risen. The Yield curve has thus flattened. 10Y benchmark Gov bond ended the month at 7.60% down by 10 basis points over previous month. US Federal Reserve left the rates unchanged for the second time in a row. US Treasury yields eased by nearly 10 basis points. Global oil prices eased to below USD 60 per barrel. Key WPI numbers also remained benign due to base effect. All this helped boost the bond market sentiment.

September, however, saw tight liquidity conditions due to advance tax outflows and H1 closing. Outstanding liquidity in RBI LAF this month dropped from an average of INR 30,000 crores last month to INR 10,000 crores. Overnight rates shot up to 7%. Short-term yields rose by nearly 25-30 basis points given tight liquidity conditions.

The fixed income markets are in a consolidation phase. Liquidity, inflation and global interest rate scenario would continue to determine the future direction of the interest rates. While global factors will allow interest rates to remain soft, domestic factors of strong economic growth will keep an upwards pressure on interest rates. Market would closely watch the next FOMC meet on 24th October and the RBI credit policy at end of October 2006.

We continue to advise investments in short-duration assets and avoid any mark-to-market risk on the portfolio. In this regard, we think investors need a product that has low interest rate risk but which has the potential to deliver higher returns compared with other short duration products such as liquid funds/short term floating rate funds/FMPs. **DBS Chola Freedom Income - ST Income Fund** is one such product. Currently it has no market to market instruments, immunizing it from any adverse interest rate movement.

## DBS Chola Contra Fund

as on September 29, 2006

### Features

#### Type of Fund

Open-Ended Equity Scheme

#### Load Structure

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

#### Minimum Investment for New / Existing Investors

Rs. 5000/1000

#### Cut Off Time

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

#### Dividend Distribution

Declared as and when decided by the Trustees

#### Inception Date

16-Mar-06

#### NAV

Dividend Option : Rs. 11.04  
 Cumulative Option : Rs. 11.04

#### Benchmark Index

S & P CNX 500

#### Fund Size

Rs. 85.89 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 invests in fundamentally sound companies whose share prices have underperformed the market in the recent past.

### Investment Objective

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

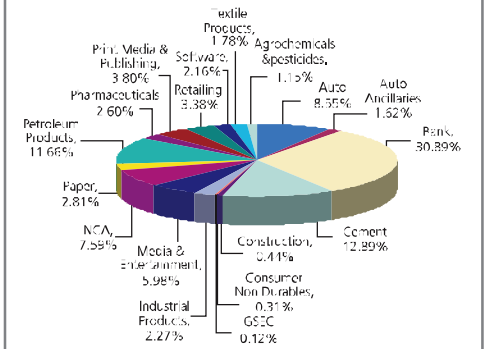
### Portfolio

Scrip	% of Portfolio
Grasim Industries Ltd.	8.39%
HPCL	7.82%
Zee Telefilms Ltd.	5.98%
Satyam Computers Ltd.	5.66%
Amtek auto Ltd.	5.29%
Birla Corporation Ltd.	4.50%
Federal Bank Ltd	4.36%
Karnataka Bank	4.25%
Oriental Bank Of Commerce Ltd	4.14%
Bharat Petroleum Corporation Ltd.	3.84%
Jagaran Prakashan Ltd.	3.80%
Bank Of Baroda Ltd	3.78%
Allahabad Bank	3.39%
Pantaloons Retail (I) Ltd.	3.38%
Punjab National Bank Ltd.	3.38%
Hero Honda Ltd.	3.26%
Ballarpur Industries Ltd.	2.81%
Nicholas Piramal India Ltd.	2.56%
Bharat Forge Ltd.	2.27%
Kale Consultants Ltd.	2.11%
Dena Bank	1.93%
Welspun India Ltd.	1.78%
Motherson Sumi Systems Ltd.	1.62%
Monsanto India Ltd.	1.15%
GMR Infrastructure Ltd.	0.44%
Glaxo Smithkline Consumer Healthcare Ltd.	0.31%
CG - 2006 - 5.71% (Floating Rate)	0.12%
Infosys Technologies Ltd.	0.05%
Ranbaxy Laboratories Ltd.	0.04%
Net Current Asset (NCA)	7.59%

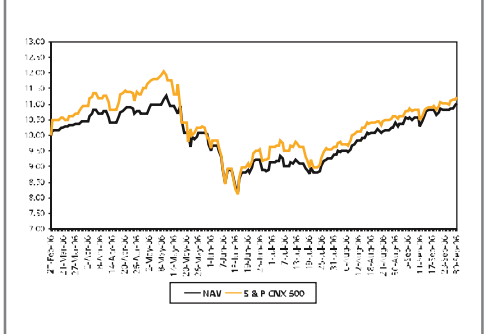
### Performance

	DBSCCF	S & P CNX 500
3 Months (91 Days)#	20.79%	16.61%
Since Inception# (27/02/06)	10.40%	12.31%
# Absolute Returns		
Past performance may or may not be sustained in future.		

### Sector Summary



### Returns Since Inception



### Disclaimer

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## DBS Chola Growth Fund

as on September 29, 2006

### Features

#### Type of Fund

Open-Ended Growth Scheme

#### Load Structure

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

#### Minimum Investment for New / Existing Investors

Rs. 5000/1000

#### Cut Off Time

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

#### Dividend Distribution

Quarterly

#### Inception Date

17-Sep-01

#### NAV

Quarterly Dividend Option : Rs. 15.47  
 Cumulative Option : Rs. 28.75

#### Benchmark Index

BSE Sensex

#### Fund Size

Rs. 24.67 Crores

#### Fund Manager

Tridib Pathak

### Style Matrix

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

### 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
Ultratech Cement Co.Ltd.	8.25%
Amtek Auto Ltd.	7.19%
HPCL Ltd.	7.03%
ICICI Bank Ltd.	6.47%
Pantaloon Retail (I) Ltd.	6.42%
Infosys Technologies Ltd.	6.34%
Satyam Computer Services Ltd.	5.77%
Mahindra & Mahindra Ltd.	5.36%
Bharat Heavy Electricals Ltd.	5.09%
ACC Ltd.	4.84%
Suzlon Energy Ltd.	3.82%
Unitech Ltd.	3.56%
Bank of Baroda	3.45%
Larsen & Toubro Ltd.	3.14%
HCL Technologies Ltd.	3.03%
Allahabad Bank Ltd	3.00%
Gammon India Ltd.	2.94%
Grasim Industries Ltd.	2.90%
Mahanagar Telephone Nigam Ltd.	2.47%
Oriental Bank Of Commerce Ltd	2.44%
Punjab National Bank Ltd.	2.40%
GMR Infrastructure Ltd.	0.36%
Net Current Asset (NCA)	3.73%

### Performance

	DBSCGF	BSE Sensex
3 Months (91 Days)#	19.64%	17.39%
6 Months (182 Days)#	7.12%	10.41%
1 Year\$	34.22%	43.98%
3 Years\$	44.27%	41.39%
5 Years\$	41.88%	34.67%
Since Inception\$	41.88%	35.96%

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

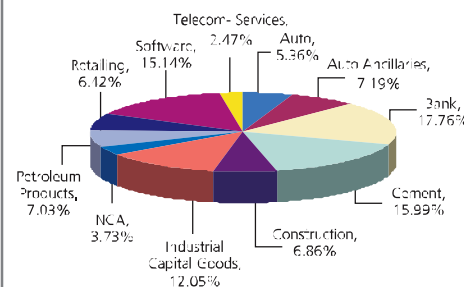
### Systematic Investment Plan - Returns

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

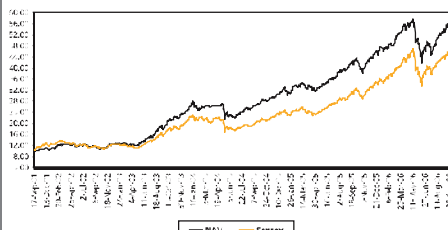
The Amount would have grown to		
	1 Year	3 Year
Total Amount	14,397	63,914
Annualised Return*	33.25%	34.88%

As on 30th September, 2006  
 Past performance may or may not be sustained in future.

### Sector Summary



### Returns Since Inception



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

### Dividend History

#### Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
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 September 29, 2006

## Features

### Type of Fund

Open-Ended Equity Scheme

### Load Structure

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

### Minimum Investment for New / Existing Investors

Rs. 5000/1000

### Cut Off Time

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

### Dividend Distribution

Declared as and when decided by the Trustees

### Inception Date

09-Aug-04

### NAV

Dividend Option : Rs. 13.92  
 Cumulative Option : Rs. 24.13

### Benchmark Index

CNX Midcap Index

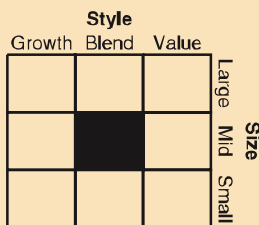
### Fund Size

Rs. 50.62 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
Pantaloen Retail (I) Ltd.	4.79%
Karnataka Bank	4.61%
Blue Dart Express Ltd.	4.52%
Madras Cement Ltd.	4.42%
Infotech Enterprises Ltd.	4.20%
Amtek Auto Ltd.	4.10%
Bharat Petroleum Corporation Ltd.	4.03%
Federal Bank Ltd	4.03%
Kesoram Industries Ltd.	3.68%
Balkrishna Industries Ltd.	3.20%
Goodlass Nerolac Paints Ltd.	3.15%
Dishman Pharmaceuticals & Chemicals	3.05%
Mahindra Gesco Developers Ltd.	3.05%
Goldiam International Ltd.	2.90%
Jain Irrigation Systems Ltd.	2.90%
Jagran Prakashan Ltd.	2.89%
Crompton Greaves Ltd.	2.80%
Vijaya Bank Ltd	2.74%
Unitech Ltd.	2.70%
Thermax Ltd.	2.69%
Engineers India Ltd.	2.63%
Geodesic Information Systems Ltd.	2.42%
Sintex Industries Ltd.	2.42%
Motherson Sumi System Ltd.	2.31%
Transport Corporation of India Ltd.	2.28%
Alfa Laval India Ltd.	2.25%
Voltas Ltd.	2.19%
Birla Corporation Ltd.	2.12%
Kale Consultants Ltd.	1.87%
Virma Labs Ltd.	1.64%
Shyreyas Shipping And Logistics Ltd.	1.63%
GlaxoSmithKline Consumer Healthcare Ltd.	1.28%
Arihant Foundations & Housing Ltd.	1.16%
Pitti Laminations Ltd	0.56%
D.S.Kulkarni Developers Ltd.	0.26%
Net Current Asset (NCA)	2.53%

## Performance

	DBSCMF	CNX Midcap Index
3 months (91days)#	20.65%	18.94%
6 months (184days)#	0.04%	-0.45%
1 Year \$	23.05%	23.03%
Since Inception\$ (09/08/04)	50.93%	45.04%

# Absolute Returns

\$ Compounded Annualised Returns

Past performance may or may not be sustained in future.

## Systematic Investment Plan - Returns

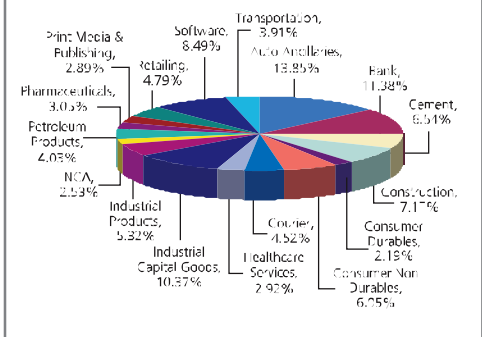
If you had invested Rs.1000/- per month for 1 year in DBS Chola MID Cap Fund (DBSCMF)

	Rs. 12000 would have grown to
DBSCMF	Rs.13,554
Annualised Return	22.32%

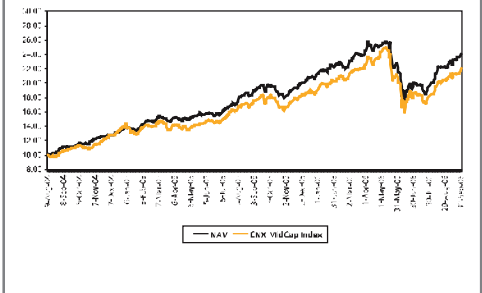
As on 30th September, 2006

Past performance may or may not be sustained in future.

## Sector Summary



## Returns Since Inception



## Dividend History

### Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
24-Nov-04	10	1.00	Rs. 12.67
24-Jan-05	10	1.00	Rs. 12.33
14-Mar-05	10	1.00	Rs. 12.86
19-Sep-05	20	2.00	Rs. 15.79
27-Mar-06	25	2.50	Rs. 16.36

Past performance may or may not be sustained in future.

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

## Disclaimer

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# DBS Chola Multi-Cap Fund

as on September 29, 2006

## Features

### Type of Fund

Open-Ended Equity Scheme

### Load Structure

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

### Minimum Investment for New / Existing Investors

Rs. 5000/1000

### Cut Off Time

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

### Dividend Distribution

Declared as and when decided by the Trustees

### Inception Date

28-Jan-05

### NAV

Dividend Option : Rs. 13.68  
 Cumulative Option : Rs. 17.16

### Benchmark Index

S&P CNX 500

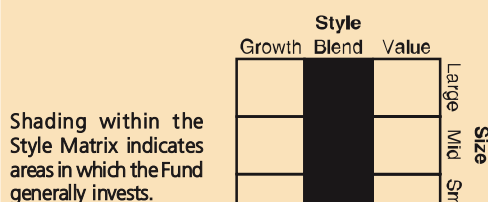
### Fund Size

Rs. 64.03 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, 59% of the fund is invested in large cap and around 32% 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

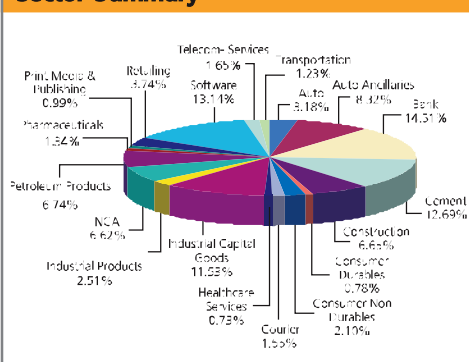
Scrip	% of Portfolio
HPCL Ltd.	6.25%
Ultratech Cement Co.Ltd.	4.80%
ICICI Bank Ltd.	4.69%
Infosys Technologies Ltd.	4.18%
Satyam Computers	4.07%
ACC Ltd.	3.79%
Pantaloon Retail (I) Ltd.	3.74%
Amtek Auto Ltd.	3.65%
Unitech Ltd.	3.21%
Mahindra & Mahindra	3.18%
Suzlon Energy Ltd.	2.84%
Bharat Heavy Electricals Ltd.	2.65%
Larsen & Toubro Ltd.	2.51%
Kesoram Industries Ltd.	2.44%
Bank of Baroda	2.05%
Madras Cements Ltd.	1.93%
Allahabad Bank	1.87%
Punjab National Bank Ltd.	1.84%
HCL Technologies Ltd.	1.75%
Infotech Enterprises Ltd.	1.74%
Gammon India Ltd.	1.73%
Mahanagar Telephone Nigam Ltd.	1.65%
Jain Irrigation Systems Ltd.	1.60%
Blue Dart Express Ltd.	1.55%
Oriental Bank Of Commerce	1.43%
Grasim Industries Ltd.	1.42%
Karnataka Bank	1.35%
Dishman Pharmaceuticals & Chemicals	1.34%
Balkrishna Industries Ltd.	1.33%
Mahindra Gesco Developers Ltd.	1.30%
Federal Bank Ltd.	1.28%
Goodlass Nerolac Paints Ltd.	1.19%
Crompton Greaves Ltd.	1.00%
Jagran Prakashan Ltd.	0.99%
Thermax Ltd.	0.97%
Goldiam International Ltd.	0.91%
Sintex Industries Ltd.	0.91%
Alfa Laval India Ltd.	0.81%
Geodesic Information Systems Ltd.	0.81%
Voltas Ltd.	0.78%
Birla Corporation Ltd.	0.75%
Engineers India Ltd.	0.75%
Virta Labs Ltd.	0.73%
Motherson Sumi System Ltd.	0.71%
Shreyas Shipping and Logistics Ltd.	0.68%
Kale Consultants Ltd.	0.59%
Transport Corporation of India Ltd.	0.55%
Bharat Petroleum Corporation Ltd.	0.49%
GMR Infrastructure Ltd.	0.32%
PITTI LAMINATION	0.19%
D.S.Kulkarni Developers Ltd.	0.09%
Net Current Asset (NCA)	6.62%

## Performance

	DBSCMCF	S&P CNX 500
1 Month (29 days)#	8.40%	6.42%
3 Months (91 Days)#	18.51%	16.61%
6 Months (182 Days)#	1.42%	2.68%
1 Year \$	24.35%	30.96%
Since Inception \$(28/01/05)	38.22%	38.63%

# Absolute Returns  
 \$ Compounded Annualised Returns  
 Scheme "DBS Chola Multi - Cap Fund (DBSCMCF)" was allotted on 28th Jan 05 and first NAV was declared on 09/02/05.  
 Past performance may or may not be sustained in future.

## Sector Summary



## Returns Since Inception



## Dividend History

### Regular Plan

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

Past performance may or may not be sustained in future.

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

## Disclaimer

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# DBS Chola Tax Saver Fund

as on September 29, 2006

## Features

### Type of Fund

Equity Linked Savings Scheme

### Load Structure

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

### Minimum Investment for New / Existing Investors

Rs. 500 & in multiples of Rs. 500 thereafter

### Cut Off Time

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

### Dividend Distribution

Declared as and when decided by the Trustees

### Inception Date

18-Nov-05

### NAV

Dividend Option : Rs. 12.25  
 Cumulative Option : Rs. 12.25

### Benchmark Index

BSE Sensex

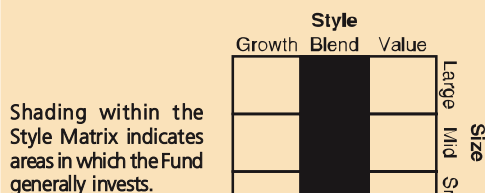
### Fund Size

Rs. 29.50 Crores

### Fund Manager

Tridib Pathak

## Style Matrix



## 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.

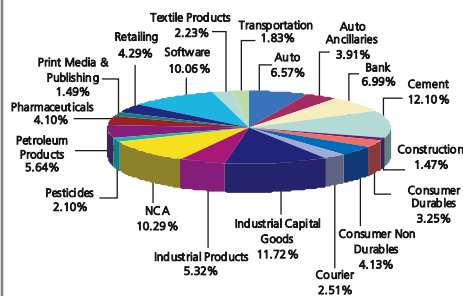
## Investment Objective

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.

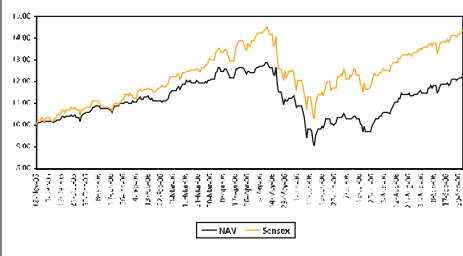
## Portfolio

Scrip	% of Portfolio
HPCL Ltd.	5.64%
ACC Ltd.	4.95%
Satyam Computers Services Ltd.	4.57%
Pantaloon Retail (I) Ltd.	4.29%
Mahindra & Mahindra Ltd	4.04%
Jain Irrigation Systems Ltd.	3.98%
Crompton Greaves Ltd.	3.30%
Grasim Industries Ltd.	3.22%
Karnataka Bank	3.19%
Suzlon Energy Ltd.	3.10%
Federal Bank Ltd.	3.09%
Balkrishna Industries Ltd.	3.05%
Infotech Enterprises Ltd.	2.98%
Madras Cements Ltd.	2.95%
Dishman Pharmaceuticals & Chemicals	2.92%
Goldiam International Ltd.	2.75%
Voltas Ltd.	2.70%
Vijaya Bank	2.53%
Blue Dart Express Ltd.	2.51%
Infosys Technologies Ltd.	2.51%
Thermax Ltd.	2.23%
United Phosphorus Ltd.	2.10%
Unitech Ltd.	2.02%
ICICI Bank Ltd.	1.78%
Jagaran Prakashan Ltd.	1.49%
Goodlass Nerolac Paints Ltd.	1.38%
Bharat Forge Ltd.	1.34%
Alok Industries Ltd.	1.29%
Nicholas Pirmal India Ltd.	1.18%
Transportation Corporation of India Ltd.	1.02%
Birla Corporation Ltd.	0.98%
Mahindra GESCO Developers Ltd.	0.96%
Amtek Auto Ltd.	0.86%
Shreyas Shippings & Logistics Ltd.	0.81%
Gokaldas Exports Ltd.	0.76%
Gitanjali Gems Ltd.	0.55%
GMR Infrastructure Ltd.	0.30%
D S Kulkarni Developers Ltd.	0.21%
Celebrity Fashions Ltd.	0.18%
Net Current Asset (NCA)	10.29%

## Sector Summary



## Returns Since Inception



## Performance

	DBSCTS F	SENSEX
3 Months (91 Days)#	18.47%	17.39%
6 Months (182 Days)#	1.07%	10.41%
Since Inception\$ (18/11/05)	22.50%	43.37%

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







# DBS Chola Triple Ace

as on September 29, 2006

## Features

### Type of Fund

Open-Ended Pure Income Fund

### Load Structure

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

### Minimum Investment for New / Existing Investors

Rs. 2000/1000

### Cut Off Time

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

### Dividend Distribution

Quarterly/Semi Annual

### Inception Date

31-Mar-97

### NAV

Quarterly Dividend Option : Rs. 11.2142  
 Semi Annual Dividend Option : Rs. 11.5253  
 Cumulative Option : Rs. 23.8174  
 Bonus Option : Rs. 13.2339

### Benchmark Index

CRISIL Composite Bond Fund Index

### Fund Size

Rs. 15.48 Crores

### Fund Manager

Ashish Nigam

## Fund Manager's Comments

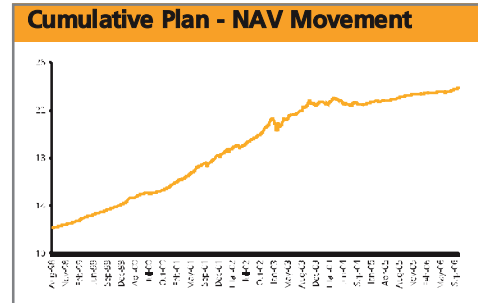
DBS Chola Triple Ace is long term income fund with investments in fixed instruments of all class and maturity. Utmost importance is given to the investment grade of the assets as the fund is CRISIL AAAf rated fund. The investment is in the highest rated instruments and based on the interest rate view 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.

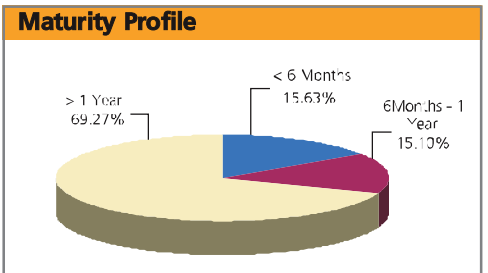
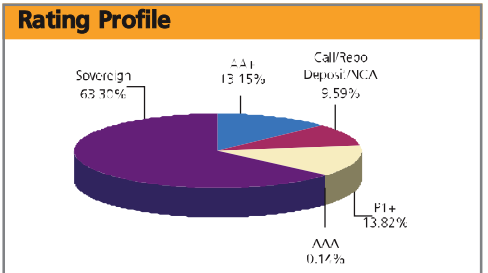
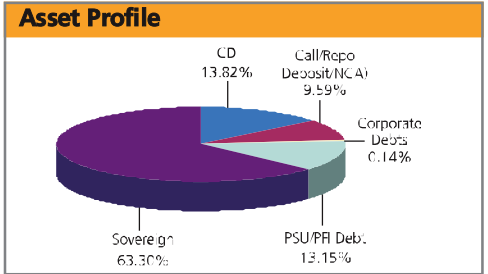
Portfolio		
Scrip	Weight	Rating
<b>Corporate Debt</b>		
Fleet Trust April		
2003 Series A2	0.14%	AAA
<b>PSU/PFI Debt</b>		
IDBI Omni Bond 2004		
(Floating Rate)	13.15%	AA+
<b>Sovereign</b>		
CG -2017 - 8.07%	63.30%	Sov
Federal Bank Ltd.	13.82%	P1+
Call/Repo Deposit/TBill	9.59%	

Avg Maturity	YTM
6.70 yrs	7.58%



	DBSCTA- Regular Cumulative	CRISIL Composite Bond Index
1 Month (29 Days)#	0.19%	0.60%
3 Months (91 Days)#	1.28%	1.70%
6 Months (182 Days)#	1.58%	2.75%
1 Year\$	2.64%	3.31%
3 Years\$	2.09%	2.84%
5 Years\$	6.34%	NA
Since Inception\$	9.56%	NA

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



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-Sep-03	2.5	0.25	Rs. 11.2634
29-Sep-03	75.0#	7.50	Rs. 22.3847
29-Dec-03	2.5	0.25	Rs. 11.1326
29-Mar-04	0.80	0.08	Rs. 10.9147
29-Mar-04^	27.5#	2.75	Rs. 14.2224
27-Sep-04^	0.6620*	0.0662	Rs.10.7427
27-Sep-04^	0.7080\$	0.0708	Rs.10.7427
27-Sep-04•	0.6620*	0.0662	Rs.11.0367
27-Sep-04•	0.7080\$	0.0708	Rs.11.0367

# Semi Annual Dividend option was carved out of the Cumulative Plan in Sept' 03  
 \* Corporate \$ Individual ^ DBSCTA Regular  
 • DBSCTA Semi Annual Dividend  
 Past performance may or may not be sustained in the future. The face value of the units is Rs. 10/-



# DBS Chola Freedom Income - Short Term Fund

as on September 29, 2006

## Features

### Type of Fund

Open-Ended Income Fund

### Load Structure

Entry Load : Nil  
Exit Load / CDS : 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. 10.9105  
Semi Annual Dividend Option : Rs. 11.3546  
Cumulative Option : Rs. 11.4455

Institutional -  
Monthly Dividend Option : Rs. 10.9105  
Cumulative Option : Rs. 11.5816

### Benchmark Index

CRISIL Short Term Fund Index

### Fund Size

Rs. 72.10 Crores

### Fund Manager

Ashish Nigam

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

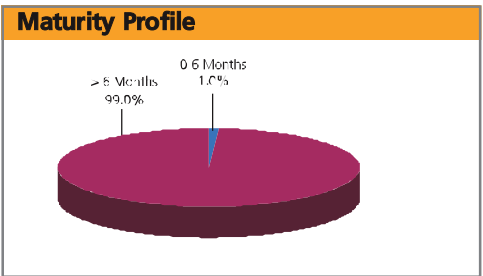
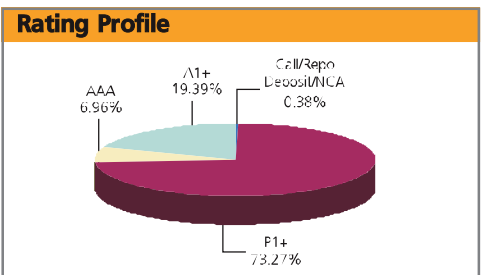
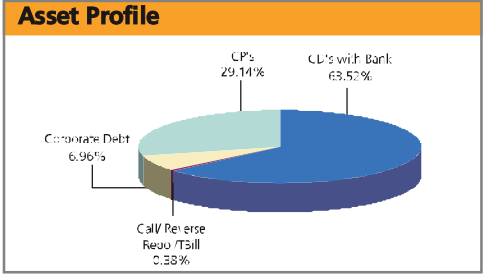
### Fund Manager's Comments

DBS Chola Freedom Income is a short-term fund. The scheme seeks to provide better returns than liquid fund. The duration of the fund is longer than the liquid fund and the investment is in fixed income assets ranging from cash/repo to corporate bonds and gilts with residual maturity of 5 years and less. The fund is rated AAAf by CRISIL for its credit quality.

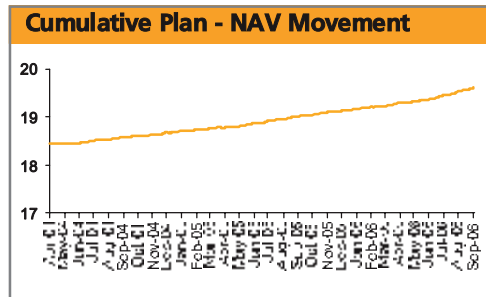
## Investment Objective

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.

Scrip	Weight	Rating
Corporate Debt		
Indian corp Loan Securities Trust-XI	6.96%	AAA
Federal Bank - CD - 10 July 07	13.04%	P1+
HSBC - CD - 11 Jul 07	13.03%	P1+
ICICI Home Finance Co. Ltd.	12.83%	A1+
GE Capital Services India Ltd.	9.75%	P1+
ICICI Bank Ltd	6.56%	A1+
Kotak Mahindra Bank	6.53%	P1+
UCO Bank Ltd	6.61%	P1+
UCO Bank Ltd	8.79%	P1+
Federal Bank	8.90%	P1+
Kotak Mahindra Bank	6.62%	P1+
Call/Repo Deposit/TBill	0.38%	



Avg Maturity	YTM
0.81yrs	8.00%



	DBSCHI- STF	DBSCHI- STF	CRISIL STF
	Institutional Index		
1 Month (29Days)#	0.65%	0.65%	0.49%
3 Months (91 Days)#	2.14%	2.15%	1.84%
6 Months (182 Days)#	3.28%	3.34%	3.58%
1 Year\$	5.46%	5.70%	4.77%
3 Year\$	4.61%	4.61%	4.25%
Since Inception\$	5.74%	N.A.	N.A.
# Absolute Returns	NA-Not Applicable		
\$ Compounded Annualised Returns	Past performance may or may not be sustained in future. The distribution tax has been included in the calculations of returns.		

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



# DBS Chola Liquid Fund

as on September 29, 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. 11.9321  
Cumulative Option : Rs. 14.6167

Institutional Plus-  
Weekly Dividend Option : Rs. 11.8988  
Cumulative Option : Rs. 14.6987

### Benchmark Index

CRISIL Liquid Fund Index

### Fund Size

Rs. 963.25 Crores

### Fund Manager

Ashish Nigam

## Fund Manager's Comments

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

## Investment Objective

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

### Portfolio

Scrip	Weight	Rating
<b>CD's with Banks</b>		
Federal Bank Ltd.	0.99%	P1+
Rabo India Finance Ltd.	10.66%	P1+
ICICI Bank Ltd	8.99%	P1+
GE CountryWide Consumer Fin. Ltd.	4.54%	P1+
UCO Bank Ltd.	4.34%	P1+
SBI Cards & Payments Ser. Ltd.	3.56%	P1+
Exim Bank Ltd.	3.46%	P1+
State Bank of Indore	3.04%	P1+
YES Bank	2.56%	A1+
Kotak Mahindra Primus Ltd	2.09%	P1+
Aditya Birla Nova Ltd.	2.05%	A1+
Britania Industries Ltd.	2.03%	P1+
HDFC Bank Ltd	1.98%	P1+
ING Vysya Bank Ltd.	1.95%	P1+
GE Capital Services India Ltd.	1.67%	P1+
IL & FS Ltd.	1.28%	P1+
IDBI Ltd.	1.02%	P1+
State Bank of Patiala Ltd.	1.02%	P1+
Apollo Tyres Ltd.	1.02%	P1+
Jagran Prakashan Ltd.	1.02%	P1+
American Express bank	1.01%	P1+
Bajaj Auto Finance Ltd	1.01%	P1+
Standard Chartered Loans & Investments Ltd	1.01%	P1+
Allahabad Bank	1.00%	P1+
Sundaram Finance Ltd.	0.50%	P1+
ICICI Home Finance Co.Ltd.	0.48%	A1+
<b>Other deposits</b>		
State Bank Of Patiala	4.15%	
Allahabad Bank	4.67%	
<b>Sovereign</b>		
GOI 6.30% 2006	0.52%	Sov.
<b>Corporate Debt</b>		
HDFC Ltd. (Floating rate)(	2.60%	AAA
IDBI Omni Bond 2004 (Floating Rate)	2.14%	AA+
Citi financial consumer Finance Ltd. (Floating Rate)	2.08%	AAA
UTI Bank - 1YR INBMK	1.59%	AAA
Citi financial consumer Finance Ltd.	1.56%	P1+
LC Housing Finance Ltd (Floating Rate)	1.07%	AAA
Rabo India Finance Pvt Ltd (Floating Rate)	1.07%	AAA
Mahindra and Mahindra Finance Ltd	1.06%	P1+
Sundaram home Finance Ltd. (Floating Rate)	1.06%	AAA
Indian Corporate Loan Security	1.04%	PR1 (So)
Indian Corporate Loan Security	1.04%	PR1 (So)

### Portfolio

Scrip	Weight	Rating
Tata Son Trust Series I	1.04%	P1+SO
ILFS Ltd.	0.55%	AAA
Citicorp Finance Ltd. (Floating Rate)	0.53%	AAA
Power finance Corporation	0.53%	AAA
Sundaram Finance Ltd (Floating Rate)	0.53%	MAAA
IBS TRUST	0.52%	AAA
Kotak Mahindra Primus Ltd	0.52%	P1+
Kotak Securities Ltd.	0.52%	P1+
Berger Paints Ltd. (Floating Rate)	0.52%	P1+
GE Countrywide CFS Ltd.	0.21%	AAA
Call/Repo Deposit/TBill	4.60%	

### Avg Maturity

147 days

### YTM

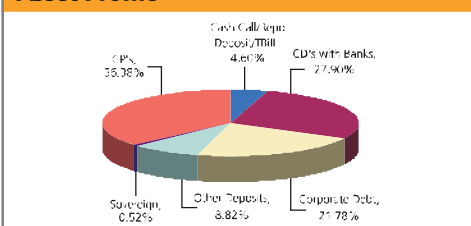
7.01%

### Performance

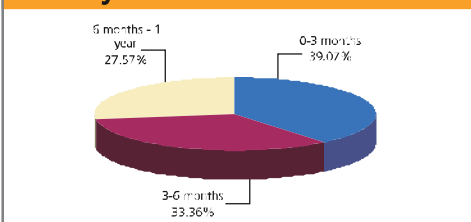
	DBSCLF- Cum	DCLF- Cum-Institu- tional Plus	CRISIL LF Index
7 Days#	0.1329%	0.1342%	0.12%
14 Days#	0.2634%	0.2674%	0.23%
1 Month (29 Days)#	0.54%	0.54%	0.45%
3 Months (91 Days)#	1.64%	1.66%	1.41%
6 Months (182 Days)#	3.28%	3.29%	3.03%
1 Year\$	6.27%	6.28%	5.58%
3 Years\$	5.35%	5.48%	4.70%
5 Years\$	5.82%	NA	NA
Since Inception\$	6.54%	NA	NA

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

### Asset Profile



### Maturity Profile



Contd...



## DBS Chola Short Term Floating Rate Fund

as on September 29, 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. 10.1738  
Cumulative Option : Rs. 10.7260

#### Benchmark Index

CRISIL Liquid Fund Index

#### Fund Size

Rs. 178.47 Crores

#### Fund Manager

Ashish Nigam

### 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
<b>Corporate Debt</b>		
IRFC - 5YR INBMK	5.64%	AAA
DSP ML Capital Ltd.	5.60%	AAA
Sundaram Finance Ltd.	5.60%	A1+
Berger Paints Ltd.	2.80%	P1+
Citi Financial Consumer Fin. Ltd	2.80%	AAA
Goetze India Ltd	2.80%	PR1+
Ge Capital Services Ltd.	2.80%	AAA
SBI Cards and Payment Ser. Ltd.	2.68%	P1+
Citicorp Maruti Finance Ltd.	2.83%	P1+
Exim Bank Ltd.	2.67%	P1+
ICICI Home Finance Co. Ltd.	2.59%	A1+
IBS trust Sep 2005	2.24%	AAA
IDBI Omni Bond 2004	1.31%	AA+
GE Capital services India Ltd.	0.26%	P1+
<b>Certificate Deposit</b>		
UCO Bank Ltd	6.31%	P1+
ING Vysya Bank	2.63%	P1+
ICICI Bank Ltd	2.63%	P1+
ICICI Bank Ltd	2.65%	A1+
HDFC Bank Ltd.	7.92%	P1+
Federal Bank	3.20%	P1+
<b>Other Deposits</b>		
HDFC Bank	8.26%	
Allahabad Bank	2.80%	
<b>Sovereign</b>		
CG-2006 - 6.30%	2.38%	Sov

### 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.

### Performance

	DBS CST-FFR	CRISIL Liquid Fund Index
3months ( 91 days)#	0.55%	0.45%
6months (182 days)#	3.33%	3.03%
1 Year\$	6.40%	5.58%
Since Inception\$(10/08/05)	6.36%	5.46%
# Absolute Returns	\$ Compounded annualised returns	
Past performance may or may not be sustained in future. The distribution tax has been included in the calculations of returns.		

### Dividend History

Date of Declaration (Last Dividend Declared)	% Unit	Rs./Unit	NAV as on date of declaration
29-May-06	0.3270*	0.0327	Rs. 10.1648
29-May-06	0.3510\$	0.0351	Rs. 10.1648

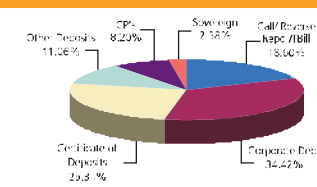
\* Corporate \$ Individual

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

### Avg Maturity

210 day 7.53%

### Asset Profile



## DBS Chola Floating Rate Fund

as on September 29, 2006

### Features

#### Type of Fund

Open-Ended Income Scheme

#### Load Structure

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

#### Minimum Investment for New / Existing Investors

Rs. 25000/1000

#### Cut Off Time

Purchase / Redemption : 3 p.m.

#### Dividend Distribution

Quarterly

#### Inception Date

25-Aug-04

#### NAV

Dividend Option : Rs. 10.2831  
Cumulative Option : Rs. 11.1715

#### Benchmark Index

CRISIL Liquid Fund Index

#### Fund Size

Rs. 3.11 Crores

#### Fund Manager

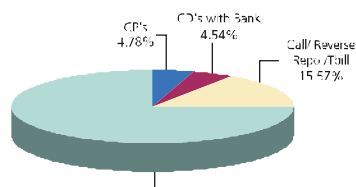
Ashish Nigam

### Investment Objective

The primary objective is to provide income consistent with the prudent risk from a portfolio comprising substantially of floating rate debt instruments, money market instruments and fixed rate debt instruments swapped for floating rate return.

Portfolio		
Scrip	Weight	Rating
<b>Corporate Debt</b>		
Bajaj Auto Finance Ltd	4.78%	P1+
UCO Bank Ltd.	4.54%	P1+
<b>Sovereign</b>		
182 Days TBILL	67.06%	Sov
GOI 6.30% 2006 -		
Floating Rate /Bond	8.05%	Sov
Call/Repo Deposit/TBill	15.57%	

### Asset Profile



### Fund Manager's Comments

DBS Chola Floating Rate Fund is designed to protect the investor from rising interest rates. The objective of the fund is to invest at least 65% of the corpus in floating rate instrument with benchmark linked to gilts of daily MIBOR.

### Performance

	DBSCFRF	CRISIL Liquid Fund Index
1 Month (29days)#	0.41%	0.45%
3 Months (91 Days) #	1.42%	1.41%
6 Months (182 Days) #	2.74%	3.03%
1 Year\$	5.43%	5.58%
Since Inception\$( 25/08/04)	5.43%	5.04%
# Absolute Returns	\$ Compounded Annualised Returns	
Past performance may or may not be sustained in the future. The distribution tax has been included in the calculations of returns.		

### Dividend History

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
26-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-Jun-06	1.3160\$	0.1316	Rs. 10.4106
26-Jun-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/-

### Avg Maturity

52 days 6.33%

## DBS Chola GILT Investment Plan

as on September 29, 2006

### Features

#### Type of Fund

Open-Ended Dedicated Gilts Schemes

#### Load Structure

Entry Load : Nil

Exit Load / CDSC : Nil

#### Minimum Investment for New / Existing Investors

Rs. 10000/1000

#### Cut Off Time

Purchase : 3 p.m.

Redemption : 3 p.m.

#### Dividend Distribution

Quarterly

#### Inception Date

29-Mar-00

#### NAV

Quarterly Dividend Option : Rs. 10.1121

Cumulative Option : Rs. 18.3851

#### Benchmark Index

ISEC-LI-BEX

#### Fund Size

Rs. 2.64 Crores

#### Fund Manager

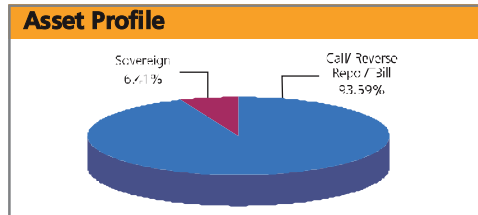
Ashish Nigam

## Investment Objective

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

Portfolio		
Scrip	Weight	Rating
<b>Sovereign</b>		
CG-2016 - 7.59%	6.41%	Sov
Call/Repo Deposit/TBill	93.59%	

Avg Maturity	YTM
0.01 yrs	6.07%



### 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\$	0.73%	4.22%
3 Years\$	2.80%	2.91%
5 Years\$	7.98%	N.A.
Since Inception\$	9.81%	N.A.

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 September 29, 2006

### Features

#### Type of Fund

Open-Ended Income Scheme with no assured returns

#### Load Structure

Entry Load : Nil

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

#### Minimum Investment for New / Existing Investors

Rs. 5000/1000 (Cum.)

Rs. 10000/1000 (Div.)

#### Cut Off Time

Purchase : 3 p.m.

Redemption : 3 p.m.

#### Dividend Distribution

Monthly/Quarterly

#### Inception Date

31-Jul-98

#### NAV

Monthly Dividend Option : Rs. 10.2890

Quarterly Dividend Option : Rs. 10.4477

Cumulative Option : Rs. 12.9095

Bonus Option : Rs. 12.9095

#### Benchmark Index

CRISIL Blended MIP Index

#### Fund Size

Rs. 8.77 Crores

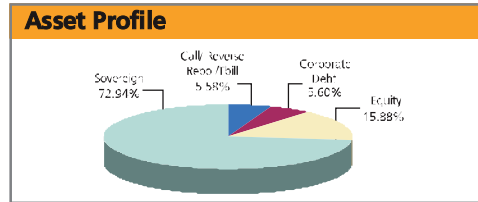
#### Fund Manager

Ashish Nigam

## 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
<b>Equity</b>		
Ultratech Cement Co. Ltd.	2.74%	Eq
Infosys Technologies Ltd	2.74%	Eq
Allahabad Bank	2.26%	Eq
Infotech Enterprises Ltd.	2.16%	Eq
Tata Consultancy Services Ltd	1.63%	Eq
Oriental Bank Of Commerce	1.55%	Eq
Birla Corporation Ltd	1.16%	Eq
Alfa Laval India Ltd	1.07%	Eq
Jagran Prakashan Ltd	0.31%	Eq
Punjab National Bank Ltd	0.18%	Eq
D. S Kulkarni Developers Ltd	0.07%	Eq
Celebrity Fashions Ltd	0.01%	Eq
<b>Corporate Debt</b>		
Fleet Trust April 2003 Series A2	0.96%	AAA
IDBI Omni Bond 2004 (Floating Rate)	4.64%	AAA
<b>Sovereign</b>		
GOI 6.30% 2006 -Floating Rate Bond	2.85%	Sov
182 Days TBILL	70.09%	Sov
Call/Repo Deposit/TBill	5.58%	



### Fund Manager's Comments

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

Performance		
	DBSCMIP*	CRISIL Blended MIP Index
1 Month (29 Days)#	1.28%	9.23%
3 Months (91 Days)#	3.63%	20.65%
6 Months (182 Days)#	3.52%	0.04%
1 Year\$	8.32%	23.05%
3 Year\$	7.85%	NA
Since Inception\$	8.84%	NA

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

### Dividend History

Regular Plan			
Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
27-Mar-06	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	YTM
0.12 yrs	5.20%

Total AUM as on September 2006 : Rs. 2,170.90 crores



Call: 1800 22 2300  
[www.dbscholamutualfund.com](http://www.dbscholamutualfund.com)  
 SMS: 'DBSCHOLA' at 4545

Discover the benefits of the Systematic Investment Plan from DBS Chola Mutual Fund. This discipline of small, but regular monthly savings also helps you average out your investment price arising from fluctuating market conditions, and leads to long term wealth creation. Save for a dream, for an emergency, or just to ensure your future.

SIP is available in the following equity schemes • DBS Chola Contra Fund • DBS Chola Growth Fund • DBS Chola Midcap Fund • DBS Chola Multi-Cap Fund • DBS Chola Tax Saver Fund • DBS Chola Global Advantage Fund • DBS Chola Opportunities Fund

Systematic Investment Plan from  
**DBS Chola**  
**MUTUAL FUND**

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 Coimbatore : 96949 45345 Delhi : 011 23353048 Hyderabad : 98490 20815 Jaipur : 98294 22699 Kolkata : 033 22837370/71 Lucknow : 96399 58537  
 Madurai : 98421 17174 Mangalore : 93422 55286 Mumbai : 022 8657400/2,2021042 Pune : 020 25510468 Salem : 99940 77006 Trichy : 98659 66013

**Investment Objectives:** • DBS Chola Growth Fund: The Scheme primarily seeks to generate long term capital appreciation income through investments in equity and equity related instruments; the secondary objective is to generate some current income and distribute dividend. • DBS Chola Midcap Fund: An open-ended equity scheme having an objective of generating capital appreciation by investing primarily in midcap stocks. The scheme will invest primarily in companies that have a market capitalization between Rs. 300 Crore to Rs. 3000 Crore. • DBS Chola Opportunities Fund: The Scheme will invest mainly to generate long-term capital appreciation from a diversified portfolio of equity-related securities. • DBS Chola Multi-cap Fund: To provide long term capital appreciation by investing in a well-diversified portfolio of equity & equity related instruments across all ranges of market capitalisation. • DBS Chola Global Advantage Fund: To provide long term capital appreciation and/or income distribution by investing predominantly in equity/equity related instruments of Indian companies with export competitiveness and Indian companies which have or which are expanding their business in global markets. • DBS Chola Tax Saver Fund : To provide long term capital appreciation by investing predominantly in equity and equity related instruments and also enabling investors to get income tax rebate as per the prevailing Tax Laws and subject to applicable conditions. • DBS Chola Contra Fund: The objective of the scheme is to generate capital appreciation by investing in equity and equity related instruments by using a 'contrarian strategy'. Contrarian investing refers to buying into fundamentally sound scripts which have underperformed/not performed to their full potential in their recent past. **Risk Factors:** All investments in Mutual Funds and Securities are subject to market risks and the NAV of the Scheme may go up or down, depending upon the factors and forces affecting the securities market. There cannot be any assurance that the Schemes' Investment Objectives can be achieved. The past performance of the AMC, Mutual Fund, the Sponsor or its Group affiliation is not indicative of the future performance of the Scheme. DBS Chola Growth Fund, DBS Chola Midcap Fund, DBS Chola Multi-Cap Fund, DBS Chola Opportunities Fund, DBS Chola Global Advantage Fund, DBS Chola Tax Saver Fund & DBS Chola Contra Fund are only the names of the Schemes and do not in any manner indicate the quality of the Schemes, their future prospects or returns. The Schemes do not guarantee any assured returns to the investors. Investors are requested to refer the offer document of the respective scheme carefully before making any investments. **Statutory Details:** DBS Chola Mutual Fund has been established as a trust under the Indian Trust Act, 1882 by Cholamandalam DBS Finance Limited (formerly known as Cholamandalam Investment and Finance Company Limited) (liability restricted to the seed corpus of Rs. 1 lakh) with DBS Cholamandalam Trustees Limited (formerly known as Cholamandalam Trustee Co., Ltd.) as the Trustee and DBS Cholamandalam Asset Management Limited (formerly known as Cholamandalam AMC Ltd.) as the Investment Manager.

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

## DBS CHOLAMANDALAM ASSET MANAGEMENT LIMITED

World Trade Centre, Centre One, 27th Floor, Unit 1, Cuffe Parade, Mumbai - 400 005  
India. Tel. : 91.22.6657 4000 Fax : 91.22.6657 4004  
www.dbscholamutualfund.com

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

### DBS CHOLAMANDALAM ASSET MANAGEMENT LIMITED - BRANCHES

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- Chennai 25307405 • Cochin 9895553190 • Coimbatore 9894945345 • Hyderabad 55737001 • Jaipur\* 9829422699 • Kolkata 22837370
- Lucknow\* 9839958537 • Madurai\* 9842117174 • Mangalore\* 9342255286 • Mumbai 66574000/22021042/22025451 • New Delhi 23353048
- Pune 25510468 • Salem\* 9994077006 • Trichy\* 9865966013

\* Application will not be accepted

### CAMS - INVESTOR SERVICE CENTRES / TRANSACTION POINTS

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- Rajahmundry: 0883 - 325 1357 • Rajkot: 0281 - 329 8158 • Ranchi: 0651 - 329 6202 • Rourkela: 0661-329 0575 • Salem: 0427 - 325 2271
- Sambalpur: 0663-329 0591 • Secunderabad: 040 - 3918 2471 • Siliguri: 0353-329 1103 • Surat: 0261 - 326 2267 • Trichur: 0487 - 325 1564
- Trichy: 0431 - 329 6906 • Thiruvananthapuram: 0471 - 324 0202 • Udaipur: 0294 - 329 3202 • Vadodara: 0265 - 301 8029
- Valsad: 02632 - 324 202 • Varanasi: 0542 - 325 3264 • Vijayawada: 0866 - 329 5202 • Visakhapatnam: 0891 - 329 8397 • Warangal: 0870 - 320 2063

**Toll Free No. : 1800-22-2300 or SMS: "DBSCHOLA" to 4545**

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