

Fact Sheet

March - 2007

For Private Circulation Only

DBS Chola

MUTUAL FUND

In News

DBS bets big on Hedged Equity

Our Business
SANDY/DAI

WITH the number of stock returns on the rise, DBS Chola Mutual Fund expects its Hedged Equity to give greater acceptance, with investors.

"Apart from the few nations which has one of the highest number of stock returns, Emerging fund assets invested in over 30-40 stocks which we have equity as 1/3 stock returns in the country. This should give funds like our Hedged Equity enough room to operate," according to Mr R Rajagopal, head of equities of DBS Chola Mutual Fund. He aims to generate returns during both bull and bear market phases as he believes opportunities are abundant in the spectrum, he added.

He said that hedging was getting importance in the country, given that typically the value of stocks put through in the futures and options (F&O) space was only twice the size of the spot (cash) market. It would be pertinent to mention here that Reliance Mutual Fund had also launched a similar equity fund — Reliance Equity Fund which generated its 1,700 crore during the year-end March (NFO) period.

The Hedged fund operates by hedging the portfolio by also buying futures and options which would help to hedge the cash (spot) market position that the fund would take.

Besides the 1/3 stock returns, the Hedged fund would also look to invest in stocks which are part of other the NIFTY 50-CHOLAMANDALAM.

The Hedged fund is the first offering after the arrival of DBS of Singapore as an equity partner in the Chennai-based Chola Mandalam Finance where subsidiary is DBS Chola Mandalam AMC. As of February 2007, DBS Chola Mutual Fund had Rs 2,475 crore assets under management.

Perfect timing, but there are hurdles

A review of the DBS Chola Hedged Equity Fund

Rajesh Kumar
writes

ALL the funds as a reliable guide in the recent period the launch of the DBS Chola Hedged Equity fund has been better.

The fund, which would invest more for value (price paid) than Rs 2,000, seeks to generate long-term capital by investing in equity and related instruments and seeks to achieve this by hedging a part of its equity exposure through derivatives.

Between 2004, all the schemes' assets would be invested in equity and equity-related instruments, while the rest would be invested in debt and money market instruments. Its objective is to generate attractive returns with low risk and around 10% of the net assets of the scheme. The scheme would invest in all sectors to hedge the equity portfolio with suitable products.

Derivative is a contract or an agreement to enter into or sell an asset. In this case stocks or index funds, and derivative is an option to buy or sell.

Her intention of the fund manager is to use the fund manager's expertise to invest in the stock market, to hedge the risk of the stock market to the extent of the fund manager's expertise.

However, the fund manager is expected to be able to hedge the risk of the stock market to the extent of the fund manager's expertise. It is expected that the fund manager will be able to hedge the risk of the stock market to the extent of the fund manager's expertise.

However, if the stock does not move as per the expectations of the fund manager, the returns to the investor will be lower than expected. The fund manager will have to bear the cost of the hedge, which will reduce the returns to the investor.

Given that hedging, which protects investors from volatility, the fund manager also has the option to hedge a part of the portfolio. By taking an opposite position in the futures market, a part of the hedging strategy the net returns of the scheme may fall lower than the stock market alone.

In the other hand, if the fund manager takes a hedged position when the stock market moves up, the returns of the portfolio will be lower than the stock market alone.

Therefore, the returns of the scheme will depend a lot on the timing of the hedge and the fund manager's expertise.

Another hurdle for the fund manager is to hedge the risk of the stock market to the extent of the fund manager's expertise. It is expected that the fund manager will be able to hedge the risk of the stock market to the extent of the fund manager's expertise.

DBS Chola Hedged Equity Fund

Investment Objective: To generate long-term capital by investing in equity and related instruments and to hedge a part of the equity exposure through derivatives.

Investment Strategy: The fund will invest in all sectors to hedge the equity portfolio with suitable products.

Risk Factor: The fund is subject to market risk, credit risk, and liquidity risk.

Minimum Investment: Rs 2,000

Exit Load: 1% per annum

Expense Ratio: 1.5% per annum

NAV: Rs 10.00

DBS Chola Hedged Equity Fund is a new offering from DBS Chola Mutual Fund. It is a hedge fund that aims to provide a steady return to investors by investing in a diversified portfolio of stocks and derivatives. The fund is expected to be a good choice for investors looking for a long-term investment opportunity.

Publication : DNA Money
Date : Saturday, March 17, 2007

Publication : The Economic Times
Date : Wednesday, March 07, 2007

DBS Chola unveils Hedged Equity Fund

Chennai, March 16: DBS Chola Mutual Fund, on Tuesday announced that its DBS Chola Hedged Equity Fund, was open for subscription. Starting reporter Chief Executive Officer Manoj, said the special equity scheme offers both conservative and dividend options for investors.

SIP route
The minimum application amount during the offer period is Rs 1,000. In 2007, the fund was Rs 5,000 and is multiples of Rs 1

lakh. Investors can take the SIP route for investing in the fund, he added. The units will be offered at Rs 10 per unit plus applicable load of 1.5 per cent.
Effectively an investor on his application amount of Rs 5,000, after the entry load of 1.5 per cent, will be offered roughly 400 units, Mr Manoj said. Investors who wish to reduce their units within six months will attract an exit load of 1.5 per cent.
The SIP will be declared from mid-April and

on a daily basis. The fund proceeds to invest in equities and equity related instruments, including equity derivatives instruments to the extent of 10 to 20 per cent or also in debt and money market instruments to the extent of 80 per cent.
The fund will track the Nifty 50. Many units as its benchmark and will only invest in the domestic market, explained Mr Manoj. The creation of the fund is part of the fund's strategy to meet investor demand for a hedge fund offering. Value investors.

Publication : Deccan Herald
Date : Wednesday, March 07, 2007

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

In recent times, all asset classes including industrial commodities, crude, precious metals and equities, across globe were primarily driven by shifting views on the prospects of the U.S. economy. Beyond U.S., the developments in general remained positive. In Japan, expansion appears to be balanced as consumption has started catching up to the income growth. Despite rate hike by Chinese authorities two weeks ago, the growth momentum continues to remain strong on back of strong exports, investments and domestic consumption.

Back home all key segments of economy including financial markets and corporate experienced one of the toughest liquidity conditions. The extremely tight liquidity situation was primarily due to RBI's continued effort to bring inflation under comfortable zone. In the month of February RBI has decided to increase the CRR in two phases of 25 bps to 6%. The advance tax outflow on March 15 added fuel to the fire. Due to these country specific factors our markets underperformed on a relative basis as compared to other emerging markets.

During the month S&P CNX Nifty gained 2.02% to close at 3821 points. During the same period in the Asia Pacific region KOSPI of South Korea was up by 2.45%, STI Singapore by 4.57% and JCI of Indonesia by 5.11%. SHCOMP of China and MEXBOL of Mexico were the outperforming markets with a return of 10.48% and 7.91% respectively.

As a part of its strategy to intensify the ongoing war against rising inflation, RBI announced additional measures on March 30. It raised its short-term lending rate, the repo rate by 25 basis points, to 7.75% with immediate effect. Cash reserve ratio (CRR) has also been hiked by half a percentage point. The cash reserve ratio will rise to 6.50% in two tranches, the first on 14 April and the second on 28 April. As a result these steps and uncertainties related to the global funds flow, we expect markets to be volatile. The concerns of the adverse impact of appreciation of Indian Rupee against US dollar on the earnings of IT sector may further increase the volatility in the market.

To mitigate the negative impact of volatility on the portfolio returns, DBS Chola has launched its new equity product "DBS Chola Hedged Equity Fund". The new fund is perfect candidate for investment as this fund seeks to minimize risk by using hedging instruments such as index and stock derivatives. The aim of the fund is to optimize returns by minimizing the volatility of the portfolio.

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

RBI took a lot of instrumental steps in an effort to bring down inflation. Inflation has been hovering around 6.00%-6.45% which is clearly above the target of 5.00-5.50%, and way above RBI's tolerance levels. To contain inflation RBI took host of measures. The central bank announced CRR hike by 50 basis points, in two branches, which will drain the system liquidity by 155bn, thus streamlining the system for expected inflows and keeping the liquidity under tight leash. RBI raised the repo rate by 25bps (to 7.75%) to control the momentum of credit off-take. The rise in the key rates indicates RBI's effort to slow down the overheated credit growth and control the money supply. RBI also imposed a cap of Rs.3000 Crs on the amount which it can borrow daily in the Liquidity Adjustment Facility (LAF) at 6%. This move by the central bank indicated diversion of funds into other high safety avenues in terms of credit. RBI announced the maximum limit (200% of the net owned funds) to which a bank can borrow in the inter-bank market. This move was in line with the central bank's efforts to slow down and channelise lending by the banks.

Along with these anti-inflationary measures, RBI has been very actively managing the liquidity. Even after the completion of the borrowing program through an auction of 7000Crs, RBI mopped up Rs.14000 Crs through Market Stabilization Scheme (MSS). The overnight rates were under tremendous pressure with system facing an outflow of Rs.35000- 40000Crs. The tight liquidity pushed up the MIBOR to a high of 69%, call rates touching a high of 110% and CBLO showing an intra-month high of 21%.

On the international front, US data indicated a slow down with a lot of predictions over rate cut by Fed. Crude oil prices rose from a low of \$52 to \$65 on account of US-Iraq standoff.

Going forward, we expect the overnight interest rates to be costly with system carrying a minimum positive liquidity. The rates in the sovereign debt market are expected to be on the higher side with 10 year benchmark hovering around above 8% level. With the start of fresh borrowing by the government in next month, we expect the markets to be volatile in the short term as well as the long term papers.

On this backdrop we still continue to advise investments in short-duration assets and avoid any mark-to-market risk on the portfolio. In this regard, we think investors need a product that has low interest rate risk but which has the potential to deliver higher returns compared with other short duration products such as liquid funds/short term floating rate funds/FMPs. We recommend DBS Chola Treasury Management Fund. This fund invests in very short-duration money market instruments, MIBOR linked instruments and overnight lending. Also we recommend DBS Chola ST Floating Rate Fund which has assets biased towards overnight rates but has a mix of fixed and floating rate assets. This ensures any liquidity shock will translate into higher returns in these funds but would also outperform even in benign interest rate scenario.

DBS Chola Contra Fund

as on March 31, 2007

Features

Type of Fund

Open-Ended Equity Scheme

Load Structure

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

Minimum Investment for New / Existing Investors

Rs. 5000/1000

Cut Off Time

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

Dividend Distribution

Declared as and when decided by the Trustees

Inception Date

27-Feb-06

NAV

Dividend Option : Rs. 10.78
 Cumulative Option : Rs. 10.78

Benchmark Index

S & P CNX 500

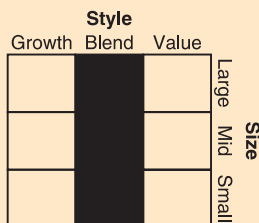
Fund Size

Rs. 64.92 Crores

Fund Manager

R. Rajagopal

Style Matrix



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

Fund Manager's Comments

DBS Chola 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.

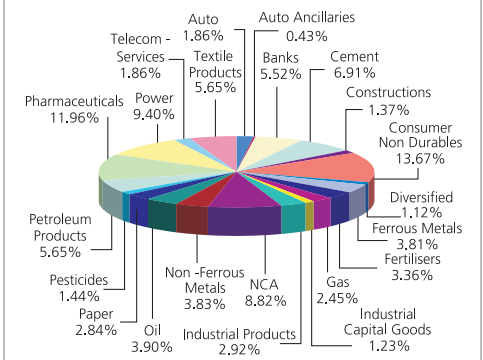
Portfolio

Scrip	% of Portfolio
Hindustan Lever Ltd	7.27%
Nicholas Piramal India Ltd.	5.19%
Reliance Energy Ltd	4.57%
Oil & Natural Gas Corporation Ltd	3.90%
Hindalco Industries Ltd.	3.83%
Tata Steel Ltd.	3.81%
Aditya Birla Nuvo Ltd	3.78%
Dr. Reddy's Labs Ltd.	3.37%
Tata Chemicals Ltd.	3.36%
Indian Oil Corporation Ltd.	3.15%
Bharat Forge Ltd	2.92%
Ballarpur Industries Ltd	2.84%
Colgate-Palmolive (India) Ltd	2.65%
Indian Petro Chemical Corp. Ltd.	2.50%
Gujarat Ambuja Cements Ltd.	2.47%
Gail India Ltd.	2.45%
Indian Tobacco Company Ltd.	2.44%
Tata Power Ltd	2.35%
Corporation Bank	2.21%
Ranbaxy Ltd.	2.17%
Welspun India Ltd	1.87%
Videsh Sanchar Nigam Ltd.	1.86%
JK Lakshmi Cement Ltd.	1.58%
Neyveli Lignite Corporation Ltd.	1.55%
India Cements Ltd.	1.50%
Monsanto India Ltd	1.44%
Associated Cement Companies Ltd.	1.36%
ICICI Bank Ltd.	1.31%
Maruti Udyog Ltd.	1.26%
Cipla Ltd.	1.23%
Suzlon Energy Ltd.	1.23%
State Bank of India	1.15%
Technocraft Industries (I) Ltd.	1.12%
Tata Tea Ltd	0.94%
National Thermal Power Corp Ltd	0.93%
Hindustan Construction Co. Ltd.	0.92%
HDFC Bank Ltd.	0.73%
Mahindra and Mahindra Ltd.	0.60%
IVRCL Infrastructures and Projects Ltd.	0.45%
Amtek India Ltd.	0.43%
Dabur India Ltd.	0.37%
Industrial Development Bank of India	0.12%
Net Current Asset (NCA)	8.82%

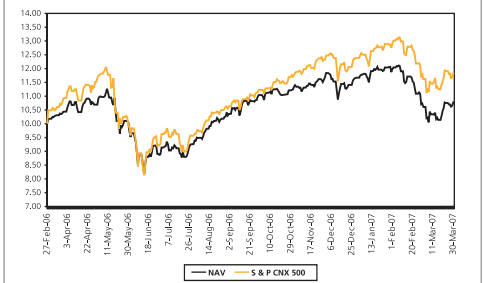
Performance

	DBSCCF	S & P CNX 500
3 Months (90 Days)#	-7.63%	-4.54%
6 Months (182 Days)#	-2.36%	5.26%
1 year \$	3.26%	8.07%
Since Inception \$ (27/02/06)	7.15%	16.63%
# Absolute Returns \$ Compounded Annualised Returns		
Past performance may or may not be sustained in future.		

Sector Summary



Returns Since Inception



Systematic Investment Plan - Returns

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

Rs. 13,000 would have grown to	
	13 Month
Total Amount	Rs. 13,217
Annualised Return	2.94%

As on 30th March, 2007

Past performance may or may not be sustained in future.

DBS Chola Growth Fund

as on March 31, 2007

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. 14.06
 Cumulative Option : Rs. 29.77

Benchmark Index

S&P CNX Nifty

Fund Size

Rs. 34.90 Crores

Fund Manager

R. Rajagopal

Style Matrix

	Style			Size
	Growth	Blend	Value	
Large				
Mid				
Small				

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

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 capital goods, telecom services 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
Reliance Industries Ltd.	6.99%
Larsen & Toubro Ltd	5.20%
Indian Hotel Ltd.	4.60%
Mahindra and Mahindra Ltd	4.47%
Siemens Ltd.	4.38%
Infosys Technologies Ltd	4.34%
Reliance Communications Ltd	4.22%
Bharat Heavy Electricals Ltd.	4.21%
Bharti Airtel Ltd.	4.05%
Maruti Udyog Ltd.	4.00%
Indian Tobacco Company Ltd.	3.25%
ICICI Bank Ltd.	3.18%
Gujarat Ambuja Cements Ltd.	2.95%
State Bank Of India	2.85%
Aditya Birla Nuvo Ltd	2.79%
Oil & Natural Gas Corporation Ltd.	2.78%
Tata Motors Ltd.	2.71%
Dabur India Ltd.	2.69%
Hindustan Lever Ltd.	2.65%
Tata Consultancy Services Ltd.	2.65%
HDFC Bank Ltd.	2.60%
Punj Lloyd Ltd.	2.53%
Sun Pharmaceuticals Industries Ltd.	2.42%
Dr. Reddy's Labs Ltd.	2.30%
Cipla Ltd.	2.04%
Satyam Computer Services Ltd	2.02%
Steel Authority of India Ltd.	1.31%
Videsh Sanchar Nigam Ltd.	1.15%
Reliance Energy Limited	1.09%
Indian Petro Chemical Corp. Ltd.	1.09%
HCL Technologies Ltd.	1.04%
Suzlon Energy Ltd	1.00%
Wipro Ltd	0.56%
State Bank of Bikaner & Jaipur -CD-07 June 07	4.94%
Net Current Asset (NCA)	-1.05%

Performance

	DBSCGF	S&P CNX Nifty
3 Months (90 Days)#	-7.69%	-3.65%
6 Months (182 Days)#	3.55%	6.50%
1 Year\$	10.92%	12.31%
3 Year\$	31.27%	29.20%
5 Year\$	36.81%	27.54%
Since Inception\$	38.02%	26.15%

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

Systematic Investment Plan - Returns

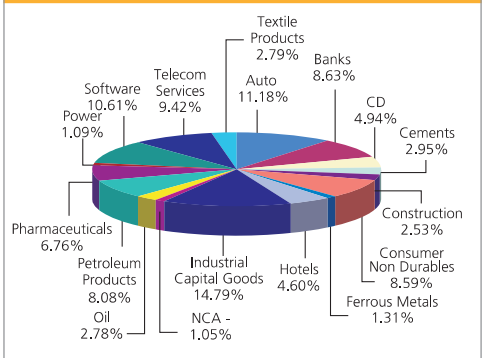
If you had invested Rs.1000/- starting of every month in DBS Chola Growth Fund (DBSCGF)

The Amount would have grown to		
	3 Years	5 Years
Total Amount	Rs. 56,717/-	Rs. 1,56,958/-
Annualised Return	32.00%	39.71%

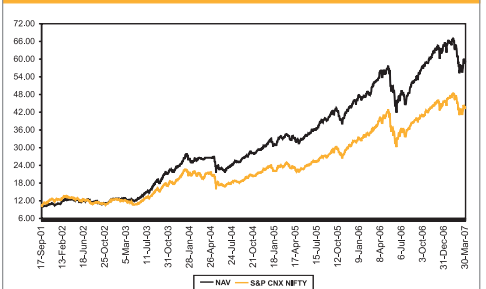
As on 30th March, 2007

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

Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
12-Dec-06	20	2.00	Rs. 16.17
27-Mar-06	15	1.50	Rs. 15.78
3-Oct-05	20	2.00	Rs. 14.83
28-Mar-05\$	10	1.00	Rs. 12.30
10-Dec-04	10	1.00	Rs. 12.42
29-Mar-04	10	1.00	Rs. 11.71
28-Jan-04	10*	1.00	Rs. 12.64
29-Dec-03	30	3.00	Rs. 15.42
29-Sept-03	20	2.00	Rs. 13.76
30-Jun-03	20	2.00	Rs. 12.24

\$ 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 March 31, 2007

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. 14.09
 Cumulative Option : Rs. 24.43

Benchmark Index

CNX Midcap Index

Fund Size

Rs. 36.00 Crores

Fund Manager

R. Rajagopal

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 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.

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
Amtek Auto Ltd	4.81%
Dishman Pharmaceuticals and Chemicals Ltd.	4.32%
Mahindra Gesco Developers Ltd	4.12%
Thermax Ltd	4.09%
Amtek India Ltd	3.57%
Infotech Enterprises Ltd.	3.52%
Sintex Industries Ltd	3.46%
Crompton Greaves Ltd.	3.34%
Kansai Nerolac Paints Ltd.	3.31%
Jagran Prakashan Ltd.	3.16%
Deepak Fertilisers & Petrochemicals Ltd.	3.13%
GlaxoSmithkline Con.Healthcare Ltd.	3.05%
Federal Bank Ltd	3.00%
Vijaya Bank Ltd.	2.89%
Motherson Sumi System Ltd	2.73%
Transport Corporation of India Ltd	2.67%
Bharati Shipyard Ltd.	2.61%
Voltas Ltd	2.60%
Century Textiles	2.42%
Alfa Laval India Ltd.	2.36%
Greaves Cotton Ltd.	2.28%
Karnataka Bank	2.27%
Engineers India Ltd	2.19%
Goldiam International Ltd	2.19%
Industrial Development Bank Of India	2.16%
Jain Irrigation Systems Ltd.	2.07%
Kesoram Industries Ltd	1.90%
Shreyas Shipping and Logistics Ltd	1.70%
Arihant Foundations & Housing Ltd	1.64%
Birla Corporation Ltd.	1.51%
Madhucon Projects Ltd.	1.45%
Hindustan Construction Co. Ltd.	1.38%
Action Construction Equipment Ltd.	1.32%
Hanung Toys and Textiles Ltd.	1.31%
Kale Consultants Ltd.	1.24%
3i Infotech Ltd	1.18%
Madras Cements Ltd	1.13%
Royal Orchid Hotels Ltd	0.94%
Virta Labs Ltd	0.91%
Trent Ltd	0.36%
UCO Bank Ltd- CD - 01 Aug 07	0.27%
Net Current Asset (NCA)	3.44%

Performance

	DBSCMF	CNX Midcap Index
3 months (90days)#	-8.36%	-6.73%
6 months (182days)#	1.24%	3.38%
1 Year \$	-0.45%	1.31%
Since Inception (09/08/04) \$	40.24%	36.87%

Absolute Returns

\$ Compounded Annualised Returns

Past performance may or may not be sustained in future.

Systematic Investment Plan - Returns

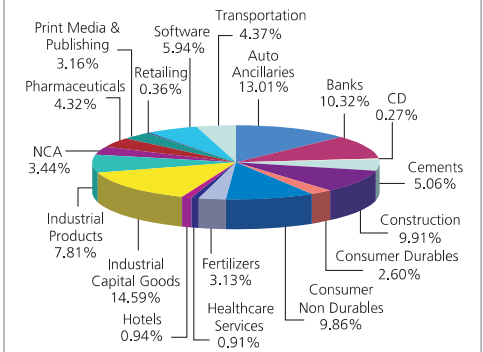
If you had invested Rs.1000/- starting of every month in DBS Chola Midcap Fund (DBSCMF)

	The Amount would have grown to	
	1 Year	2 Years
Total Amount	Rs.12,294/-	Rs. 28,455/-
Annualised Return	4.63%	17.42%

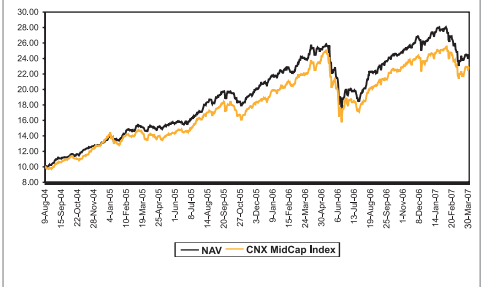
As on 30th March, 2007

Past performance may or may not be sustained in future.

Sector Summary



Returns Since Inception



Dividend

Regular Plan

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

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 March 31, 2007

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. 13.74
 Cumulative Option : Rs. 17.24

Benchmark Index

S&P CNX 500

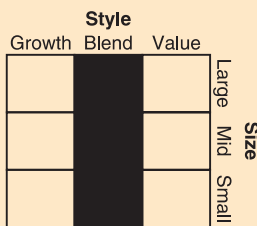
Fund Size

Rs. 51.90 Crores

Fund Manager

R. Rajagopal

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.

Investment Objective

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

Portfolio

Scrip	% of Portfolio
Reliance Industries Ltd.	5.02%
Mahindra & Mahindra Ltd.	4.89%
Grasim Industries Ltd.	4.41%
Oil & Natural Gas Corporation Ltd	4.41%
Hindustan Zinc Ltd	4.35%
Siemens Ltd.	4.20%
Hindustan Lever Ltd	4.15%
Infosys Technologies Ltd	4.08%
Satyam Computer Services Ltd.	3.85%
Bharti Airtel Ltd	3.68%
Reliance Communications Ltd	3.65%
Pantaloon Retail (India) Ltd.	3.63%
Ranbaxy Ltd	3.39%
National Thermal Power Corp Ltd	3.18%
Larsen & Toubro Ltd.	3.12%
Dr. Reddy's Labs Ltd.	2.81%
Bharat Heavy Electricals Ltd	2.61%
Tata Motors Ltd.	2.24%
Wipro Ltd.	2.16%
Suzlon Energy Ltd	2.12%
Kotak Mahindra Bank Ltd.	1.85%
Volta Ltd	1.85%
Indian Cements Ltd.	1.64%
Associated Cement Companies Ltd.	1.56%
Blue Dart Express Ltd	1.48%
Amtek India Ltd.	1.33%
Birla Corporation Ltd.	1.33%
Technocrat Industries (I) Ltd.	1.26%
Indian Tobacco Company Ltd	1.16%
Kansai Nerolac Paints Ltd.	1.09%
Pochiraju Industries Ltd.	0.90%
Mphasis BFL Software Ltd.	0.82%
Jain Irrigation Systems Ltd.	0.81%
Autoline Industries Ltd.	0.79%
Prism Cements Ltd.	0.76%
Sasken Communication Tech. Ltd	0.60%
Transport Corporation of India Ltd	0.59%
3i Infotech Ltd.	0.58%
State Bank of India	0.57%
Shreyas Shipping and Logistics Ltd	0.38%
Tata Consultancy Services Ltd.	0.36%
HCL Technologies Ltd.	0.11%
State Bank of Bikaner & Jaipur - CD- Jun 07	2.28%
UCO Bank Ltd -CD- 01 Aug 07	1.22%
Net Current Asset (NCA)	2.73%

Performance

	DBSCMCF	S&P CNX 500
1 Month (31days)#	-0.35%	1.21%
3 Month (90 Days)#	-8.93%	-4.54%
6 Month (182 Days)#	0.47%	5.26%
1 Year \$	1.89%	8.07%
Since Inception \$(28/01/05)	28.53%	31.62%

Absolute Returns

\$ Compounded Annualised Returns

Past performance may or may not be sustained in future.

Systematic Investment Plan - Returns

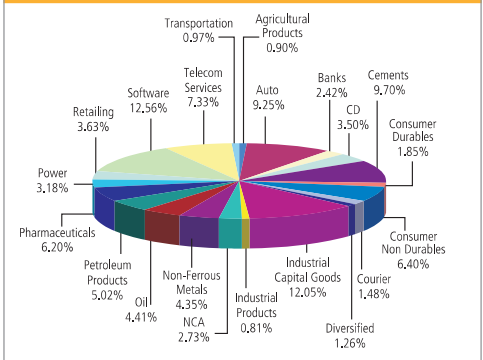
If you had invested Rs.1000/- starting of every month in DBS Chola Multi-Cap Fund (DBSCMCF)

The Amount would have grown to		
	1 Year	Since Inception
Total Amount	Rs.12,223/-	Rs. 28,425/-
Annualised Return	3.51%	17.31%

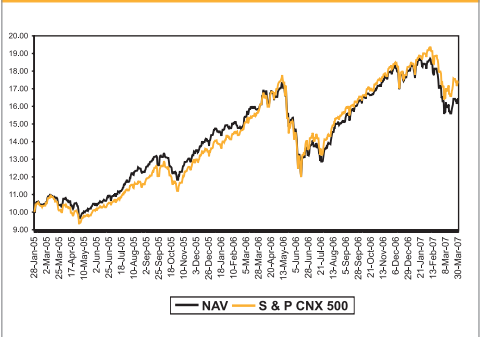
As on 30th March, 2007

Past performance may or may not be sustained in future.

Sector Summary



Returns Since Inception



Dividend

Regular Plan

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

Past performance may or may not be sustained in future.

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

DBS Chola Tax Saver Fund

as on March 31, 2007

Features

Type of Fund

Equity Linked Savings Scheme

Load Structure

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

Minimum Investment for New / Existing Investors

Rs. 500 & in multiples of Rs. 500 thereafter

Cut Off Time

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

Dividend Distribution

Declared as and when decided by the Trustees

Inception Date

18-Nov-05

NAV

Dividend Option : Rs. 11.73
 Cumulative Option : Rs. 12.63

Benchmark Index

S&P CNX Nifty

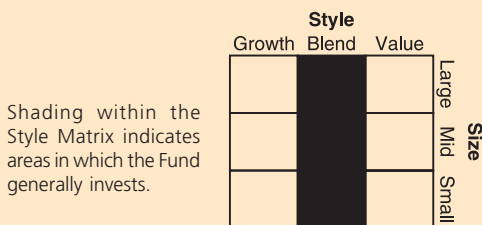
Fund Size

Rs. 30.79 Crores

Fund Manager

R. Rajagopal

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.

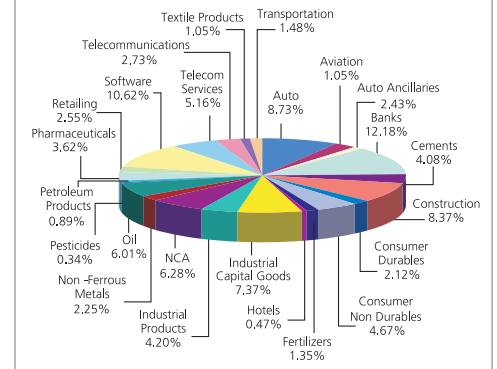
Portfolio

Scrip	% of Portfolio
Oil & Natural Gas Corporation Ltd	6.01%
Kotak Mahindra Bank Ltd.	5.06%
Bharat Forge Ltd	4.20%
Grasim Industries Ltd.	4.08%
Satyam Computer Services Ltd.	3.96%
Videsh Sanchar Nigam Ltd.	3.92%
Mahindra & Mahindra Ltd.	3.80%
Infosys Technologies Ltd	3.74%
Crompton Greaves Ltd.	3.59%
Punj Lloyd Ltd.	3.17%
Karnataka Bank	2.78%
Reliance Communications Ltd.	2.73%
Suzlon Energy Ltd	2.73%
Colgate-Palmolive (India) Ltd.	2.70%
Tata Motors Ltd	2.67%
Pantaloon Retail (India) Ltd.	2.55%
Dishman Pharmaceuticals and Chemicals Ltd.	2.45%
Wipro Ltd	2.45%
Balkrishna Industries Ltd	2.43%
GMR Infrastructure Ltd.	2.31%
Maruti Udyog Ltd.	2.26%
Voltas Ltd	2.12%
HDFC Bank Ltd.	1.86%
Hindustan Zinc Ltd.	1.83%
Parsvnath Developers Ltd	1.78%
Vijaya Bank Ltd.	1.38%
Tata Chemicals Ltd.	1.35%
Bharti Airtel Ltd	1.24%
Nicholas Piramal India Ltd.	1.17%
Mahindra Gesco Developers Ltd.	1.11%
Alok Industries Ltd.	1.05%
Deccan aviation Ltd	1.05%
Larsen and Toubro Ltd.	1.05%
Kansai Nerolac Paints Ltd	0.99%
Indian Tobacco Company Ltd	0.98%
State Bank of India	0.97%
Reliance Industries Ltd.	0.89%
Transport Corporation of India Ltd	0.85%
Shreyas Shipping & Logistics Ltd	0.63%
HCL Technologies Ltd.	0.47%
Indian Hotel Ltd.	0.47%
Hindalco Industries Ltd.	0.42%
United Phosphorus Ltd.	0.34%
Indian Bank	0.13%
Net Current Asset (NCA)	6.28%

Performance

	DBSCTS F	S&P CNX Nifty
3 Months (90 Days)#	-7.88%	-3.65%
6 Months (182 Days)#	3.10%	6.50%
1 Year \$	4.21%	12.31%
Since Inception \$ (18/11/05)	18.66%	31.87%
# Absolute Returns		
\$ Compounded Annualised Returns		
Past performance may or may not be sustained in future.		

Sector Summary



Dividend

Regular Plan

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

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

Systematic Investment Plan - Returns

If you had invested Rs. 1000/- starting of every month in DBS Chola Tax Saver Fund (DBSCTF)

	Rs. 15,000 would have grown to
	15 Month
Total Amount	Rs. 15,915
Annualised Return	9.34%

As on 30th March, 2007

Past performance may or may not be sustained in future.

Lock-in Period

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

DBS Chola Opportunities Fund

as on March 31, 2007

Features

Type of Fund

Open-Ended Growth Fund

Load Structure

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

Minimum Investment for New / Existing Investors

Rs. 3000/1000

Cut Off Time

Purchase / Redemption : 3 p.m.

Dividend Distribution Inception Date

Quarterly 27-Nov-97

NAV

Quarterly Dividend Option : Rs. 16.86

Cumulative Option : Rs. 25.93

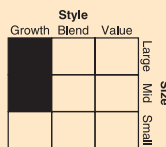
Benchmark Index Fund Size

S&P CNX Nifty Rs. 10.88 Crores

Fund Manager

R. Rajagopal

Style Matrix



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

Investment Objective

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

Portfolio	
Scrip	% of Portfolio
Punj Lloyd Ltd.	5.22%
Reliance Industries Ltd.	5.04%
Dr. Reddy Labs Ltd.	5.02%
ICICI Bank Ltd.	4.70%
Reliance Communications Ltd	4.25%
Hindustan Lever Ltd	4.01%
Deep Industries Ltd.	3.98%
Bharati Airtel Ltd.	3.86%
Infosys Technologies Ltd.	3.71%
HCL Technologies Ltd.	3.61%
Dabur India Ltd	3.49%
Bharat Heavy Electricals Ltd	3.32%
Kotak Mahindra Bank Ltd.	3.25%
Century Textiles	3.01%
Grasim Industries Ltd.	2.88%
Indian Tobacco Company Ltd.	2.78%
Sasken Communication Technologies	2.76%
Suzlon Energy Ltd	2.76%
Tata Motors Ltd	2.68%
Satyam Computer Services Ltd.	2.57%
Neyveli Lignite Corporation Ltd.	2.37%
Reliance Energy Ltd	2.27%
Corporation Bank	1.99%
Gujarat Ambuja Cements Ltd.	1.96%
Ashok Leyland Ltd	1.85%
Unitech Ltd	1.78%
HDFC Bank Ltd.	1.75%
3i Infotech Ltd.	1.55%
Bharat Forge Ltd.	1.45%
Mahindra & Mahindra Ltd	1.43%
Parsvnath Developers Ltd	1.19%
State Bank of India	0.91%
Technocrat Industries (I) Ltd.	0.83%
Maruti Udyog Ltd	0.68%
UCO Bank Ltd - CD- 01 Aug 07	9.86%
Net Current Assesst (NCA)	-4.74%

Fund Manager's Comments

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

Performance

	DBSCOF	S&P CNX Nifty
1 Month (31 Days)#	2.17%	2.04%
3 Months (90 Days)#	-6.76%	-3.65%
6 Months (182 Days)#	8.68%	6.50%
1 Year\$	21.68%	12.31%
3 Years \$	32.33%	29.20%
Since Inception \$*	28.24%	27.89%

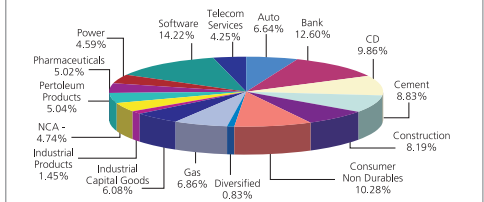
Absolute Returns \$ Compounded Annualised Returns
*Returns calculated from 11/12/2003, when the scheme was repositioned as DBS Chola Opportunities Fund.
Past performance may or may not be sustained in future.

Dividend

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

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

Sector Summary



DBS Chola Global Advantage Fund

as on March 31, 2007

Features

Type of Fund

Open-Ended Equity Scheme

Load Structure

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

Minimum Investment for New / Existing Investors

Rs. 5000/1000

Cut Off Time

Purchase / Redemption : 3 p.m.

Dividend Distribution

Declared as and when decided by the Trustees

Inception Date

30-May-05

NAV

Dividend Option : Rs. 12.17

Cumulative Option : Rs. 12.98

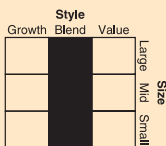
Benchmark Index Fund Size

S&P CNX 500 Rs. 16.70 Crores

Fund Manager

R. Rajagopal

Style Matrix



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

Investment Objective

To provide long term capital appreciation and/or income distribution by investing predominantly in equity/equity related instruments of Indian companies with export competitiveness and Indian companies which have or which are expanding their business in global markets.

Portfolio	
Scrip	% of Portfolio
Thermax Ltd	6.32%
Dishman Pharmaceuticals and Chemicals Ltd.	6.12%
Satyam Computer Services Ltd.	6.03%
Bharat Forge Ltd	5.38%
Voltas Ltd	5.10%
Kale Consultants Ltd.	4.93%
Crompton Greaves Ltd.	4.78%
Infosys Technologies Ltd	4.69%
Welspun India Ltd	4.65%
Motherson Sumi System Ltd	4.48%
Suzlon Energy Ltd	4.43%
Balkrishna Industries Ltd	4.30%
Gokaldas Exports Ltd	4.25%
United Phosphorus Ltd.	3.56%
Alok Industries Ltd.	3.19%
Vimta Labs Ltd	3.06%
Goldiam International Ltd	2.40%
Infotech Enterprises Ltd.	1.52%
Net Current Assesst (NCA)	20.81%

Fund Manager's Comments

The investment in DBS Chola Global Advantage Fund has been done without any bias towards large cap or mid cap stocks, but it keeping with the objective of investing in globally competitive companies.

Performance

	DBSCGAF	S&P CNX 500
1 Month (31 Days)#	-3.50%	1.21%
3 Month (90 days)#	-11.41%	-4.54%
6 Months (182 days)#	-3.78%	5.26%
1 Year \$	-9.99%	8.07%
Since Inception\$ (30/05/05)	15.22%	34.75%

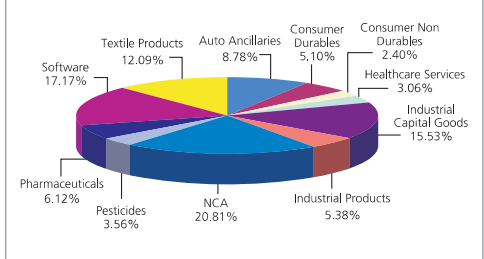
Absolute Returns \$ Compounded Annualised Returns
Scheme "DBS Chola Global Advantage Fund (DCGAF)" was launched on 19th Apr 05 & units allotted on 30th May 05
Past performance may or may not be sustained in future.

Dividend

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

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

Sector Summary



AAAF^{*}
rated by
CRISIL

ICRA~MFR 1^{*}

DBS Chola Liquid Fund

as on March 31, 2007

Features

Type of Fund

Open-Ended Liquidity Income Scheme

Load Structure

Entry Load : Nil
Exit Load / CDSC : Nil

Minimum Investment for New / Existing Investors

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

Cut Off Time

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

Dividend Distribution

Daily / Weekly

Inception Date

04-Oct-00

NAV

Regular-
Weekly Dividend Option : Rs. 11.9946
Cumulative Option : Rs. 15.1436

Institutional Plus-
Weekly Dividend Option : Rs. 11.9604
Cumulative Option : Rs. 15.2446

Super Institutional Plan
Cumulative Option : Rs. 10.3639

Benchmark Index

CRISIL Liquid Fund Index

Fund Size

Rs. 188.22 Crores

Fund Manager

Ashish Nigam

Fund Manager's Comments

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

Investment Objective

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

Portfolio

Scrip	Weight	Rating
Corporate Debt		
Citi Financial Consumer Finance (FR)	13.99%	AAA
IDBI Omni Bond 2004 (FR)	12.42%	AA+
Mahindra and Mahindra Finance Ltd (Floating Rate)	7.04%	AA+
Mahindra and Mahindra Finance Ltd 3yr INBMK	5.41%	P1+
Sundaram Home Finance Ltd. 3yr INBMK	5.39%	AAA
IRFC - 5YR INBMK	4.30%	AAA
Rabo India Fin Pvt. Ltd (FR)	4.02%	AAA
IBS TRUST Sept 2005 - PTC	3.72%	AAA (so)
ICICI Bank Ltd	9.75%	3.72% AAA
PFC - 5YR INBMK	2.66%	AAA
Sundaram Fin. Ltd -(FR)	2.16%	MAAA
GFL Loan Trust Series 1	1.45%	F1+(so)
CD's with Bank		
IDBI Ltd	12.64%	P1+
GE Capital Services India Ltd.	10.37%	P1+
Jammu and Kashmir Bank Ltd.	2.54%	P1+
Federal Bank Ltd.	2.47%	P1+
ICICI Bank Ltd	2.42%	P1+
SBI Cards & Payment Services	1.40%	P1+
UCO Bank Ltd	0.96%	P1+
State Bank of Bikaner & Jaipur	0.45%	P1+
Kotak Mahindra Bank Ltd	0.03%	P1+
Cash (Call/Repo Deposit/TBill)	0.44%	

Performance

	DBS CLF- Cum	DBSCLF- Cum. Inst. Plus	DBSCLF- Cum. Super Inst. Plan	CRISIL LF Super Index
7 Days#	0.1349%	0.1393%	0.1391%	0.21%
14 Days#	0.2874%	0.2954%	0.2961%	0.38%
1 Month (31 Days)#	0.63%	0.65%	0.6546%	0.68%
3 Months (90 Days)#	1.78%	1.84%	1.85%	1.77%
6 Months (182 Days)#	3.59%	3.69%	NA	3.24%
1 Year\$	7.00%	7.13%	NA	6.37%
3 Years\$	5.80%	5.91%	NA	5.13%
5 Years\$	5.77%	NA	NA	NA
Since Inception\$#	6.60%	NA	3.64%*	66.97%

Absolute Returns

NA - Not Applicable

\$ Compounded Annualised Returns

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

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

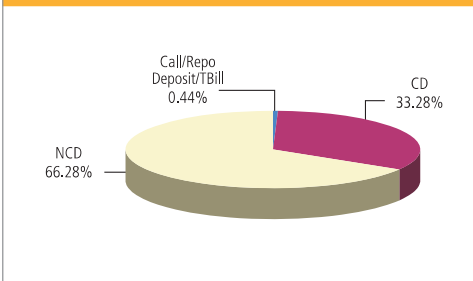
Avg Maturity

153 day

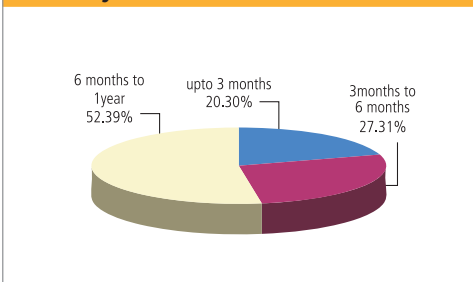
YTM

7.93%

Asset Profile



Maturity Profile



* For 3 years period ending 31 Dec, 2006

AAAF
rated by
CRISIL

ICRA~MFR 1*

DBS Chola Short Term Floating Rate Fund

as on March 31, 2007

Features	
Type of Fund	
Open-Ended Income Scheme	
Load Structure	
Entry Load	: Nil
Exit Load / CDSC	: Nil
Minimum Investment for New / Existing Investors	
Rs. 5000/1000	
Cut Off Time	
Purchase	: 12 a.m.
Redemption	: 3 p.m.
Dividend Distribution	
Daily / Weekly / Monthly	
Inception Date	
10-Aug-05	
NAV	
Monthly Dividend Option	: Rs. 10.2229
Cumulative Option	: Rs. 11.1643
Benchmark Index	
CRISIL Liquid Fund Index	
Fund Size	
Rs. 655.43 Crores	
Fund Manager	
Ashish Nigam	
Fund Manager's Comments	
DBS Chola Short Term Floating Rate Fund is a quasi - liquid fund with more than 50% of the assets in floating rate assets. Investments are in highest rated instruments. The duration of the portfolio is in the range of 100-150 days.	

Investment Objective

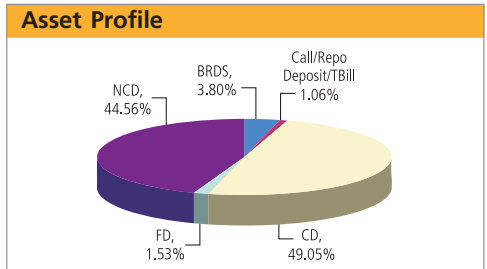
The investment objective of the scheme is to generate regular income to investment in a portfolio comprising substantially of floating rate debt/money market instrument, fixed rate debt/money market instruments swapped for floating rate return, and fixed rate debt securities, govt. securities & money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

Portfolio		
Scrip	Weight	Rating
Corporate Debt		
Rabo India Fin Pvt. Ltd (FR)	12.79%	AAA
Kotak Mah Prime Ltd. (FR)	6.87%	P1+
Ge Capital Services Ltd. (FR)	5.38%	AAA
Mahindra and Mahindra Finance Ltd (Floating Rate)	3.29%	AA+
GFL Loan Trust Series 1	2.77%	F1+(so)
IDBI Ltd - (5 yr GSec)	2.36%	AA+
Exim Bank Ltd. (Floating Rate)	1.60%	AAA
ICICI Bank Ltd.(1Yr INBMK)	1.54%	P1+
Kotak Mahindra Prime Ltd -10.73%	1.53%	P1+
Sundaram Fin. Ltd -(Floating Rate)	1.53%	A1+
HDFC Ltd. (Floating Rate)	1.52%	AAA
Federal Mogul Goetze India - 9.25%	1.07%	PR1+
Citicorp Maruti Finance Ltd.(FR)	0.77%	AAA
Citi Financial Consumer Finance (FR)	0.77%	AAA
DSP ML Capital Ltd.(Floating Rate)	0.77%	AAA
CD's with Bank		
Exim Bank Ltd.	6.54%	P1+
DSPML Capital Services Ltd.	5.13%	P1+
First India Credit Corp.Ltd.	3.70%	A1+
IDBI Ltd	3.64%	P1+
Karur Vysya Bank Ltd	3.63%	P1+
ICICI Home Finance Co. Ltd.	2.94%	A1+
L & T Finance Ltd.	2.92%	PR1+
Jindal Steel and Power Ltd.	2.89%	A1+
UCO Bank Ltd	2.50%	P1+
HDFC Bank Ltd	2.24%	P1+
ING Vysya Bank Ltd.	2.23%	P1+
Federal Bank Ltd.	2.18%	P1+
SBI Cards & Payment Services	1.64%	P1+
Standard Chartered Bank	1.51%	P1+
Kotak Mahindra Bank Ltd	1.15%	P1+
HDFC Ltd	0.76%	P1+
ICICI Bank Ltd	0.76%	A1+
Standard Chartered Investments & Loan	0.75%	P1+
HSBC Ltd	0.75%	P1+
UTI Bank Ltd	0.72%	P1+
State Bank of Indore	0.45%	P1+
State Bank of Bikaner & Jaipur	0.02%	P1+
BRDS		
BRDS -HDFC Bank Ltd - 11/4/07	3.80%	
Other Deposits		
UTI Bank Ltd.	1.53%	
Cash (Call/Repo Deposit/TBill)	1.06%	

Performance		
	DBS CST-RRF	CRISIL Liquid Fund Index
3months (90 days)#	2.10%	1.77%
6months (182 days)#	4.07%	3.24%
1 Years\$	7.56%	6.37%
Since Inception\$(10/08/05)	6.95%	5.80%
# Absolute Returns	\$ Compounded annualised returns	
Past performance may or may not be sustained in future. The distribution tax has been included in the calculations of returns.		

Dividend			
Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
28-Mar-07	0.5560*	0.0556	10.2095
28-Mar-07	0.5970\$	0.0597	10.2095
27-Feb-07	0.5020*	0.0502	10.2064
27-Feb-07	0.5390\$	0.0539	10.2064
* Corporate		\$ Individual	
Past performance may or may not be sustained in the future. The face value of the units is Rs. 10/-			

Avg Maturity	YTM
96 days	21.68%



* For 1 year period ending 31 Dec, 2006

DBS Chola Treasury Management Fund

as on March 31, 2007

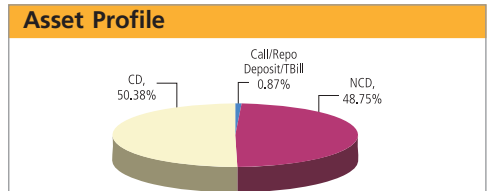
Features	
Type of Fund	
Open-Ended Liquid Fund	
Load Structure	
Entry Load	: Nil
Exit Load / CDSC	: Nil
Minimum Investment for New / Existing Investors	
Rs. 5000/1000	
Cut Off Time	
Purchase	: 12 a.m.
Redemption	: 3 p.m.
Dividend Distribution	
Daily / Weekly	23 March 07
NAV	
Cumulative Option	: Rs. 10.0459
Benchmark Index	
CRISIL Liquid Fund Index	
Fund Size	
Rs. 176.47 Crores	
Fund Manager	
Ashish Nigam	

Investment Objective

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

Portfolio		
Scrip	Weight	Rating
Corporate Debt		
Kotak Mah Prime Ltd. (Floating Rate)	11.34%	P1+
Indian Corp Loan Securi. Trust -XV	8.51%	PR1 (so)
DSP ML Capital Ltd.(Floating Rate)	5.91%	AAA
Citicorp Finance Ltd (Floating Rate)	5.85%	AAA
Rabo India Fin Pvt. Ltd (Floating Rate)	5.81%	AAA
Federal Mogul Goetze India - 11.20%	5.10%	PR1+
Rabo India Fin Pvt. Ltd (Floating Rate)	4.53%	P1+
Federal Mogul Goetze India - 9.25%	1.70%	PR1+
CD's with Bank		
Rabo India Finance Ltd. -CP-23 May 07	13.93%	P1+
Standard Chartered Bank-CD-04 May 07	8.42%	P1+
Federal Bank Ltd. -CD- 14 Dec 07	7.90%	P1+
Federal Bank Ltd. -CD- 21 Mar 08	7.71%	P1+
UCO Bank Ltd - CD - 01 Aug 07	5.80%	P1+
Union Bank - CD - 27 Mar 08	5.12%	P1+
State Bank of Indore - CD -14 May 07	0.56%	P1+
ICICI Bank Ltd - CD - 27 Feb 08	0.52%	P1+
SBI Cards & Payment Services-CP-11 May 07	0.28%	P1+
State Bank of Bikaner & Jaipur - CD- 07 Jun 07	0.14%	P1+
Cash (Call/Repo Deposit/TBill)	0.87%	

Performance		
	DBSCTMF	CRISIL Liquid Fund Index
Since Inception#	0.46%	0.21%
# 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.		



Avg Maturity	YTM
65 days	29.55%

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

AAAF^{*}
rated by
CRISIL

DBS Chola Freedom Income - Short Term Fund

as on March 31, 2007

Features

Type of Fund

Open-Ended Income Fund

Load Structure

Entry Load : Nil
Exit Load / CDSC : 0.15% if redeemed within one month.

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 Inception Date

Monthly/Semi Annual 08-Mar-02*

NAV

Regular -
Monthly Dividend Option : Rs. 10.9005
Semi Annual Dividend Option : Rs. 11.7370
Cumulative Option : Rs. 11.8323
Institutional -
Monthly Dividend Option : Rs. 10.8990
Cumulative Option : Rs. 11.9743

Benchmark Index

CRISIL Short Term Fund Index

Fund Size

Rs. 16.51 Crores

Fund Manager

Ashish Nigam

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

Investment Objective

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

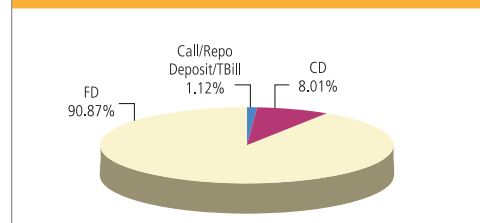
Portfolio		
Scrip	Weight	Rating
CD's with Bank		
State Bank of Bikaner &		
Jaipur -CD- 07 Jun 07	6.51%	P1+
Exim Bank Ltd.-CP- 08 May 07	1.50%	P1+
Other Deposits		
UTI Bank Ltd.	90.87%	
Cash (Call/Repo Deposit/TBill)	1.12%	

Avg Maturity	YTM
53 days	7.80%

Fund Manager's Comments

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

Asset Profile



Dividend

Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
26-Mar-07^^	0.5000*	0.0500	11.0189
26-Mar-07^^	0.5370\$	0.0537	11.0189
26-Mar-07^	0.5010*	0.0501	11.0200
26-Mar-07^	0.5380\$	0.0538	11.0200

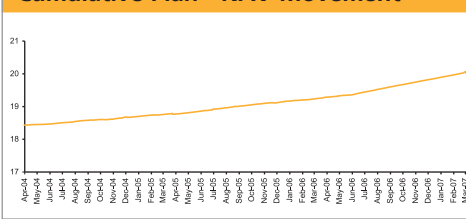
* Corporate \$ Individual
^ DBSCFI-STF Regular ^^ DBSCFI-STF Institutional
Past performance may or may not be sustained in the future. The face value of the units is Rs. 10/-

Performance

	DBSCFI-STF	DBSCFI-STF Institutional	CRISIL STF Index
1 Month (31 Days)#	0.21%	0.21%	0.53%
3 Months (90 Days)#	1.47%	1.48%	0.91%
6 Months (182 Days)#	3.40%	3.41%	2.03%
1 Year\$	6.79%	6.86%	5.68%
3 Year\$	4.99%	4.99%	4.18%
Since Inception\$	5.85%	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.

Cumulative Plan - NAV Movement



DBS Chola Floating Rate Fund

as on March 31, 2007

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 Inception Date

Quarterly 25-Aug-04

NAV

Dividend Option : Rs. 10.4103
Cumulative Option : Rs. 11.4518

Benchmark Index

CRISIL Liquid Fund Index

Fund Size

Rs. 2.76 Crores

Fund Manager

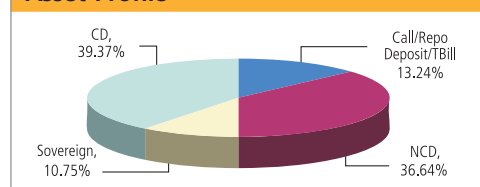
Ashish Nigam

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
Corporate Debt		
Rabo India Fin Pvt. Ltd (FR)	18.27%	AAA
Sundaram Fin. Ltd -(Floating Rate)	18.37%	MAAA
Sovereign		
91 Days TBILL 25 May 07	10.75%	Sov
CD's with Bank		
Federal Bank Ltd. -CD - 31 May 07	10.74%	P1+
Kotak Mahindra Primus Ltd - CP- 11 May 07	8.99%	P1+
UCO Bank Ltd - CD - 12 Jul 07	8.87%	P1+
Kotak Mahindra Bank Ltd - CD -10 Apr 07	7.23%	P1+
Kotak Mahindra Bank Ltd.- CD - 24 July 07	3.54%	P1+
Cash (Call/Repo Deposit/TBill)	13.24%	

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 (31days)#	0.30%	0.68%
3 Months (90 Days) #	1.22%	1.77%
6 Months (182 Days) #	2.52%	3.24%
1 Year\$	5.32%	6.37%
Since Inception (25/08/04)\$	5.36%	5.33%

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

Dividend

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
26-Dec-06	1.0620*	0.1062	Rs. 10.4182
26-Dec-06	1.1400\$	0.1140	Rs. 10.4182
25-Sep-06	1.0620*	0.1062	Rs. 10.4076
25-Sep-06	1.1400\$	0.1140	Rs. 10.4076

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

Avg Maturity

30.44 days

YTM

4.18%



DBS Chola Triple Ace

as on March 31, 2007

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. 11.4073
 Semi Annual Dividend Option : Rs. 11.7236
 Cumulative Option : Rs. 24.2274
 Bonus Option : Rs. 13.4617

Benchmark Index

CRISIL Composite Bond Fund Index

Fund Size

Rs. 14.50 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		
Mahindra and Mahindra Finance Ltd (FR)	15.24%	AA+
IRFC - 5YR INBMK	13.95%	AAA
Rabo India Fin Pvt. Ltd (FR)	13.91%	AAA
IBS TRUST Sept 2005 - PTC	13.82%	AAA (so)
IDBI Omni Bond 2004 (FR)	10.10%	AA+
Sundaram Fin. Ltd -(FR)	3.50%	MAAA
Sovereign		
91 Days TBILL 25 May 07	9.56%	Sov
CD's with Bank		
Kotak Mahindra Bank Ltd - CD -10 Apr 07	6.20%	P1+
State Bank of Bikaner & Jaipur - CD- 07 Jun 07	3.74%	P1+
Kotak Mahindra Primus Ltd - CP- 11 May 07	1.03%	P1+
Kotak Mahindra Bank Ltd.- CD - 24 July 07	0.34%	P1+
Cash (Call/Repo Deposit/TBill)	8.61%	

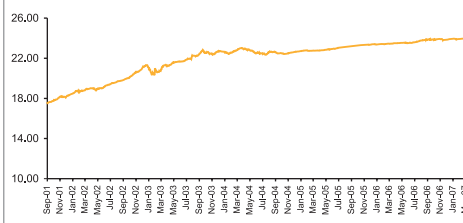
Avg Maturity

55.85 days

YTM

3.23%

Cumulative Plan - NAV Movement

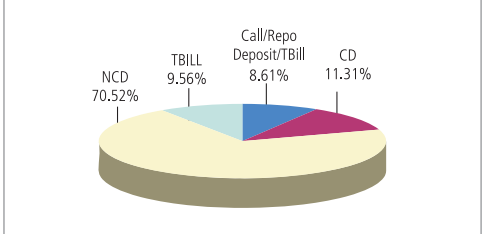


Performance

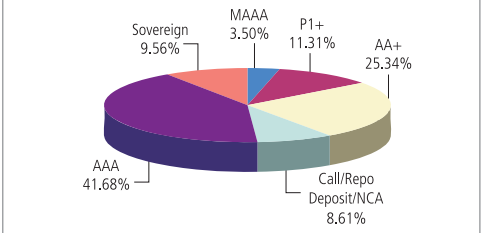
	DBSCTA- Regular Cumulative	CRISIL Composite Bond Index
1 Month (31Days)#	1.30%	0.03%
3 Months (90 Days)#	1.64%	-0.16%
6 Months (182 Days)#	1.73%	0.95%
1 Year\$	3.33%	3.72%
3 Years\$	2.00%	2.39%
5 Years\$	5.20%	NA
Since Inception\$	9.25%	NA

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

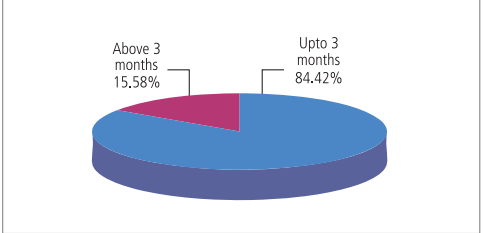
Asset Profile



Rating Profile



Maturity Profile



Dividend

Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
27-Sep-04•	0.6620*	0.0662	Rs.11.0367
27-Sep-04•	0.7080\$	0.0708	Rs.11.0367
27-Sep-04^	0.6620*	0.0662	Rs.10.7427
27-Sep-04^	0.7080\$	0.0708	Rs.10.7427
29-Mar-04	0.80	0.08	Rs.10.9147
29-Mar-04^	27.5#	2.75	Rs.14.2224
29-Dec-03	2.5	0.25	Rs.11.1326
29-Sept-03	2.5	0.25	Rs.11.2634
29-Sept-03	75.0#	7.50	Rs.22.3847
27-Jun-03	2.5	0.25	Rs.11.1786

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 GILT Investment Plan

as on March 31, 2007

Features

Type of Fund

Open-Ended Dedicated Gilts Schemes

Load Structure

Entry Load : Nil
Exit Load / CDSC : Nil

Minimum Investment for New / Existing Investors

Rs. 10000/1000

Cut Off Time

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

Dividend Distribution

Quarterly

Inception Date

29-Mar-00

NAV

Quarterly Dividend Option : Rs. 10.2302
Cumulative Option : Rs. 18.5997

Benchmark Index

ISEC-Li-BEX

Fund Size

Rs. 2.48 Crores

Fund Manager

Ashish Nigam

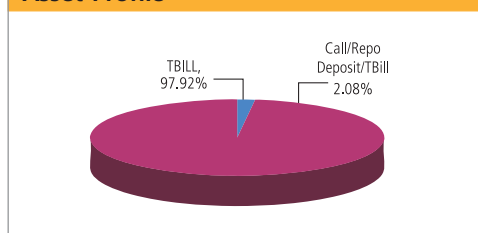
Investment Objective

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

Portfolio		
Scrip	Weight	Rating
Sovereign		
91 Days TBILL 25 May 07	97.92%	Sov
Cash (Call/Repo Deposit/TBill)	2.08%	

Avg Maturity	YTM
6.89%	53.86 days

Asset Profile



Fund Manager's Comments

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

Performance

	DBSCGI	I-Sec Li-BEX
1 Year\$	1.41%	6.05%
3 Years\$	0.98%	2.72%
5 Years\$	6.17%	NA
Since Inception\$	9.26%	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

Regular Plan

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

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

DBS Chola Monthly Income Plan

as on March 31, 2007

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-03

NAV

Monthly Dividend Option : Rs. 10.2130
Quarterly Dividend Option : Rs. 10.5521
Cumulative Option : Rs. 13.2611

Benchmark Index

CRISIL Blended MIP Index

Fund Size

Rs. 5.30 Crores

Fund Manager

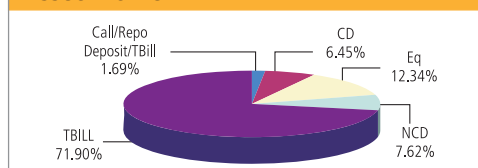
Ashish Nigam / R. Rajagopal

Investment Objective

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

Portfolio		
Scrip	Weight	Rating
Equity		
Bharat Heavy Electricals Ltd	2.99%	Eq
Infosys Technologies Ltd	3.71%	Eq
Maruti Udyog Ltd.	1.55%	Eq
Reliance Communications Ltd	0.24%	Eq
Tata Motors Ltd.	3.85%	Eq
Corporate Debt		
IDBI Omni Bond 2004 (Floating Rate)	7.62%	AA+
CD's with Bank		
Kotak Mahindra Bank Ltd.- CD - 24 July 07	6.45%	P1+
Sovereign		
91 Days TBILL 25 May 07	71.90%	Sov
Cash (Call/Repo Deposit/TBill)	1.69%	

Asset Profile



Fund Manager's Comments

In DBS Chola MIP, equity exposure 12.34%.

Performance

	DBSCMIP	CRISIL Blended MIP Index
1 Month (31 Days)#	0.31%	0.38%
3 Months (90 Days)#	-0.13%	-0.60%
6 Months (182 Days)#	2.74%	1.90%
1 Year\$	5.61%	5.49%
3 Year\$	6.61%	6.30%
Since Inception(31-07-03)\$	8.00%	8.14%

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

Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
26-Mar-07	0.0360*	0.0036	10.2239
26-Mar-07	0.0390\$	0.0039	10.2239
26-Feb-07	0.4900*	0.0490	10.3095
26-Feb-07	0.5260\$	0.0526	10.3095

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

Avg Maturity

Avg Maturity	YTM
47.03 days	6.09%

Total AUM as on March 2007 : Rs. 1,985.02 crores

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

- Ahmedabad: 9898046210 • Bangalore: 41811055/41811056 • Baroda*: 9898598644
- Chandigarh: 9815884100 • Chennai: 25307405 • Cochin: 9895553190 • Coimbatore: 9894945345 • Hyderabad: 66737001
- Jaipur*: 9829422699 • Kolkata: 22837370 • Lucknow*: 9839958537 • Ludhiana*: 9815947016 • Madurai*: 9865966013
- Mangalore*: 9342255286 • Mumbai: 66574000/66104940/22029007 • New Delhi: 23353048 • Pune: 25510468

* Application will not be accepted

CAMS - INVESTOR SERVICE CENTRES / TRANSACTION POINTS

- Agra: 0562-324 0202 • Ahmedabad: 079-3008 2468 • Ajmer: 0145-329 2040 • Allahabad: 0532-329 1273 • Amaravati: 0721-329 1965 • Amritsar: 0183-325 7404 • Asansol: 0341-329 5235 • Aurangabad: 0240-329 5202 • Bangalore: 080-3057 4709 • Bhubaneswar: 0674-325 3307 • Bellary: 0839-326848 • Belgaum: 0831-329 9598 • Bhavnagar: 0278-3004 641 • Bhilai: 0788-3299 040 • Bhopal: 0755-329 5878 • Bokaro: 06542-324 881 • Burdwan: 0342-320 7001 • Calicut: 0495-325 5984 • Cochin: 0484-323 4651 • Chandigarh: 0172-304 8720 • Coimbatore: 0422-301 8000 • Chennai: 044-3911 5563 • New Delhi: 011-3048 2471 • Durgapur: 0343-329 8890 • Goa: 0832-325 1755 • Hyderabad: 040-3918 2471 • Indore: 0731-325 3692 • Jaipur: 0141-326 9126 • Kanpur: 0512-391 8000 • Kolkata: 033-3058 2297 • Lucknow: 0522-391 8000 • Ludhiana: 0161-301 8000 • Mangalore: 0824-325 1357 • Mumbai: 022-2270 2414 • Madurai: 0452-325 1357 • Nagpur: 0712-325 8275 • Pune: 020-3028 3005 • Patna: 0612-325 5284 • Surat: 0261-326 2267 • Cuttack: 0671-329 9572 • Dehradun: 0135-325 1357 • Dhanbad: 0326-329 0217 • Erode: 0424-320 7730 • Gorakhpur: 0551-329 4771 • Guntur: 0863-325 2671 • Gurgaon: 0124-326 3763 • Guwahati: 0361-260 7771 • Gwalior: 0751-320 2873 • Hubli: 0836-329 3374 • Jabalpur: 0761-329 1921 • Jalandhar: 0181-325 7165 • Jamnagar: 0288-329 9737 • Jamshedpur: 0657-329 4594 • Jodhpur: 0291-325 1357 • Kolhapur: 0231-3209 732 • Kota: 0744-329 3202 • Kottayam: 0481-3207 011 • Manipal: 0820-325 5827 • Meerut: 0121-325 7278 • Moradabad: 0591-329 7202 • Mysore: 0821-243 2182 • Nasik: 0253-329 7084 • Nellore: 0861-329 8154 • Panipat: 0180-325 0525 • Patiala: 0175-329 8926 • Pondicherry: 0413-421 0030 • Raipur: 0771-3296 404 • Rajahmundry: 0883-325 1357 • Rajkot: 0281-329 8158 • Ranchi: 0651-329 6202 • Ratlam: 07412-324817 • Rourkela: 0661-329 0575 • Salem: 0427-325 2271 • Sambalpur: 0663-329 0591 • Siliguri: 0353-329 1103 • Tirunelveli: 0462-320 0308 • Trichur: 0487-325 1564 • Trichy: 0431-329 6906 • Trivandrum: 0471-324 0202 • Udaipur: 0294-329 3202 • Vadodara: 0265-301 8029 • Valsad: 02632-324 202 • Varanasi: 0542-325 3264 • Vellore: 0416-320 9017 • Vijayawada: 0866-329 9181 • Visakhapatnam: 0891-329 8397 • Warangal: 0870-320 2063.

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

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

Statutory Details: DBS Chola Mutual Fund has been established as a trust under the Indian Trust Act, 1882 by Cholamandalam DBS Finance Limited (liability restricted to the seed corpus of Rs. 1 lakh) with DBS Cholamandalam Trustees Ltd. as the Trustee and DBS Cholamandalam Asset Management Limited as the Investment Manager.