

## In News

### DBS Chola Mandalam Mutual Fund Valuations are key consideration in stock selection

**What is your investment strategy for DBS Chola Opportunities Fund?**

Our fund is focused on high growth sectors of the economy with a bias towards growth style of investing. We look for stocks with superior returns and market out performers by employing stock selection and active portfolio rebalancing.

Valuations are the key consideration in stock selection and portfolio construction. We rebalance portfolio to reflect market/sector trends.

**What are your top 10 holdings of Opportunities Fund?**

Our top 10 holdings are: Parag Lloyd, Reliance Industries, IIR, Reddy, ICICI Bank, Reliance Communications, Hindustan Levies, Deep Industries, Bharat Airod, Infosys Technologies and HCL Technologies.

Market capitalization as percentage of our portfolio as on March 31 2007 is 85.76 % for Large Cap, 5.14 % for Midcap and 3.98 % for Small cap.

How you have made sector wise invest-



**R Rajagopal**  
Chief Invest. Officer  
DBS Chola Mandalam MF

ment and what are the prospects of these industries?

We have invested mainly in: Software, Bank, Consumer Non Durables, Construction, Telecom Services, Gas, Auto, Industrial Capital Goods, Petroleum Products, Pharmaceuticals, Cement, Power, Industrial Products and Ferrous Metals.

There is huge infrastructure spending programme by government over next couple of years. There is sustained increase in industrial capital expenditure fuelled by buoyant growth in domestic and industrial demand. In IT business outlook is robust, client reaction remains strong and there is strong growth guidance by IT major. Banking sector continues to show robust

growth due to strong economic prospects. Credit off take is expected to remain buoyant at 20-22 percent over next few years. Banks are able to pass on increased cost of borrowing. Asset quality of the banks have improved and net NPA's have declined to 0.5-1.5 percent. Fee based income as a proportion to total income is increasing thereby reducing the volatility of earnings due to treasury operation.

**What is your investment objective for Opportunities Fund?**

Our investment objective is to generate long term capital appreciation from a diversified portfolio of equity and equity related securities. Our benchmark for this fund is S&P CNX Nifty.

**What has been the performance of this fund in the last 3 years?**

Suppose if you had invested Monthly Investment of Rs 1000 for 36 months then your investments of Rs 36,000 had value of investment of Rs 63,534 as on 30th March 2007 resulting in annualized return of 31.21 % on investment.

Publication : Dalal Street Journal  
Date : May 14 - 27, 2007

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

With the level of activity and interest in the Asian region, the global investors started tracking developments in Japan and China. Japan is increasingly looked upon as source of liquidity and China as destination for capital and consumption engine. Last month two contrasting themes emerged from these countries. On one hand the steps taken by the Chinese authorities to cool down their over heated capital market by increasing STT sent shivers to the international investors whereas on the other hand, with the high probability of generous bonus payout by the Japanese corporate to their employees has improved the sentiments of global investors towards Asia, ruling its way into emerging markets including India. Thus global flows into the region kept the markets buoyant.

During the month S&P CNX Nifty gained 5.08% to close at 4296 points. In the same period KSE 100 of Karachi was up by 4.78%, STI Singapore by 4.47% and JCI of Indonesia by 4.27%. KOSPI of South Korea and MEXBOL of Mexico were the outperforming markets with a return of 10.31% and 8.28% respectively.

Back home, the figure of annual GDP growth for FY2007 were released. The growth in GDP for the year was at 9.4% YOY. Growth in the last quarter of FY 2007 was driven by industry and services which grew by 10.9% and 11.0% respectively, while agriculture lagged behind, growing at 2.7%. The current economic data indicates that the structural shift in the economy to 8+% growth rates is sustainable as most of it is driven by improvement in efficiencies. Thus the positive news on key economic data including easing of inflation and better than expected GDP numbers boosted the sentiments in the domestic markets and they performed in tune with regional peers.

The recent significant appreciation of the Indian rupee against US dollar, 8.2% year-to-month (with 6.1% in last two months), has raised concerns on outlook of the export based industries. As a proactive measure to protect the returns for our investors we took a neutral to underweight stand on sectors like IT, Pharma and Cyclical across our schemes. We also made a partial shift towards undervalued mid-cap segment from the large caps.

We have declared a maiden dividend of 5% in our DBS Chola Hedged Equity Fund within two months after the NFO launch. We continue to believe that Indian markets offer good potential for investors with a long term perspective but will continue to have intermittent volatile periods. Our DBS Chola Hedged Equity Fund is an ideal investment vehicle for investors to wither such volatility and reap the benefits of long term equity investment.

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

The major economic indicators signaled robust economic growth. The measures taken by the central bank took some effect with traces of stability in the credit growth numbers. The system observed positive liquidity with increasing bids received by the RBI regularly. Though lower inflation number indicated efforts from central bank along with the base effect, the money supply and industrial production growth rates are still way above the targets.

The overnight rates indicated easy liquidity with call rates and MIBOR ranging between 5.00%-7.50% pushing the short term yields substantially. The regular and MSS auctions mopped up the excess liquidity at regular intervals during the month.

International markets remain range bound, with all the major economies keeping benchmark rates unchanged except 25bps hike by Bank of England.

Appreciating rupee added to the overall concern of the government. The rupee/dollar movement ranged in the band of 41.22 and 40.59. Significant inflows in the markets by foreign entities, participation of the importers and exporters, added participation of PSU banks and intervention by RBI added to the volatility of the currency.

With advance tax, regular and MSS auction outflows, the liquidity is expected to be under tight leash. The rates in the sovereign debt market are expected to be on the higher side with 10 year benchmark hovering around above 8% level. The market conditions and the expected high volatility really suit the investment objectives. We recommend Liquid, Short Term Floating Rate and Treasury Management Schemes as these funds are ideal for tight liquid conditions.



## DBS Chola Midcap Fund

as on May 31, 2007

### Features

#### Type of Fund

Open-Ended Equity Scheme

#### Load Structure

Entry Load : < Rs. 3 Crore : 2.25%  
 >= Rs. 3 Crore: Nil  
 Exit Load / CDSC : < Rs. 3 Crore : Nil  
 >= Rs. 3 Crore < Rs. 5 Crore : 0.5% (within 6 months)  
 >= Rs. 5 Crore : 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

Benchmark Index : CNX Midcap Index

NAV

Dividend Option : Rs. 15.88

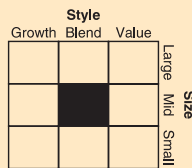
Cumulative Option : Rs. 27.52

Fund Size : Rs. 40.06 Crores

Fund Manager : R. Rajagopal

### Style Matrix

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



## Investment Objective

The objective of the scheme is to generate capital appreciation by investing 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 - Top 10 Holdings (as at May 31, 2007)

Scrip	% of Portfolio
Thermax Ltd	4.53%
Amtek Auto Ltd	4.44%
Mahindra Gesco Developers Ltd	3.88%
Amtek India Ltd.	3.83%
Dishman Pharmaceuticals and Chemicals Ltd.	3.67%
Jagran Prakashan Ltd.	3.48%
Sintex Industries Ltd	3.14%
Kansai Nerolac Paints Ltd.	3.11%
Crompton Greaves Ltd.	3.09%
Hindustan Construction Co. Ltd.	3.05%

### Dividend

#### Regular Plan

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

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

### Fund Manager's Comments

DBS Chola Midcap Fund is a diversified equity fund with investments predominantly in midcap stocks. The Fund has no bias towards growth style or value style. The fund focuses on stocks which have the potential to become large cap stocks of tomorrow. The fund 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.

### Performance

	DBSCMF	CNX Midcap Index
1 month (31 days)#	4.76%	16.37%
3 months (92 days)#	9.42%	15.72%
6 months (182 days)#	3.81%	11.35%
1 Year \$	23.57%	28.29%
Since Inception (09/08/04) \$	43.40%	41.79%

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

### Systematic Investment Plan - Returns

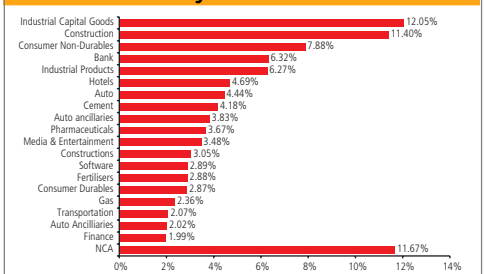
If you had invested Rs.1000/- starting of every month in DBS Chola Midcap Fund (DBSCMF)

	The Amount would have grown to	
	1 Year	2 Years
Total Amount	Rs. 13879/-	Rs. 30595/-
Annualised Return	30.44%	25.36%

As on 31st May, 2007

Past performance may or may not be sustained in future.

### Sector Summary



## DBS Chola Multi-Cap Fund

as on May 31, 2007

### Features

#### Type of Fund

Open-Ended Equity Scheme

#### Load Structure

Entry Load : < Rs. 3 Crore : 2.25%  
 >= Rs. 3 Crore: Nil  
 Exit Load / CDSC : < Rs. 3 Crore : Nil  
 >= Rs. 3 Crore < Rs. 5 Crore: 0.5% (within 6 months)  
 >= Rs. 5 Crore : 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

Benchmark Index : S&P CNX 500

NAV

Dividend Option : Rs. 14.95

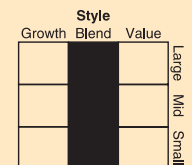
Cumulative Option : Rs. 18.76

Fund Size : Rs. 40.77 Crores

Fund Manager : R. Rajagopal

### Style Matrix

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



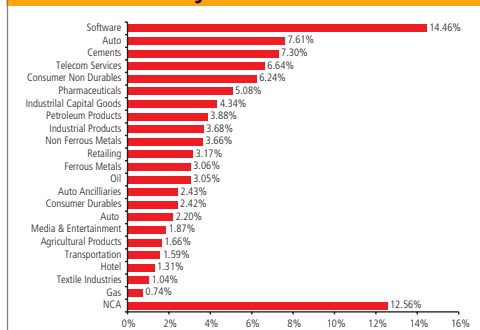
## Investment Objective

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

### Portfolio - Top 10 Holdings (as at May 31, 2007)

Scrip	% of Portfolio
Mahindra and Mahindra Ltd	4.64%
Reliance Industries Ltd.	3.88%
Hindustan Zinc Ltd	3.66%
Bharti Airtel Ltd	3.54%
Infosys Technologies Ltd	3.54%
Hindustan Lever Ltd	3.18%
Dr. Reddy Labs Ltd.	3.17%
Pantaloon Retail (India) Ltd.	3.17%
Reliance Communications Ltd	3.10%
Oil & Natural Gas Corporation Ltd	3.05%

### Sector Summary



### Fund Manager's Comments

DBS Chola Multi-Cap Fund, is a truly diversified fund with investments in large cap, mid cap and small cap stocks.

### Performance

	DBSCMCF	S&P CNX 500
1 Month (31 days)#	2.12%	5.46%
3 Month (92 days)#	8.44%	14.67%
6 Month (182 days)#	-0.85%	8.63%
1 Year \$	19.87%	35.23%
Since Inception \$(28/01/05)	30.89%	36.15%

# 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 Multi-Cap Fund (DBSCMCF)

	The Amount would have grown to	
	1 Year	Since Inception
Total Amount	Rs. 13302/-	Rs. 34856/-
Annualised Return	20.83%	23.58%

As on 31st May, 2007

Past performance may or may not be sustained in future.

### Dividend

#### Regular Plan

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

Past performance may or may not be sustained in future.

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

# DBS Chola Tax Saver Fund

as on May 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. 12.87  
 Cumulative Option : Rs. 13.86

### Benchmark Index

S&P CNX Nifty

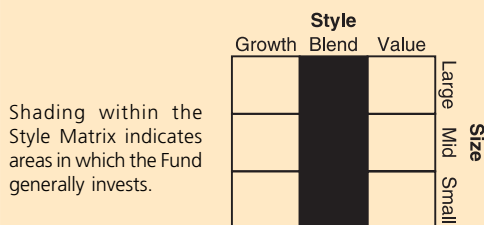
### Fund Size

Rs. 34.04 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.

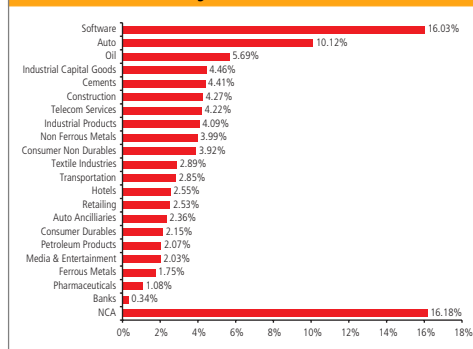
## Investment Objective

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 - Top 10 Holdings (as at May 31, 2007)

Scrip	% of Portfolio
Oil & Natural Gas Corporation Ltd	5.69%
Grasim Industries Ltd.	4.41%
Mahindra and Mahindra Ltd	4.34%
Infosys Technologies Ltd	4.07%
Bharat Forge Ltd	3.95%
Crompton Greaves Ltd.	3.28%
Tata Consultancy Services Ltd	3.20%
Satyam Computer Services Ltd.	3.17%
Punj Lloyd Ltd.	2.87%
Tech Mahindra Ltd.	2.63%

## Sector Summary



## Performance

	DBSCTSF	S&P CNX Nifty
3 Months (92 days)#	9.91%	14.70%
6 Months (182 days)#	1.39%	8.63%
1 Year \$	24.98%	39.88%
Since Inception \$ (18/11/05)	23.76%	38.11%

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

## Dividend

### Regular Plan

Date of Declaration	% Unit	Rs./Unit	NAV as on date of declaration
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. 12,000 would have grown to	1 Year
Total Amount	Rs. 13622/-
Annualised Return	26.15%

As on 31st May, 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 May 31, 2007

### Features

#### Type of Fund

Open-Ended Growth Fund

#### Load Structure

Entry Load : < Rs. 3 Crore : 2.25%, >= Rs.3 Crore: Nil  
Exit Load / CDSC : < Rs. 3 Crore : Nil  
>= Rs. 3 Crore < Rs. 5 Crore : 0.5% (within 6 months)  
>= Rs. 5 Crore : 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. 19.43

Cumulative Option : Rs. 29.90

#### Benchmark Index Fund Size

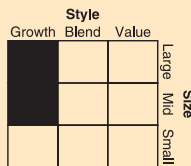
S&P CNX Nifty Rs. 12.14 Crores

#### Fund Manager

R. Rajagopal

### Style Matrix

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



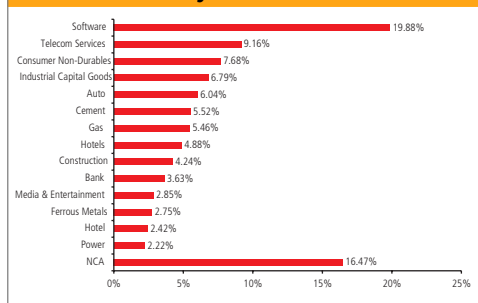
## Investment Objective

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

### Portfolio - Top 10 Holdings (as at May 31, 2007)

Scrip	% of Portfolio
Deep Industries Ltd.	4.00%
Infosys Technologies Ltd	3.96%
Bharti Airtel Ltd	3.85%
ICICI Bank Ltd.	3.63%
Larsen and Toubro Ltd	3.31%
Reliance Communications Ltd	3.12%
Tata Consultancy Services Ltd	2.99%
Indian Hotel	2.98%
Sun TV Network Ltd.	2.85%
Mahindra and Mahindra Ltd	2.81%

### Sector Summary



### Fund Manager's Comments

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

### Performance

	DBSCOF	S&P CNX Nifty
1 Month (31 days)#	5.69%	5.09%
3 Months (92 days)#	17.81%	14.70%
6 Months (182 days)#	8.45%	8.63%
1 Year\$	42.93%	39.88%
3 Years \$	43.87%	42.53%
Since Inception \$*	32.02%	30.71%

# 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

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 Opportunities Fund (DBSCOF)

	The Amount would have grown to	
	3 Years	5 Years
Total Amount	Rs.62699/-	Rs.140898/-
Annualised Return	39.66%	34.99%

As on 31st May, 2007

Past performance may or may not be sustained in future.

## DBS Chola Global Advantage Fund

as on May 31, 2007

### Features

#### Type of Fund

Open-Ended Equity Scheme

#### Load Structure

Entry Load : < Rs. 3 Crore : 2.25%, >= Rs. 3 Crore: Nil  
Exit Load / CDSC : < Rs. 3 Crore : Nil  
>= Rs. 3 Crore < Rs. 5 Crore : 0.5% (within 6 months)  
>= Rs. 5 Crore : 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. 12.75

Cumulative Option : Rs. 13.59

#### Benchmark Index Fund Size

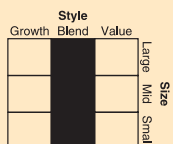
S&P CNX 500 Rs. 15.87 Crores

#### Fund Manager

R. Rajagopal

### Style Matrix

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



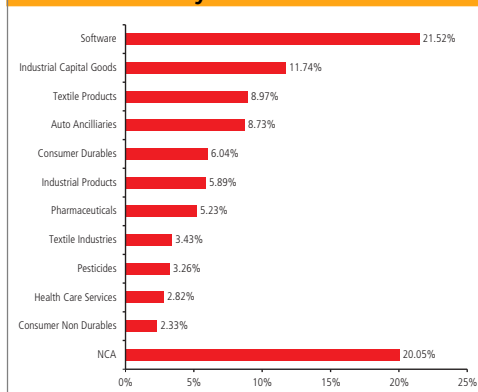
## Investment Objective

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 - Top 10 Holdings (as at May 31, 2007)

Scrip	% of Portfolio
Satyam Computer Services Ltd.	6.34%
Thermax Ltd	6.32%
Voltas Ltd	6.04%
Bharat Forge Ltd	5.89%
Crompton Greaves Ltd.	5.42%
Dishman Pharmaceuticals and Chemicals Ltd.	5.23%
Kale Consultants Ltd.	5.03%
Balkrishna Industries Ltd	4.84%
Welspun India Ltd	4.77%
Infosys Technologies Ltd	4.70%

### Sector Summary



### Performance

	DBSCGAF	S&P CNX 500
1 Month (31 days)#	0.82%	5.46%
3 Months (92 days)#	1.12%	14.67%
6 Months (182 days)#	-7.05%	8.63%
1 Year \$	3.98%	35.23%
Since Inception\$ (30/05/05)	16.55%	39.90%

# 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/-

### 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.

AAAF  
rated by  
CRISIL

ICRA~MFR 1\*

## DBS Chola Liquid Fund

as on May 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 p.m.

Redemption : 3 p.m.

#### Dividend Distribution Inception Date

Daily / Weekly : 04-Oct-00

#### NAV

Regular-

Weekly Dividend Option : Rs. 11.9896

Cumulative Option : Rs. 15.3325

Institutional Plus-

Weekly Dividend Option : Rs. 11.9554

Cumulative Option : Rs. 15.4406

Super Institutional Plan

Weekly Dividend Option : Rs. 10.0029

Cumulative Option : Rs. 10.4976

#### Benchmark Index

CRISIL Liquid Fund Index

#### Fund Size

Rs. 383.67 Crores

#### Fund Manager

Ashish Nigam

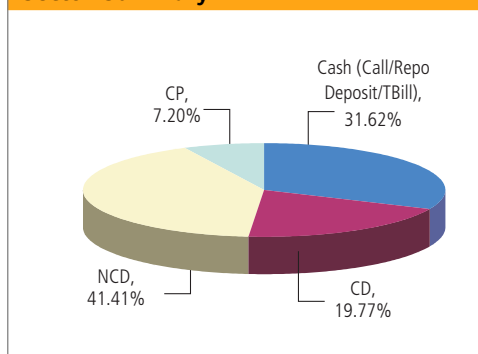
### Investment Objective

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

#### Portfolio - Top 10 Holdings (as at May 31, 2007)

Scrip	Weight	Rating
ICICI Bank Ltd	7.28%	P1+
Citi Financial Con. Finance Ltd.(FR)	6.52%	AAA
Citicorp Finance Ltd (FR)	6.48%	AAA
HDFC Bank Ltd	6.46%	P1+
Exim Bank Ltd.	5.94%	P1+
IDFC Ltd (Floating Rate)	5.71%	LAAA
Exim Bank (FR)	2.61%	AAA
IBS TRUST Sept 2005 - PTC	2.61%	AAA (so)
IDBI Omni Bond 2004 (FR)	2.61%	AA+
Mahindra and Mahindra Financial Services	2.61%	P1+
Cash (Call/Repo Deposit/TBill)	31.62%	

#### Sector Summary



### Performance

	DBS CLF-Cum	DBSCLF-Cum. Inst. Plus	DBSCLF-Cum. Super Inst. Plan	CRISIL LF Index
7 Days#	0.1450%	0.1498%	0.1507%	0.24%
14 Days#	0.3390%	0.3483%	0.3499%	0.45%
1 Month (31 days)#	0.63%	0.65%	0.6510%	0.89%
3 Months (92 days)#	1.89%	1.95%	1.95%	2.68%
6 Months (182 days)#	3.67%	3.79%	NA	4.23%
1 Year\$	7.18%	7.35%	NA	7.18%
3 Years\$	5.99%	6.09%	NA	5.58%
5 Years\$	5.79%	NA	NA	5.32%
Since Inception\$	6.63%	NA	4.98%*#	5.38%

# 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 YTM

71 days 5.58%

#### 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 AA Af rated by CRISIL for its credit quality. The fund is managed actively with the duration ranging from 50 to 150 days based on the short-term view.

## DBS Chola Short Term Floating Rate Fund

as on May 31, 2007

AAAF  
rated by  
CRISIL

ICRA~MFR 1\*

### Features

#### Type of Fund

Open-Ended Income Scheme

#### Load Structure

Entry Load : Nil

Exit Load / CDSC : Nil

#### Minimum Investment for New / Existing Investors

Rs. 5000/1000

#### Cut Off Time

Purchase : 12 p.m.

Redemption : 3 p.m.

#### Dividend Distribution

Daily / Weekly / Monthly

#### Inception Date

10-Aug-05

#### NAV

Monthly Dividend Option : Rs. 10.2214

Cumulative Option : Rs. 11.3356

#### Benchmark Index

CRISIL Liquid Fund Index

#### Fund Size

Rs. 933.77 Crores

#### Fund Manager

Ashish Nigam

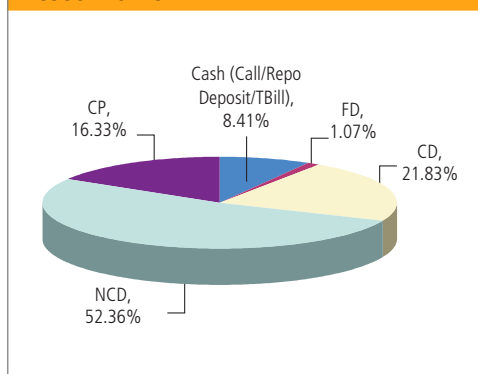
### Investment Objective

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 - Top 10 Holdings (as at May 31, 2007)

Scrip	Weight	Rating
IDFC Ltd (Floating Rate)	11.22%	LAAA
Rabo India Fin Pvt. Ltd (FR)	6.92%	AAA
IDBI Ltd	5.58%	P1+
Exim Bank Ltd.	4.46%	P1+
Canara Bank	4.00%	P1+
Citicorp Finance Ltd (FR)	3.74%	AAA
DSPML Capital Services Ltd.(FR)	3.73%	AAA
GE Capital Services Ltd. (FR)	3.73%	AAA
Mahindra and Mahindra Finance Ltd (FR)	3.73%	AA+
DSPML Capital Services	3.60%	P1+
Cash (Call/Repo Deposit/TBill)	8.41%	

#### Asset Profile



### Performance

	DBS CST-FRF	CRISIL Liquid Fund Index
3 Months (92 Days)#	2.35%	2.68%
6 Months (182 Days)#	4.39%	4.23%
1 Year\$	8.07%	7.18%
Since Inception\$(10/08/05)	7.19%	6.40%

# 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-May-07	0.5760*	0.0576	Rs. 10.2864
28-May-07	0.5760\$	0.0576	Rs. 10.2864
27-Apr-07	0.6530*	0.0653	Rs.10.2933
27-Apr-07	0.6530\$	0.0653	Rs.10.2933

\* 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

82 days 6.85%

#### 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.

\* For 1 year period ending 31 Dec, 2006

## DBS Chola Treasury Management Fund

as on May 31, 2007

### Features

#### Type of Fund

Open-Ended Liquid Fund

#### Load Structure

Entry Load : Nil  
Exit Load / CDSC : Nil

#### Minimum Investment for New / Existing Investors

Rs. 5000/1000

#### Cut Off Time

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

#### Dividend Distribution Inception Date

Daily / Weekly : 23 March 07

#### NAV

Cumulative Option : Rs. 10.1704  
Dividend Reinvestment : Rs. 10.0391

#### Benchmark Index Fund Size

CRISIL Liquid Fund Index : Rs. 0.07 Crores

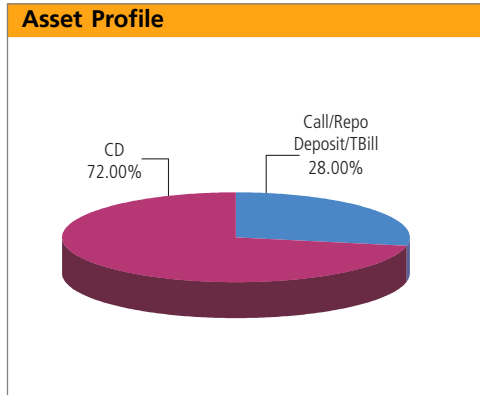
#### Fund Manager

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
<b>CD's with Bank</b>		
Kotak Mahindra Bank - CD - 24 July 07	72.00%	P1+
Cash (Call/Repo Deposit/TBill)	28.00%	



Performance		
	DBSCTMF	CRISIL Liquid Fund Index
Since Inception#	1.70%	2.20%
# Absolute 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
66 days	5.59%

### 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.

## DBS Chola Freedom Income - Short Term Fund

as on May 31, 2007



### Features

#### Type of Fund

Open-Ended Income Fund

#### Load Structure

Entry Load : Nil  
Exit Load / CDSC : Nil

#### Minimum Investment for New / Existing Investors

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

#### Cut Off Time

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

#### Dividend Distribution Inception Date

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

#### NAV

Regular -  
Monthly Dividend Option : Rs. 11.0498  
Semi Annual Dividend Option : Rs. 11.8977  
Cumulative Option : Rs. 11.9943

Institutional -  
Monthly Dividend Option : Rs. 11.0482  
Cumulative Option : Rs. 12.1382

#### Benchmark Index

CRISIL Short Term Fund Index

#### Fund Size Fund Manager

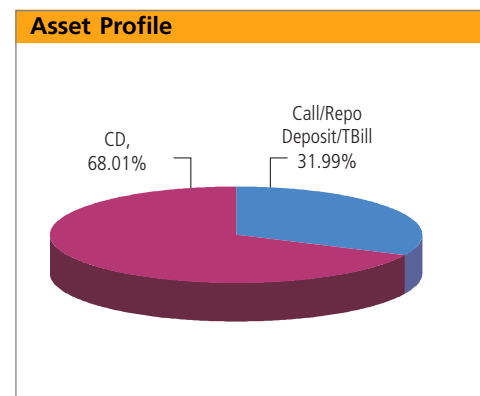
Rs. 20.15 Crores : Ashish Nigam

\* 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
<b>CD's with Bank</b>		
IDBI Ltd - CD - 13 May 08	68.01%	P1+
Cash (Call/Repo Deposit/TBill)	31.99%	



### 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 AAA+ by CRISIL for its credit quality.

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)#	0.74%	0.74%	1.05%
3 Months (92 days)#	1.56%	1.56%	2.37%
6 Months (182 days)#	3.46%	3.46%	2.92%
1 Year\$	7.35%	7.38%	6.10%
3 Year\$	5.24%	5.24%	4.67%
5 Year\$	5.83%	NA	5.36%
Since Inception\$	5.93%	5.40%*	NA
# Absolute Returns	NA-Not Applicable		
\$ Compounded Annualised Returns			
* From 10th April 2003			
Past performance may or may not be sustained in future. The distribution tax has been included in the calculations of returns.			

Avg Maturity	YTM
250 days	9.17%

## DBS Chola Floating Rate Fund

as on May 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. 10.4870

Cumulative Option : Rs. 11.5358

#### Benchmark Index Fund Size

CRISIL Liquid Fund Index Rs. 2.75 Crores

#### Fund Manager

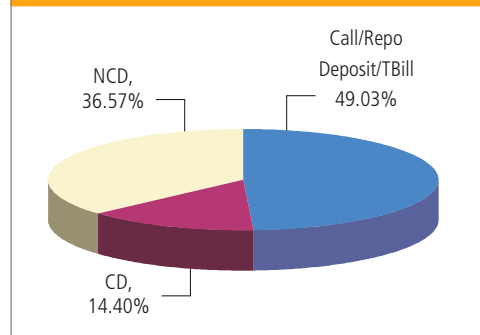
Ashish Nigam

### 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
Sundaram Fin. Ltd -(Floating Rate)	18.40%	MAAA
Rabo India Fin Pvt. Ltd (Floating Rate)	18.17%	AAA
UCO Bank Ltd - CD - 12 Jul 07	10.81%	P1+
Kotak Mahindra Bank Ltd.-		
CD - 24 July 07	3.59%	P1+
Cash (Call/Repo Deposit/TBill)	49.03%	

### Asset Profile



### Performance

	DBSCFRF	CRISIL Liquid Fund Index
1 Month (31 days)#	0.45%	0.89%
3 Months (92 days)#	1.02%	2.68%
6 Months (182 days)#	2.35%	4.23%
1 Year\$	5.10%	7.18%
Since Inception (25/08/04)\$	5.30%	5.75%

# 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

7 days

### YTM

3.48%

### 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.

## DBS Chola Triple Ace

as on May 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 Inception Date

Quarterly/Semi Annual 31-Mar-97

#### NAV

Quarterly Dividend Option : Rs. 11.2650

Semi Annual Dividend Option : Rs. 11.5774

Cumulative Option : Rs. 23.9252

Bonus Option : Rs. 13.2937

#### Benchmark Index

CRISIL Composite Bond Fund Index

#### Fund Size Fund Manager

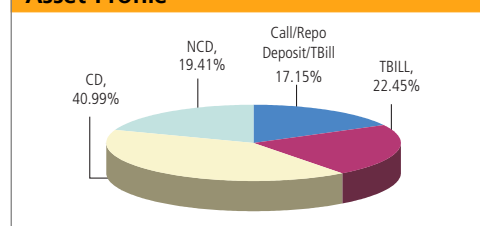
Rs. 12.91 Crores Ashish Nigam

### 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
UCO Bank Ltd CD- 12 Jul 07	17.66%	P1+
Rabo India Fin Pvt. Ltd (FR)	15.49%	AAA
Sundaram Fin. Ltd -(FR)	3.92%	MAAAA
ICICI Bank Ltd - CD - 27 Feb 08	0.36%	P1+
182 DAYS TBILL 16 Nov 07	22.45%	Sov
Cash (Call/Repo Deposit/TBill)	17.15%	

### Asset Profile



### Fund Manager's Comments

DBS Chola Triple Ace is long term income fund with investments in fixed instruments of all class and maturity. Utmost importance is given to the investment grade of the assets as the fund is CRISIL AAA+ 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.

### 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

\* 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/-

### Performance

	DBSCTA- Regular Cum.	CRISIL Comp. Bond Index
1 Month (31 Days)#	-1.41%	0.47%
3 Months (92 Days)#	0.03%	1.15%
6 Months (182 Days)#	0.10%	0.80%
1 Year\$	1.66%	3.68%
3 Years\$	1.68%	2.83%
5 Years\$	4.76%	5.40%
Since Inception\$	8.95%	NA

# 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.

### Avg Maturity

54 days

### YTM

6.00%



## DBS Chola GILT Investment Plan

as on May 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. 10.3318

Cumulative Option : Rs. 18.7846

#### Benchmark Index

ISEC-Li-BEX

#### Fund Size

Rs. 2.47 Crores

#### Fund Manager

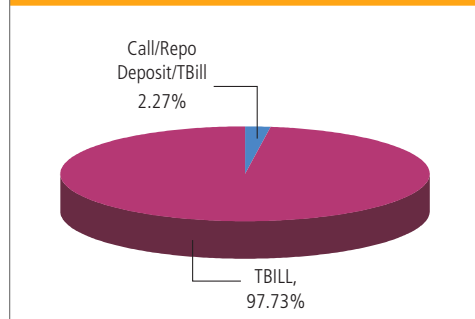
Ashish Nigam

## Investment Objective

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

Portfolio		
Scrip	Weight	Rating
<b>Sovereign</b>		
182 DAYS TBILL 16 Nov 07	97.73%	Sov
Cash (Call/Repo Deposit/TBill)	2.27%	

### 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\$	3.95%	6.64%
3 Years\$	1.55%	3.13%
5 Years\$	6.28%	7.68%
Since Inception\$	9.18%	7.56%

\$ 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/-

### Avg Maturity

165 days

### YTM

7.42%

## DBS Chola Monthly Income Plan

as on May 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. 10.3245

Quarterly Dividend Option : Rs. 10.6985

Cumulative Option : Rs. 13.4451

#### Benchmark Index

CRISIL Blended MIP Index

#### Fund Size

Rs. 4.79 Crores

#### Fund Manager

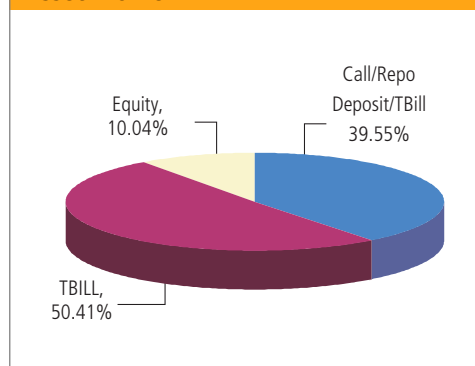
Ashish Nigam / R. Rajagopal

## 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
<b>Equity</b>		
Tata Motors Ltd.	4.42%	Eq
Infosys Technologies Ltd.	3.91%	Eq
Maruti Udyog Ltd.	1.71%	Eq
182 DAYS TBILL 16 Nov 07	50.41%	Sov
Cash (Call/Repo Deposit/TBill)	39.55%	

### Asset Profile



### Performance

	DBSCMIP	CRISIL Blended MIP Index
1 Month (31 Days)#	0.41%	1.16%
3 Months (92 Days)#	1.69%	3.18%
6 Months (182 Days)#	1.65%	2.11%
1 Year\$	7.18%	8.88%
3 Year\$	7.64%	8.19%
Since Inception\$	8.02%	8.55%

# 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
25-Apr-07	0.2450*	0.0245	Rs. 10.3061
25-Apr-07	0.2630\$	0.0263	Rs. 10.3061
26-Mar-07	0.0360*	0.0036	Rs. 10.2239
26-Mar-07	0.0390\$	0.0039	Rs. 10.2239

\* Corporate

\$ Individual

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

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

### Avg Maturity

86 days

### YTM

3.83%

### Fund Manager's Comments

In DBS Chola MIP, equity exposure is 10.04%.

Total AUM as on May 2007 : Rs. 2,473.09 crores