

# **ABN AMRO Mutual Fund**

**Annual Report 2004 - 2005**



## TRUSTEE REPORT

Dear Investor,

ABN AMRO Mutual Fund (the "Fund") commenced its operations in the month of August 2004 by launching 5 Schemes (viz. ABN AMRO Equity Fund, ABN AMRO Monthly Income Plan, ABN AMRO Flexi Debt Fund, ABN AMRO Floating Rate Fund and ABN AMRO Cash Fund) and had a successful New Fund Offer (NFO). The NFO saw subscriptions in excess of Rs. 2000 crores by approximately 19700 investors. Success in the NFO makes it all the more imperative that the Fund stands up to the levels of expectations of the investors and endeavours to provide reasonable returns with consistent performance. It gives us pleasure in presenting the Annual Report of the Schemes of the Fund for the period ended March 31, 2005.

### Investment Policy & Outlook

As an active manager, the AMC seeks to deliver consistent performance within a well-monitored risk environment.

Our approach to equities is a blend of sector and company views with macroeconomic analysis, in a structured and successful investment process. Our style is characterised by active management, bias towards quality and Growth At a Reasonable Price (GARP), aimed at delivering superior risk-adjusted performance. In the view of the Fund Manager, the Indian economy is well on its path to grow at 7% going forward based on the foundations of domestic consumption demand, investments in infrastructure & manufacturing capacity and exports growth. Valuations in the market are not yet expensive and there are ample opportunities for the long-term investor.

Our Fixed Income investment style is driven by fundamentals. It is a clearly defined and disciplined decision making process based on fundamental approach to duration, yield curve and spread analysis. The investment process uses our MVS framework taking into account background factors such as overall macro economic and political forecasts, underlying valuations and market sentiment. In the view of the Fund Manager, outlook on the bond market remain mixed. While Federal Reserve Bank and the Central Bank except in Eurozone, continue to hike short-term rate to moderate inflation, market yield on long bond continue to ease as economists expect global economy to slow in coming duration. These differences on economic and inflation outlook are likely to lead to high volatility in markets. While low inflation, easy liquidity and relatively attractive valuation locally suggest that bond yield should remain stable, large supply Calendar and strong credit pick-up can cause intermediate volatility. Investment portfolios with low duration are likely to provide optimal returns in such a scenario in the medium term. A moderate increase in duration during sell-off period may provide a yield pick-up on the overall portfolio return.

### Performance for period ending March 31, 2005

#### ABN AMRO Equity Fund (AAEF) (an open-ended equity scheme)

The investment objective of the Scheme is to generate long-term capital growth from a diversified and actively managed portfolio of equity and equity related securities. The Scheme will invest in a range of companies, with a bias towards large & medium market capitalisation companies.

	Absolute Returns (%)
AAEF - Growth Option	32.10
S & P CNX Nifty	17.93

Period: September 23, 2004 - March 31, 2005. Past performance may or may not be sustained in future and should not be used as a basis of comparison with other investments. Returns do not take into account the load, if any. Since inception returns are calculated on Rs. 10/- invested at inception.

AAEF has done reasonably well in the short period since inception. It has delivered good absolute and relative performance.

### Statutory Details

The Fund has been set up as a trust, as evidenced by the Trust Deed dated April 15, 2004, by ABN AMRO Bank N.V., the Sponsor of the Fund. ABN AMRO Trustee (India) Private Limited ("Trustees") is appointed as the Trustee to the Fund under the Trust Deed. ABN AMRO Asset Management (India) Limited is appointed as the Investment Manager to the Mutual Fund vide the Investment Management Agreement dated April 15, 2004.

The Trustees are responsible for holding the Trust property and protection of investor interests, *inter alia* ensure that the Schemes floated by the Fund are managed by the AMC in accordance with the Offer Documents of the respective Scheme(s) and the activities of the Fund are in compliance with the provisions of the Trust Deed, the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time and the Investment Management Agreement.

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. The associates of the Sponsor / AMC are not responsible or liable for any loss or shortfall resulting from the operations of the Scheme(s).

The price and redemption value of the units and income from them, can go up as well as down with the fluctuations in the market value of its underlying investments.

On a written request, present and prospective unit holders / investors can obtain a copy of the Trust Deed, the Annual Report of the Scheme, the Annual Report of the AMC and the text of the Scheme.

### Acknowledgement

The Trustees wish to thank the Unitholders of the Scheme for their overwhelming response throughout the year and also thank the Government of India, the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) and the Association of Mutual Funds in India (AMFI) for the Guidance provided by them. The Trustees also appreciate the service provided by the Registrar and Transfer Agent, Fund Accountant, Custodian, Bankers, Distributors and Brokers. The guidance and services provided by the Auditors and advocates and the ebullience, sincerity and dedication of the employees of ABN AMRO Management (India) Limited is also appreciated. The Trustees look forward to the continued support of everyone.

### For and on behalf of Trustees of ABN AMRO Mutual Fund

**P. R. Naware**

Chairman

ABN AMRO Trustee (India) Private Limited

Trustee to ABN AMRO Mutual Fund

Date : July 26, 2005

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND - ABN AMRO EQUITY FUND

1. We have Audited the attached Balance Sheet of ABN AMRO MUTUAL FUND – ABN AMRO EQUITY FUND ('the Scheme') as at March 31, 2005 and also the revenue account and Cash Flow Statement for the period from September 4, 2004 to March 31, 2005 ('the period') annexed thereto. These financial statements are the responsibility of the management of ABN AMRO Asset Management (India) Limited, the Scheme's asset managers. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that:
  - i. We have obtained all the information explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.
  - ii. The Balance Sheet, revenue account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - iii. In our opinion, the Balance Sheet and revenue dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Eighth, Ninth and Tenth Schedules to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ('the SEBI Regulations').
  - iv. In our opinion, and on the basis of information and explanations given to us, the methods used to value non traded securities as at March 31, 2005 in accordance with the SEBI Regulations and other guidelines issued by the Securities and Exchange Board of India as applicable and approved by the Board of Directors of ABN AMRO Trustee (India) Private Limited, are fair and reasonable.
  - v. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI Regulations as applicable, and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2005;
    - b) in the case of the revenue account, of the surplus for the period ended on that date; and
    - c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

For **S. R. BATLIBOI & CO.**

*Chartered Accountants*

per **Viren H. Mehta**

*Partner*

Membership No.: 048749

Mumbai

July 26, 2005

**BALANCE SHEET**

AS AT MARCH 31, 2005

	(All amounts in thousands of Rupees)	
	Schedule	2005
<b>SOURCES OF FUNDS</b>		
Unit capital (including initial capital)	2(b) & 3	1,593,040
Reserves and surplus	2(b) & 4	513,427
Current liabilities	5	53,060
		<b>2,159,527</b>
<b>APPLICATION OF FUNDS</b>		
Investments	2(c), 6 & 15	2,121,259
Other current assets	7	38,268
		<b>2,159,527</b>

The accompanying schedules are an integral part of this Balance Sheet.

As per our report of even date.

**For S.R. Batliboi & Co.**  
Chartered Accountants

Per **Viren H. Mehta**  
Partner  
Membership No: 048749  
Mumbai,  
Date: July 26, 2005

**ABN AMRO Trustee  
(India) Private Limited**

**Shariq Contractor**  
Director

**Brijesh Mehra**  
Director

**ABN AMRO Asset  
Management (India) Limited**

**Romesh Sobti**  
Chairman

**Mihir Vora**  
Fund Manager

**REVENUE ACCOUNT**

FOR THE PERIOD FROM SEPTEMBER 4, 2004 TO MARCH 31, 2005

	(All amounts in thousands of Rupees)	
	Schedule	September 4, 2004 to March 31, 2005
<b>INCOME</b>		
Dividend	2(d)	17,649
Interest	2(d) & 8	8,824
Profit on sale/redemption of investments, net	2(d)	476,118
		<b>502,591</b>
<b>EXPENSES AND LOSSES</b>		
Provision for net unrealised loss in value of investments	2(c) & 6(ii)	1
Loss on inter-scheme transfer/sale of investments, net	2(d)	84
Management fee	9	14,347
Trusteeship fee	9	143
Custodian service charges		948
SEBI registration fees		20
Registrar service charges		2,975
Commission to distributors		8,120
Publicity expenses		3,845
Audit fee		150
Other operating expenses		2,529
Expenses reimbursed by the AMC	9	(2,421)
		<b>30,741</b>
Surplus for the period		<b>471,850</b>
Equalisation debit	2(e)	<b>(65,216)</b>
Surplus transferred to the Balance Sheet	4	<b>406,634</b>

The accompanying schedules are an integral part of this revenue account.

As per our report of even date.

**For S.R. Batliboi & Co.**  
Chartered Accountants

Per **Viren H. Mehta**  
Partner  
Membership No: 048749  
Mumbai,  
Date: July 26, 2005

**ABN AMRO Trustee  
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**CASH FLOW STATEMENT**

FOR THE PERIOD FROM SEPTEMBER 4, 2004 TO MARCH 31, 2005

(All amounts in thousands of Rupees)

		2005
<b>A. Cashflow from Operating Activity</b>		
Surplus for the period		471,850
Adjustments for:-		
Investments (at cost) made, net		(1,856,825)
Other current assets receivable		(2,933)
Current liabilities incurred		15,129
Provision for net unrealised loss in value of investments		1
<b>Net cash used in operations</b>	<b>( A )</b>	<b>(1,372,778)</b>
<b>B. Cashflow from Financing Activities</b>		
Proceeds from issuance of unit capital, net		1,593,040
Unit premium received/(paid) thereon, net		(233,803)
Adjustments for:-		
Sundry creditors for units redeemed by investors		37,931
Sundry debtors for units issued to investors		(18,294)
Dividend paid during the period		-
<b>Net cash generated from financing activities</b>	<b>( B )</b>	<b>1,378,874</b>
<b>Net cash and cash equivalents</b>	<b>(A+B)</b>	<b>6,096</b>
Cash and cash equivalents, beginning of the period		-
Cash and cash equivalents, end of the period		6,096
<b>Components of cash and cash equivalents</b>		
Balances with banks in current accounts		3,581
Collateralised Lending		2,515
		6,096

As per our report of even date.

**For S.R. Batliboi & Co.**  
Chartered Accountants

Per **Viren H. Mehta**  
Partner  
Membership No: 048749  
Mumbai,  
Date: July 26, 2005

**ABN AMRO Trustee  
(India) Private Limited**

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Director

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**ABN AMRO Asset  
Management (India) Limited**

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Chairman

**Mihir Vora**  
Fund Manager

**SCHEDULES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM SEPTEMBER 4, 2004 TO MARCH 31, 2005

(All amounts in thousands of Rupees unless specified otherwise)

**1. BACKGROUND**

ABN AMRO Mutual Fund - ABN AMRO Equity Fund ('the Scheme') was launched as an open-ended equity fund on August 9, 2004 and the initial offer closed on September 3, 2004.

ABN AMRO Bank N.V. ('ABN AMRO') is the Sponsor for ABN AMRO Mutual Fund ('the Fund'). In accordance with the Securities and Exchange Board of India ('SEBI') (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of ABN AMRO Trustee (India) Private Limited ('the Trustee') has appointed ABN AMRO Asset Management (India) Limited ('the AMC') to manage the Fund's affairs and operate its Schemes.

The investment objective of the Scheme is to generate long-term capital growth from a diversified and actively managed portfolio of equity and equity related securities. The Scheme will invest in a range of companies, with a bias towards large & medium market capitalisation companies.

The Scheme offers its investors the Dividend Plan and Growth Plan (collectively 'the Plans').

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are prepared on the accrual basis of accounting, under the historical cost convention, as modified for investments, which are 'marked-to-market'. The significant accounting policies, which are in accordance with the SEBI Regulations and have been approved by the Boards of Directors of the AMC and the Trustee, are stated below.

**(a) Determination of net asset value ('NAV')**

- The net asset value of the units of the scheme is determined separately for the units issued under the Plans.
- For reporting the net asset values within the portfolio, the scheme's daily income earned, including realised profit or loss and unrealised gain or loss in the value of investments, and expenses incurred, are allocated to the related plans in proportion to their respective daily net assets as at the end of the immediately preceding day's net assets, adjusted for unit capital movement for the day.

**(b) Unit capital**

- Unit capital represents the net outstanding units at the Balance Sheet date, thereby reflecting all transactions relating to the period ended on that date.
- Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of each Plan, after an appropriate portion of the issue proceeds and redemption payouts is credited or debited respectively to the equalisation account, a mandatory requirement for open-ended mutual fund schemes.

**(c) Investments****Accounting for investment transactions**

- Purchase and sale of investments are recorded on the date of the transaction, at cost and sale price respectively, after considering brokerage, commission, and fees payable or receivable, if any.
- Right entitlements are recognised as investments on the ex-rights date.
- Bonus entitlements are recognised as investments on the ex-bonus date.

**Valuation of investments**

- Investments in equity shares which have traded during a period of thirty days (prior to the Balance Sheet date) are stated at the closing prices on the Balance Sheet date or the last trading day before the Balance Sheet date, as may be applicable, on the National Stock Exchange of India Limited (Principal Exchange). When on a particular valuation day, a security has not been traded on the principal stock exchange, the value at which it is traded on The Stock Exchange, Mumbai will be used.
- Investments in Central Government securities (excluding treasury bills) are stated at their traded prices on the Balance Sheet date, as released by an independent agency suggested by the Association of Mutual Funds in India ('AMFI').
- Treasury bills are stated at their fair values determined using yields (YTM) prevailing at the Balance Sheet date.
- Investments in fixed income securities are valued as follows:
  - Securities (including money market and floating rate bonds) traded on the Balance Sheet date (on the stock exchange where a majority (in terms of value) of these securities are principally traded), are stated at the last traded price.
  - Money market instruments and floating rate bonds not traded on the Balance Sheet date are valued at amortised cost based on purchase price or last quoted market price, which include discount/premium accrued on a straight line basis over the period to maturity / next reset date.
  - Other fixed income investments are stated at their fair value as determined by the AMC in accordance with the SEBI Regulations and related circulars, based on comparative yields released by an independent agency suggested by the AMFI.
- In accordance with the Guidance Note on Accounting for Investments in the Financial Statements of Mutual Funds issued by the Institute of Chartered Accountants of India (pursuant to the Eleventh Schedule of the SEBI Regulations), the net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealised loss, if any, between two Balance Sheet dates is recognised in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold/transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year, as recommended by the Guidance Note. However, this departure from the Guidance Note does not have any net impact on the Scheme's net assets.

**(d) Revenue recognition**

- Dividend income is recognised on the ex-dividend date.
- Interest income is recognised on an accrual basis.
- Profit or loss on sale/redemption of investments is determined on the basis of the weighted average cost method.

**(e) Equalisation account**

- The purpose of equalisation account is to maintain per unit amount of a Plan's share of the Scheme's distributable surplus, so that continuing unitholders' share of distributable surplus remains unchanged on issue or redemption of units under that Plan.
- When units are issued or redeemed, the total distributable surplus (including unit premium reserve) upto the date of the transaction is determined. Based on the number of units outstanding on the transaction date, the distributable surplus (including unit premium reserve) associated with each unit is computed. The per unit amount so determined is credited and debited to the equalisation account on issue and redemption of each unit respectively.
- At period end, the balance in the equalisation account is transferred to the revenue account.

**(f) Load**

- Load collected is retained in a separate account and is utilised for meeting the selling and distribution expenses of the Scheme.

**3. UNIT CAPITAL (INCLUDING INITIAL CAPITAL)**

	Quantity 2005	Amount 2005
Initial capital		100
Units of Rs 10 each fully paid up		
<b>Growth Plan</b>		
Issued		
- initial public offer	78,324,373.738	783,244
- during the period	72,113,219.185	721,131
Redeemed during the period	(91,403,544.743)	(914,035)
Outstanding, end of period	59,034,048.180	590,340

**Dividend Plan**

Issued		
- initial public offer	317,485,787.245	3,174,858
- during the period	81,950,521.653	819,505
Redeemed during the period	(299,176,322.366)	(2,991,763)
Outstanding, end of period	100,259,986.532	1,002,600

**Total**

Initial capital		100
Issued		
- initial public offer	395,810,160.983	3,958,102
- during the period	154,063,740.838	1,540,636
Redeemed during the period	(390,579,867.109)	(3,905,798)
Outstanding, end of period	159,294,034.712	1,593,040

**4. RESERVES AND SURPLUS**

Unit premium reserve		
Net premium on issue/redemption of units		(233,803)
Equalisation, net		65,216
Balance, end of period		(168,587)
Unrealised appreciation reserve		
Net unrealised appreciation in value of investments		275,380
Balance, end of period		275,380
Retained surplus		
Surplus transferred from revenue account		406,634
Balance, end of period		406,634
Total reserves and surplus		513,427
The share of the plans in the reserves and surplus is as follows:		
- Growth Plan		189,769
- Dividend Plan		323,658
		513,427

**5. CURRENT LIABILITIES**

Amount due to AMC for management fees	2,089
Trusteeship fee payable	82
Sundry creditors for units redeemed by investors	
- Lateral shift	31,366
- Others	6,565
Load pending utilisation	331
Other current liabilities	12,627
	53,060

**6. INVESTMENTS**

Equity shares	2,041,702
Debentures and bonds	30,087
Commercial paper	49,470
	2,121,259

- (i) All the investments are held in the name of the Scheme, as per clause 7 of the Seventh Schedule under Regulation 44(1) of SEBI (Mutual Funds) Regulations, 1996.

- (ii) Aggregate appreciation and depreciation in the value of investments are as follows:

Equity shares	
- appreciation	299,625
- depreciation	24,245
Debentures and bonds	
- appreciation	-
- depreciation	1

- (iii) The aggregate value of investments acquired and sold/redeemed during the period and these amounts as a percentage of average daily net assets are as follows:

*Purchases (excluding Reverse repos, Call money & Fixed deposits)*

- amount	10,662,990
- as a percentage of average daily net assets	423.03%

*Sales / Redemptions (excluding Reverse repos, Call money & Fixed deposits)*

- amount	9,293,203
- as a percentage of average daily net assets	368.69%

- (iv) The aggregate purchases made by the schemes during the current period and the fair value of such investments as at March 31, 2005 in companies which have invested in any scheme of the Fund in excess of five per cent of that scheme's net assets are provided in Attachment I.

## 7. OTHER CURRENT ASSETS

Balances with banks in current accounts	3,581
Sundry debtors for units issued to investors	
- Lateral shift	46
- Others	18,248
Receivable from AMC	2,424
Contracts for sale of investments	10,945
Collateralised lending	2,515
Outstanding and accrued income	509
	38,268

## 8. INTEREST

Debentures and bonds	140
Central government securities	1,591
Money market instruments	1,240
Others	5,853
	8,824

## 9. MANAGEMENT AND TRUSTEESHIP FEE

The Scheme pays fees for investment management services under an agreement with the AMC, which provides for computation of such fee as a percentage of the Scheme's average daily net assets, after excluding the net asset value of the investments by the AMC and other schemes, in the Scheme, if any. During the period ended March 31, 2005, the Scheme has paid management fee at an average rate of 1.10 per cent (annualised).

The Scheme pays fees for Trusteeship services under an agreement with the Trustee, which provides for computation of such fee at 0.01 per cent of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum.

The AMC has borne Rs. 24.21 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations, chargeable to the Scheme.



**10. INCOME AND EXPENDITURE**

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets on an annualised basis are provided below:

*Income*

- amount	502,591
- as a percentage of average daily net assets	38.51 %

*Expenditure*

- amount	30,656
- as a percentage of average daily net assets	2.35 %

**11. RELATED PARTY TRANSACTIONS**

The Scheme has entered into transactions with certain related parties. The information required in this regard in accordance with Accounting Standard 18 on 'Related Party Disclosures' issued by the ICAI and Regulation 25(8) of the SEBI Regulations, is provided below.

**(i) Related party relationships**

Name	Description of relationship
ABN AMRO BANK N.V.	Sponsor of the Fund
ABN AMRO TRUSTEE (INDIA) PRIVATE LIMITED	Trustee of the Fund
ABN AMRO ASSET MANAGEMENT (INDIA) LIMITED	The Scheme's asset manager
ABN AMRO ASIA EQUITIES (INDIA) LTD.	Associate of the sponsor
Schemes of the Fund, under common control of the Sponsor	
ABN AMRO CASH FUND	
ABN AMRO FLOATING RATE FUND	
ABN AMRO MONTHLY INCOME PLAN	
ABN AMRO FLEXI DEBT FUND	

**(ii) Transactions, if any, with the above mentioned related parties as defined under Accounting Standard 18 and Regulation 25(8) of the SEBI Regulations are provided below**

Name of related party	Nature of transactions	Period ended March 2005	Balance as at March 31, 2005
Schemes under common control	Purchase of investments	1,699,442	-
	Sale of investments	553,479	-
ABN AMRO Trustee (India) Private Limited	Fees for trusteeship services	143	82
ABN AMRO Asset Management (India) Limited	Fees for investment management services	14,347	2,089
ABN AMRO Bank N.V.	Commission paid for procuring unit capital	78,506	-
	Bank charges	109	-
	Distribution expenses	1,300	-
ABN AMRO Asia Equities (India) Ltd	Brokerage on securities transactions	1,716	-

**12. SEGMENT REPORTING**

The Scheme operates in one segment only viz. to primarily generate attractive returns from a diversified and actively managed portfolio of equity and equity related instruments.

**13. NET ASSET VALUE****2005**

Net asset value of each unit of Rs 10 of the Scheme (excluding initial capital)

Growth Plan	13.21
Dividend Plan	13.23

The net asset value of the Scheme's unit is determined separately for units issued under the plans after including the respective unit capital and reserves and surplus.

**14. PRIOR PERIOD COMPARATIVES**

As these are the first financial statements of the Scheme since the date of its launch, there are no prior period comparatives.

## 15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION

Details of investment portfolio and industrywise classification of the Scheme's investments in each category of investments at March 31, 2005, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2005, as well as the aggregate investments in each investment category.

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
<b>EQUITY SHARES</b>				
<b>AUTO</b>	<b>309,100</b>	<b>138,099</b>	<b>6.56</b>	<b>6.76</b>
Mahindra & Mahindra Ltd.	113,800	56,547	2.68	2.77
Maruti Udyog Ltd.	99,500	41,919	1.99	2.05
Tata Motors Ltd.	95,800	39,632	1.88	1.94
<b>AUTO ANCILLARIES</b>	<b>242,000</b>	<b>85,885</b>	<b>4.08</b>	<b>4.21</b>
Amtek Auto Ltd.	217,000	35,187	1.67	1.72
Motor Industries Co. Ltd.	25,000	50,699	2.41	2.48
<b>BANKS</b>	<b>2,445,993</b>	<b>285,109</b>	<b>13.55</b>	<b>13.96</b>
Bank Of India	557,600	57,795	2.74	2.83
Indusind Bank Ltd.	789,100	39,573	1.88	1.94
Punjab National Bank	44,793	17,619	0.84	0.86
State Bank Of India	144,700	94,750	4.50	4.64
Union Bank Of India	347,800	39,319	1.87	1.93
Vijaya Bank	562,000	36,052	1.71	1.77
<b>CEMENT</b>	<b>316,000</b>	<b>70,547</b>	<b>3.35</b>	<b>3.46</b>
Century Textiles Ltd.	316,000	70,547	3.35	3.46
<b>CONSTRUCTION</b>	<b>129,868</b>	<b>62,109</b>	<b>2.95</b>	<b>3.04</b>
Hindustan Construction Company Ltd.	129,868	62,109	2.95	3.04
<b>CONSUMER NON DURABLES</b>	<b>673,743</b>	<b>132,568</b>	<b>6.29</b>	<b>6.49</b>
Bajaj Hindustan Ltd.	250,143	40,223	1.91	1.97
Dhampur Sugar Mills Ltd.	333,600	45,320	2.15	2.22
Tata Tea Ltd.	90,000	47,025	2.23	2.30
<b>FERROUS METALS</b>	<b>908,200</b>	<b>156,163</b>	<b>7.41</b>	<b>7.65</b>
Steel Authority Of India Ltd.	669,500	42,346	2.01	2.07
Sesa Goa Ltd.	54,700	40,024	1.90	1.96
Tata Iron & Steel Company Ltd.	184,000	73,793	3.50	3.61
<b>INDUSTRIAL CAPITAL GOODS</b>	<b>349,309</b>	<b>311,971</b>	<b>14.80</b>	<b>15.28</b>
Alfa Laval Ltd.	84,359	60,933	2.89	2.98
Bharat Heavy Electricals Ltd.	84,950	65,106	3.09	3.19
Larsen And Toubro Ltd.	53,000	52,974	2.51	2.59
Siemens Ltd.	52,000	88,548	4.20	4.34
Thermax India Ltd.	75,000	44,411	2.11	2.18
<b>INDUSTRIAL PRODUCTS</b>	<b>187,232</b>	<b>79,059</b>	<b>3.75</b>	<b>3.87</b>
Sintex Industries Ltd.	187,232	79,059	3.75	3.87
<b>NON - FERROUS METALS</b>	<b>86,235</b>	<b>61,542</b>	<b>2.92</b>	<b>3.01</b>
Sterlite Industries Ltd.	86,235	61,542	2.92	3.01
<b>OIL</b>	<b>184,600</b>	<b>163,426</b>	<b>7.76</b>	<b>8.00</b>
Oil and Natural Gas Corporation Ltd.	184,600	163,426	7.76	8.00
<b>PETROLEUM PRODUCTS</b>	<b>126,100</b>	<b>68,857</b>	<b>3.27</b>	<b>3.37</b>
Reliance Industries Ltd.	126,100	68,857	3.27	3.37
<b>PHARMACEUTICALS</b>	<b>239,154</b>	<b>97,645</b>	<b>4.64</b>	<b>4.78</b>
Glenmark Pharmaceuticals Ltd.	187,500	53,091	2.52	2.60
Jubilant Organosys Ltd.	51,654	44,554	2.12	2.18
<b>SOFTWARE</b>	<b>364,100</b>	<b>275,103</b>	<b>13.06</b>	<b>13.47</b>
HCL Technologies Ltd.	149,000	55,503	2.63	2.72
Infosys Technologies Ltd.	41,600	93,900	4.46	4.60
Satyam Computers Ltd.	120,000	49,086	2.33	2.40
Tata Consultancy Services Ltd.	53,500	76,615	3.64	3.75
<b>TEXTILE PRODUCTS</b>	<b>133,300</b>	<b>53,620</b>	<b>2.54</b>	<b>2.63</b>
Indian Rayon And Industries Ltd.	133,300	53,620	2.55	2.63
<b>Total</b>	<b>6,694,934</b>	<b>2,041,702</b>	<b>96.93</b>	<b>100.00</b>
<b>DEBENTURES AND BONDS</b>				
<b>(a) Other debentures and bonds</b>				
<b>Finance</b>				
Citicorp Maruti Finance Private Ltd. *	300,000	30,087	1.42	100.00
<b>Total</b>	<b>300,000</b>	<b>30,087</b>	<b>1.42</b>	<b>100.00</b>
<b>COMMERCIAL PAPER</b>				
<b>Finance</b>				
Infrastructure Development Finance Corporation Ltd.	500,000	49,470	2.35	100.00
<b>Total</b>	<b>500,000</b>	<b>49,470</b>	<b>2.35</b>	<b>100.00</b>
<b>OTHER CURRENT ASSETS</b>		<b>38,268</b>	<b>1.82</b>	
<b>TOTAL ASSETS</b>		<b>2,159,527</b>	<b>102.52</b>	
<b>LESS: CURRENT LIABILITIES</b>		<b>53,060</b>	<b>2.52</b>	
<b>NET ASSETS</b>		<b>2,106,467</b>	<b>100.00</b>	

\* Non traded / thinly traded investments

## ATTACHMENT I

## ABN AMRO Mutual Fund

Disclosure under Regulation 25(11) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

Investment made by the schemes of ABN AMRO Mutual Fund in companies or their subsidiaries that have invested more than 5% of the net assets of any scheme during the current year 2004-2005.

Name of the Company	Scheme(s) in which the company has invested	Scheme(s) which have invested in securities of the mentioned company	Aggregate Investment made in the company by the scheme during the 2004-2005 (Rs. in Lacs) (Note 1)*	Market / Fair Value of Investments as at March 31, 2005 (Rs. in Lacs)
BANK OF INDIA	AACF	AAEF AAMIP	826.59 12.14	577.95 15.55
EXIM BANK	AACF	AACF	2,887.18	2,894.10
GRASIM INDUSTRIES LTD. #	AACF	AAEF	1,711.72	-
		AAOF	198.38	197.96
GUJARAT AMBUJA CEMENTS LTD.	AACF	AAEF	696.90	-
		AAOF	198.08	196.25
HERO HONDA MOTORS LTD.	AAFRF	AAEF	540.47	-
	AACF	AAMIP	13.55	-
HDFC	AACF	AACF	2,475.21	480.72
		AAFRF	-	2,000.00
ICICI SECURITIES LIMITED	AACF	AACF	500.00	-
	AAFRF	AAFRF	2,000.00	-
IDBI \$	AACF	AACF	7,500.00	-
		AAFRF	2,443.19	-
IDFC	AACF	AAEF	-	494.70
		AAFRF	496.34	2,992.95
		AAFDF	2,445.87	920.15
		AAMIP	-	158.30
		AACF	8,654.14	4,338.54
ITC LTD.	AAFRF	AAEF	2,613.08	-
	AACF	AAMIP	25.80	-
		AAOF	460.29	469.72
JUBILANT ORGANOSYS LTD	AACF	AAEF	466.35	445.54
LARSEN & TOUBRO LTD.	AAFRF	AAEF	2,555.50	529.74
		AAOF	307.63	309.27
		AAMIP	29.42	14.99
L&T FINANCE LTD	AAFRF	AACF	1,000.00	-
RAYMOND LTD	AACF	AAFDF	1,500.00	-
		AACF	7,000.00	-
		AAFRF	3,500.00	-
STERLITE INDUSTRIES LTD.	AACF	AAEF	1,310.54	615.42
	AAFRF	AAMIP	14.81	14.27
		AACF	4,400.00	-
		AAFRF	3,600.00	-
UNION BANK OF INDIA	AACF	AAEF	678.90	393.19
UTI BANK LIMITED	AAFRF	AAFRF	975.83	-
	AACF	AACF	2,456.35	977.53

AACF ABN AMRO CASH FUND

AAFRF ABN AMRO FLOATING RATE FUND

AAMIP ABN AMRO MONTHLY INCOME PLAN

AAFDF ABN AMRO FLEXI DEBT FUND

AAEF ABN AMRO EQUITY FUND

AAOF ABN AMRO OPPORTUNITIES FUND

Note 1: Excludes inter-scheme transfers/sale

\* Inter scheme transfers of securities are not included in the aggregate cost of acquisition.

# Includes investment made in the subsidiary of the Company viz., Ultratech Chemco.

\$ Includes investment made in the subsidiary of the Company viz., IDBI Capital Market Services.

The above investments comprise equity shares, debentures / bonds, money market instruments and other debt instruments. These investments have been made in line with the investment objective of the Schemes.

## HISTORICAL PER UNIT STATISTICS

Audited as of 31.03.05

	ABN AMRO EQUITY FUND
(a) Net Asset Value, per unit	
Growth	13.21
Dividend	13.23
(b) Gross Income:	
i) Income other than profit on sale of investment, per unit	0.17
ii) profit on interscheme sale/transfer of investment, per unit	–
iii) profit on sale of investment to third party, per unit	2.99
iv) transfer to Revenue Account from past year's reserve per unit	–
(c) Aggregate of expenses, write offs, amortisation and charges, per unit	0.19
(d) Net unrealised depreciation in value of investments	–
(e) Net Income, per unit	2.96
(f) i ) Highest traded price	
ii ) Lowest traded price	
iii) Highest repurchase price/NAV	
Dividend	14.06
Growth	14.04
iv) Highest resale price	
Dividend	14.37
Growth	14.36
v) Lowest repurchase price/NAV	
Dividend	10.30
Growth	10.30
vi) Lowest resale price	
Dividend	10.53
Growth	10.53
vii) Price Earning Ratio	NA
viii) Ratio of Expenses to Average Net Assets(%)	2.35%
(g) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%)	38.28%

## TRUSTEE REPORT

Dear Investor,

ABN AMRO Mutual Fund (the "Fund") commenced its operations in the month of August 2004 by launching 5 Schemes (viz. ABN AMRO Equity Fund, ABN AMRO Monthly Income Plan, ABN AMRO Flexi Debt Fund, ABN AMRO Floating Rate Fund and ABN AMRO Cash Fund) and had a successful New Fund Offer (NFO). The NFO saw subscriptions in excess of Rs. 2000 crores by approximately 19700 investors. Success in the NFO makes it all the more imperative that the Fund stands up to the levels of expectations of the investors and endeavours to provide reasonable returns with consistent performance. It gives us pleasure in presenting the Annual Report of the Schemes of the Fund for the period ended March 31, 2005.

### Investment Policy & Outlook

As an active manager, the AMC seeks to deliver consistent performance within a well-monitored risk environment.

Our approach to equities is a blend of sector and company views with macroeconomic analysis, in a structured and successful investment process. Our style is characterised by active management, bias towards quality and Growth At a Reasonable Price (GARP), aimed at delivering superior risk-adjusted performance. In the view of the Fund Manager, the Indian economy is well on its path to grow at 7% going forward based on the foundations of domestic consumption demand, investments in infrastructure & manufacturing capacity and exports growth. Valuations in the market are not yet expensive and there are ample opportunities for the long-term investor.

Our Fixed Income investment style is driven by fundamentals. It is a clearly defined and disciplined decision making process based on fundamental approach to duration, yield curve and spread analysis. The investment process uses our MVS framework taking into account background factors such as overall macro economic and political forecasts, underlying valuations and market sentiment. In the view of the Fund Manager, outlook on the bond market remain mixed. While Federal Reserve Bank and the Central Bank except in Eurozone, continue to hike short-term rate to moderate inflation, market yield on long bond continue to ease as economists expect global economy to slow in coming duration. These differences on economic and inflation outlook are likely to lead to high volatility in markets. While low inflation, easy liquidity and relatively attractive valuation locally suggest that bond yield should remain stable, large supply Calendar and strong credit pick-up can cause intermediate volatility. Investment portfolios with low duration are likely to provide optimal returns in such a scenario in the medium term. A moderate increase in duration during sell-off period may provide a yield pick-up on the overall portfolio return.

### Performance for period ending March 31, 2005

#### **ABN AMRO Monthly Income Plan (AAMIP) (an open-ended income scheme. Monthly income is not assured and is subject to availability of distributable surplus)**

The primary objective of the scheme is to generate regular returns through investments primarily in debt and money market instruments. The secondary objective of the scheme is to generate long-term capital appreciation by investing a portion of the schemes' assets in equity and equity related securities.

	Absolute Returns (%)
AAMIP - Growth Option	5.18
CRISIL MIP Blended Index	3.94

Period: September 23, 2004 - March 31, 2005. Past performance may or may not be sustained in future and should not be used as a basis of comparison with other investments. Returns do not take into account the load, if any. Since inception returns are calculated on Rs. 10/- invested at inception.

AAMIP has generated reasonable returns during this period. Low exposure to debt component and reasonable exposure to equity has enabled the Scheme to deliver reasonable returns with a moderate risk profile.

#### **ABN AMRO Flexi Debt Fund (AAFDF) (an open-ended income scheme):**

The primary objective of the scheme is to generate income through investments in a range of debt and money market instruments of various maturities with a view to maximising income while maintaining an optimum balance between yield, safety and liquidity.

	Absolute Returns (%)
AAFDF - Regular Plan - Growth Option	1.28
AAFDF - Institutional Plan - Growth Option	1.90
CRISIL Composite Bond Fund Index	1.86

Period: September 23, 2004 - March 31, 2005. Past performance may or may not be sustained in future and should not be used as a basis of comparison with other investments. Returns do not take into account the load, if any. Since inception returns are calculated on Rs. 10/- invested at inception.

Continued uncertainty in interest rate outlook and sharp movements in market yields affected the performance of the scheme adversely. The sharp rise in bond yields during review period and significant redemptions had also impacted the performance of AAFDF.

### **ABN AMRO Floating Rate Fund (AAFRF) (an open-ended liquid scheme):**

The primary objective of the Scheme is to provide income consistent with the prudent risk from a portfolio comprising substantially of floating rate debt instruments, fixed rate debt instruments swapped for floating rate return, through the use of OTC or exchange traded derivatives. The Scheme may also invest in fixed rate & money market instruments and / or floating rate instruments swapped for fixed rate return through the use of OTC or exchange traded derivatives.

	Absolute Returns (%)
AAFRF - Regular Plan - Growth Option	2.61
AAFRF - Institutional Plan - Growth Option	2.82
CRISIL Liquid Fund Index	2.38

Period: September 13, 2004 - March 31, 2005. Past performance may or may not be sustained in future and should not be used as a basis of comparison with other investments. Returns do not take into account the load, if any. Since inception returns are calculated on Rs. 10/- invested at inception.

AAFRF has outperformed the benchmark during the review period. The performance is reasonable, considering sharp rise in short term yields during the review period.

### **ABN AMRO Cash Fund (AACF) (an open-ended liquid scheme):**

The primary objective of the Scheme is to enhance income consistent with a high level of liquidity, through a judicious portfolio mix comprising of money market and debt instruments.

	Absolute Returns (%)
AACF - Regular Plan - Growth Option	2.60
AACF - Institutional Plan - Growth Option	2.87
CRISIL Liquid Fund Index	2.48

Period: September 2, 2004 - March 31, 2005. Past performance may or may not be sustained in future and should not be used as a basis of comparison with other investments. Returns do not take into account the load, if any. Since inception returns are calculated on Rs. 10/- invested at inception.

AACF has outperformed the benchmark during the review period. The performance is reasonable, considering sharp rise in short term yields during the review period.

### **Statutory Details**

The Fund has been set up as a trust, as evidenced by the Trust Deed dated April 15, 2004, by ABN AMRO Bank N.V., the Sponsor of the Fund. ABN AMRO Trustee (India) Private Limited ("Trustees") is appointed as the Trustee to the Fund under the Trust Deed. ABN AMRO Asset Management (India) Limited is appointed as the Investment Manager to the Mutual Fund vide the Investment Management Agreement dated April 15, 2004.

The Trustees are responsible for holding the Trust property and protection of investor interests, *inter alia* ensure that the Schemes floated by the Fund are managed by the AMC in accordance with the Offer Documents of the respective Scheme(s) and the activities of the Fund are in compliance with the provisions of the Trust Deed, the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time and the Investment Management Agreement.

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. The associates of the Sponsor / AMC are not responsible or liable for any loss or shortfall resulting from the operations of the Scheme(s).

The price and redemption value of the units and income from them, can go up as well as down with the fluctuations in the market value of its underlying investments.

On a written request, present and prospective unit holders / investors can obtain a copy of the Trust Deed, the Annual Report of the Scheme, the Annual Report of the AMC and the text of the Scheme.

### **Acknowledgement**

The Trustees wish to thank the Unitholders of the Scheme for their overwhelming response throughout the year and also thank the Government of India, the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) and the Association of Mutual Funds in India (AMFI) for the Guidance provided by them. The Trustees also appreciate the service provided by the Registrar and Transfer Agent, Fund Accountant, Custodian, Bankers, Distributors and Brokers. The guidance and services provided by the Auditors and advocates and the ebullience, sincerity and dedication of the employees of ABN AMRO Management (India) Limited is also appreciated. The Trustees look forward to the continued support of everyone.

### **For and on behalf of Trustees of ABN AMRO Mutual Fund**

**P. R. Naware**  
Chairman

ABN AMRO Trustee (India) Private Limited  
Trustee to ABN AMRO Mutual Fund

Date : July 26, 2005

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND - ABN AMRO FLEXI DEBT FUND

1. We have audited the attached Balance Sheet of ABN AMRO MUTUAL FUND – ABN AMRO FLEXI DEBT FUND ('the Scheme') as at March 31, 2005 and also the revenue account for the period from September 4, 2004 to March 31, 2005 ('the period') annexed thereto. These financial statements are the responsibility of the management of ABN AMRO Asset Management (India) Limited, the Scheme's asset managers. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.
  - ii. The Balance Sheet and revenue account dealt with by this report are in agreement with the books of account.
  - iii. In our opinion, the Balance Sheet and revenue account dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Eighth, Ninth and Tenth Schedules to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ('the SEBI Regulations').
  - iv. In our opinion, and on the basis of information and explanations given to us the methods used to value non traded securities as at March 31, 2005 in accordance with the SEBI Regulations and other guidelines issued by the Securities and Exchange Board of India as applicable and approved by the Board of Directors of ABN AMRO Trustee (India) Private Limited, are fair and reasonable.
  - v. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI Regulations as applicable, and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2005; and
    - b) in the case of the revenue account, of the surplus for the period ended on that date.

For **S. R. BATLIBOI & CO.**  
Chartered Accountants

Per **Viren H. Mehta**  
Partner  
Membership No.: 048749

Mumbai  
July 26, 2005

**BALANCE SHEET**

AS AT MARCH 31, 2005

(All amounts in thousands of Rupees)

	Schedule	2005
<b>SOURCES OF FUNDS</b>		
Unit capital	2(b) & 3	239,302
Reserves and surplus	2(b) & 4	1,521
Current liabilities	5	38,212
		<b>279,035</b>
<b>APPLICATION OF FUNDS</b>		
Investments	2(c), 6 & 14	229,888
Other current assets	7	49,147
		<b>279,035</b>

The accompanying schedules are an integral part of this Balance Sheet.

As per our report of even date.

For **S.R. Batliboi & Co.**  
Chartered Accountants**Per Viren H. Mehta**  
Partner  
Membership No: 048749  
Mumbai  
Date: July 26, 2005**ABN AMRO Trustee  
(India) Private Limited****Shariq Contractor**  
Director**Brijesh Mehra**  
Director**ABN AMRO Asset  
Management (India) Limited****Romesh Sobti**  
Chairman**Mahendra Jajoo**  
Fund Manager**REVENUE ACCOUNT**

FOR THE PERIOD FROM SEPTEMBER 4, 2004 TO MARCH 31, 2005

(All amounts in thousands of Rupees)

	Schedule	September 4, 2004 to March 31, 2005
<b>INCOME</b>		
Interest	2(d) & 8	41,099
Other income		76
		<b>41,175</b>
<b>EXPENSES AND LOSSES</b>		
Provision for net unrealised loss in value of investments	2(c) & 6(ii)	1
Loss on sale/redemption of investments, net	2(d)	7,958
Loss on inter-scheme transfer/sale of investments, net	2(d)	5,010
Management fee	9	5,347
Trusteeship fee	9	63
Custodian service charges		384
SEBI registration fees		4
Registrar service charges		710
Commission to distributors		3,321
Publicity expenses		175
Audit fee		75
Other operating expenses		891
Expenses reimbursed by the AMC	9	(626)
		<b>23,313</b>
Surplus for the period		17,862
Equalisation debit	2(e)	(9,559)
Income distribution on capital account		(5,328)
Income-tax on distributed income		(955)
Surplus transferred to the Balance Sheet	4	2,020

The accompanying schedules are an integral part of this revenue account.

As per our report of even date.

For **S.R. Batliboi & Co.**  
Chartered Accountants**Per Viren H. Mehta**  
Partner  
Membership No: 048749  
Mumbai  
Date: July 26, 2005**ABN AMRO Trustee  
(India) Private Limited****Shariq Contractor**  
Director**Brijesh Mehra**  
Director**ABN AMRO Asset  
Management (India) Limited****Romesh Sobti**  
Chairman**Mahendra Jajoo**  
Fund Manager



## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM SEPTEMBER 4, 2004 TO MARCH 31, 2005

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Flexi Debt Fund ('the Scheme') was launched as an open-ended Debt fund on August 9, 2004 and the initial offer closed on September 3, 2004.

ABN AMRO Bank N.V. ('ABN AMRO') is the Sponsor for ABN AMRO Mutual Fund ('the Fund'). In accordance with the Securities and Exchange Board of India ('SEBI') (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of ABN AMRO Trustee (India) Private Limited ('the Trustee') has appointed ABN AMRO Asset Management (India) Limited ('the AMC') to manage the Fund's affairs and operate its Schemes.

The primary objective of the Scheme is to generate income through investments in a range of debt and money market instruments of various maturities with a view to maximise income while maintaining an optimum balance between yield, safety and liquidity.

The Scheme offers its investors the following plans :

Regular Growth  
Regular Quarterly Dividend  
Regular Half Yearly Dividend  
Institutional Growth Plan \*  
Institutional Monthly Dividend \*  
Institutional Quarterly Dividend \*(collectively 'the Plans')

\* Plans closed during the period.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared on the accrual basis of accounting, under the historical cost convention, as modified for investments, which are 'marked-to-market'. The significant accounting policies, which are in accordance with the SEBI Regulations and have been approved by the Boards of Directors of the AMC and the Trustee, are stated below.

#### (a) Determination of net asset value ('NAV')

- The net asset value of the units of the Scheme is determined separately for the units issued under the Plans.
- For reporting the net asset values within the portfolio, the Scheme's daily income earned, including realised profit or loss and unrealised gain or loss in the value of investments, and expenses incurred, are allocated to the related plans in proportion to their respective daily net assets as at the end of the immediately preceding day's net assets, adjusted for unit capital movement for the day.

#### (b) Unit capital

- Unit capital represents the net outstanding units at the Balance Sheet date, thereby reflecting all transactions relating to the period ended on that date.
- Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of each Plan, after an appropriate portion of the issue proceeds and redemption payouts is credited or debited respectively to the equalisation account, a mandatory requirement for open-ended mutual fund schemes.

#### (c) Investments

##### Accounting for investment transactions

- Purchase and sale of investments are recorded on the date of the transaction, at cost and sale price respectively, after considering brokerage, commission, and fees payable or receivable, if any.

##### Valuation of investments

- Investments in Central Government securities (excluding treasury bills) are stated at their traded prices on the Balance Sheet date, as released by an independent agency suggested by the Association of Mutual Funds in India ('AMFI').
- Treasury bills are stated at their fair values determined using yields (YTM) prevailing at the Balance Sheet date.
- Investments in fixed income securities are valued as follows:
  - Securities (including money market and floating rate bonds) traded on the Balance Sheet date (on the stock exchange where a majority (in terms of value) of these securities are principally traded), are stated at the last traded price.
  - Money market instruments and floating rate bonds not traded on the Balance Sheet date are valued at amortised cost based on purchase price or last quoted market price, which include discount/premium accrued on a straight line basis over the period to maturity / the next reset date.
  - Other fixed income investments are stated at their fair value as determined by the AMC in accordance with the SEBI Regulations and related circulars, based on comparative yields released by an independent agency suggested by the AMFI.
- In accordance with the Guidance Note on Accounting for Investments in the Financial Statements of Mutual Funds issued by the Institute of Chartered Accountants of India (pursuant to the Eleventh Schedule of the SEBI Regulations), the net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealised loss, if any, between two Balance Sheet dates is recognised in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold/transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year, as recommended by the Guidance Note. However, this departure from the Guidance Note does not have any net impact on the Scheme's net assets.

**(d) Revenue recognition**

- Interest income is recognised on an accrual basis.
- Profit or loss on sale/redemption of investments is determined on the basis of the weighted average cost method.

**(e) Equalisation account**

- The purpose of equalisation account is to maintain per unit amount of a Plan's share of the Scheme's distributable surplus, so that continuing unitholders' share of distributable surplus remains unchanged on issue or redemption of units under that Plan.
- When units are issued or redeemed, the total distributable surplus (including unit premium reserve) upto the date of the transaction is determined. Based on the number of units outstanding on the transaction date, the distributable surplus (including unit premium reserve) associated with each unit is computed. The per unit amount so determined is credited and debited to the equalisation account on issue and redemption of each unit respectively.
- At period end, the balance in the equalisation account is transferred to the revenue account.

**(f) Load**

- Load collected is retained in a separate account in the Scheme and is utilised for meeting the selling and distribution expenses of the Scheme

**3. UNIT CAPITAL**

	Quantity 2005	Amount 2005
Units of Rs 10 each fully paid up		
<b>Regular Growth</b>		
Issued		
- initial public offer	48,215,091.900	482,151
- during the period	28,527,907.093	285,279
Redeemed during the period	(65,089,977.329)	(650,900)
Outstanding, end of period	11,653,021.664	116,530
<b>Regular Quarterly Dividend</b>		
Issued		
- initial public offer	75,124,135.100	751,241
- during the period	12,441,991.878	124,420
Redeemed during the period	(76,250,732.118)	(762,507)
Outstanding, end of period	11,315,394.860	113,154
<b>Regular Half Yearly Dividend</b>		
Issued		
- initial public offer	1,809,005.000	18,090
- during the period	299,815.460	2,998
Redeemed during the period	(1,146,980.482)	(11,470)
Outstanding, end of period	961,839.978	9,618
<b>Institutional Growth</b>		
Issued		
- initial public offer	37,000,000.000	370,000
- during the period	12,622,815.684	126,228
Redeemed during the period	(49,622,815.684)	(496,228)
Outstanding, end of period	-	-
<b>Institutional Monthly Dividend</b>		
Issued		
- initial public offer	51,310,000.000	513,100
- during the period	10,572,102.248	105,721
Redeemed during the period	(61,882,102.248)	(618,821)
Outstanding, end of period	-	-
<b>Institutional Quarterly Dividend</b>		
Issued		
- initial public offer	1,140,000.000	11,400
- during the period	-	-
Redeemed during the period	(1,140,000.000)	(11,400)
Outstanding, end of period	-	-

**Total**

## Issued

- initial public offer	214,598,232.000	2,145,982
- during the period	64,464,632.363	644,646
Redeemed during the period	(255,132,607.861)	(2,551,326)
Outstanding, end of period	23,930,256.502	239,302

**4. RESERVES AND SURPLUS**

## Unit premium reserve

Net premium on issue/redemption of units	(10,068)
Equalisation, net	9,559
Balance, end of period	(509)

## Unrealised appreciation reserve

Net unrealised appreciation in value of investments	10
Balance, end of period	10

## Retained surplus

Surplus transferred from revenue account	2,020
Balance, end of period	2,020
Total reserves and surplus	1,521

The share of the plans in the reserves and surplus is as follows:

Regular Growth	1,496
Regular Quarterly Dividend	23
Regular Half Yearly Dividend	2
Institutional Growth	-
Institutional Monthly Dividend	-
Institutional Quarterly Dividend	-
	1,521

**5. CURRENT LIABILITIES**

Amount due to AMC for management fees	364
Trusteeship fee payable	26
Sundry creditors for units redeemed by investors	
- Lateral shifts	23,609
- Others	12,354
Dividend payable on units	535
Other current liabilities	1,324
	38,212

**6. INVESTMENTS**

Privately placed debentures and bonds	86,447
Other debentures and bonds	21,754
Commercial paper	121,688
	229,888

(i) All the investments are held in the name of the Scheme, as per clause 7 of the Seventh Schedule under Regulation 44(1) of SEBI (Mutual Funds) Regulations, 1996.

(ii) Aggregate appreciation and depreciation in the value of investments are as follows:

Privately placed debentures and bonds	
- appreciation	11
- depreciation	1
Other debentures and bonds	
- appreciation	-
- depreciation	1

- (iii) The aggregate value of investments acquired and sold/redeemed during the period and these amounts as a percentage of average daily net assets are as follows:

*Purchases (excluding Reverse repos, Call money & Fixed deposits)*

- amount	12,731,342
- as a percentage of average daily net assets	1144.59%

*Sales / Redemptions (excluding Reverse repos, Call money & Fixed deposits)*

- amount	12,488,645
- as a percentage of average daily net assets	1122.77%

- (iv) The aggregate purchases made by the schemes during the current period and the fair value of such investments as at March 31, 2005 in companies which have invested in any scheme of the Fund in excess of five per cent of that scheme's net assets are provided in Attachment I.

- (v) Aggregate fair value of non traded investments as on March 31, 2005 valued in good faith 108,201

## 7. OTHER CURRENT ASSETS

Balances with banks in current accounts	293
Sundry debtors for units issued to investors	16
Receivable from AMC	626
Collateralised lending	47,482
Outstanding and accrued income	641
Other current assets	89
	49,147

## 8. INTEREST

Debentures and bonds	22,102
Central government securities	10,385
Money market instruments	3,920
Others	4,693
	41,099

## 9. MANAGEMENT AND TRUSTEESHIP FEE

The Scheme pays fees for investment management services under an agreement with the AMC, which provides for computation of such fee as a percentage of the Scheme's average daily net assets, after excluding the net asset value of the investments by the AMC and other schemes, in the Scheme, if any. During the period ended March 31, 2005, the Scheme has paid management fee at an average rate of 0.93 per cent (annualised).

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for computation of such fee at 0.01 per cent of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum.

The AMC has borne Rs.6.26 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/Offer document, chargeable to the Scheme.

## 10. INCOME AND EXPENDITURE

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets on an annualised basis are provided below:

*Income*

- amount	41,175
- as a percentage of average daily net assets	7.15%

*Expenditure*

- amount	10,344
- as a percentage of average daily net assets	1.80%

## 11. RELATED PARTY TRANSACTIONS

Transactions covered by Regulation 25(8) of the SEBI Regulation with the Sponsors or Associate of the sponsor of the Fund

Name of related party	Nature of transactions	2005
ABN AMRO Bank N.V.	Bank charges	48
	Commission paid for procuring unit capital	3,071
ABN AMRO Securities (India) Pvt. Ltd.	Securities transaction in the form of investment in private placement where the associate acted as the arranger	76,653

**12. NET ASSET VALUE****2005**

Net asset value of each unit of Rs 10 of the Scheme

Regular Growth	10.1283
Retail Quarterly Dividend	10.0020
Half Yearly Dividend	10.0024
Institutional Growth	-
Institutional Monthly Dividend	-
Institutional Quarterly Dividend	-

The net asset value of the Scheme's unit is determined separately for units issued under each of the plans after including the respective unit capital and reserves and surplus.

**13. PRIOR PERIOD COMPARATIVES**

As these are the first financial statements of the Scheme since the date of its launch, there are no prior period comparatives.

**14. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION**

Details of investment portfolio and industrywise classification of the Scheme's investments in each category of investments at March 31, 2005 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2005, as well as the aggregate investments in each investment category.

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
<b>DEBENTURES AND BONDS</b>				
<b>(a) Privately placed debentures and bonds</b>				
<b>Finance(Asset Backed Securities)</b>				
Retail Pool Trust*	7	48,074	19.96	55.61
UMT 1 Trust *	4	38,372	15.93	44.39
<b>Total</b>	<b>11</b>	<b>86,447</b>	<b>35.89</b>	<b>100.00</b>
<b>(b) Other debentures and bonds</b>				
<b>Finance</b>				
Power Finance Corporation Ltd*	15,000	1,696	0.70	7.79
Citicorp Maruti Finance Ltd *	200,000	20,058	8.33	92.21
<b>Total</b>	<b>215,000</b>	<b>21,754</b>	<b>9.03</b>	<b>100.00</b>
<b>COMMERCIAL PAPER</b>				
<b>Finance</b>				
G.E.Capital Ltd	300,000	29,673	12.32	24.38
Infrastructure Development Finance Corporation Ltd	930,000	92,015	38.22	75.62
<b>Total</b>	<b>1,230,000</b>	<b>121,688</b>	<b>50.54</b>	<b>100.00</b>
<b>OTHER CURRENT ASSETS</b>		<b>49,147</b>	<b>20.41</b>	
<b>TOTAL ASSETS</b>		<b>279,035</b>	<b>115.87</b>	
<b>LESS: CURRENT LIABILITIES</b>		<b>38,212</b>	<b>15.87</b>	
<b>NET ASSETS</b>		<b>240,823</b>	<b>100.00</b>	

\* Non traded / thinly traded investments

## ATTACHMENT I

## ABN AMRO Mutual Fund

Disclosure under Regulation 25(11) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

Investment made by the schemes of ABN AMRO Mutual Fund in companies or their subsidiaries that have invested more than 5% of the net assets of any scheme during the current year 2004-2005.

Name of the Company	Scheme(s) in which the company has invested	Scheme(s) which have invested in securities of the mentioned company	Aggregate Investment made in the company by the scheme during the 2004-2005 (Rs. in Lacs) (Note 1)*	Market / Fair Value of Investments as at March 31, 2005 (Rs. in Lacs)
BANK OF INDIA	AACF	AAEF AAMIP	826.59 12.14	577.95 15.55
EXIM BANK	AACF	AACF	2,887.18	2,894.10
GRASIM INDUSTRIES LTD. #	AACF	AAEF	1,711.72	-
		AAOF	198.38	197.96
GUJARAT AMBUJA CEMENTS LTD.	AACF	AAEF	696.90	-
		AAOF	198.08	196.25
HERO HONDA MOTORS LTD.	AAFRF	AAEF	540.47	-
	AACF	AAMIP	13.55	-
HDFC	AACF	AACF	2,475.21	480.72
		AAFRF	-	2,000.00
ICICI SECURITIES LIMITED	AACF	AACF	500.00	-
	AAFRF	AAFRF	2,000.00	-
IDBI \$	AACF	AACF	7,500.00	-
		AAFRF	2,443.19	-
IDFC	AACF	AAEF	-	494.70
		AAFRF	496.34	2,992.95
		AAFDf	2,445.87	920.15
		AAMIP	-	158.30
		AACF	8,654.14	4,338.54
ITC LTD.	AAFRF	AAEF	2,613.08	-
	AACF	AAMIP	25.80	-
		AAOF	460.29	469.72
JUBILANT ORGANOSYS LTD	AACF	AAEF	466.35	445.54
LARSEN & TOUBRO LTD.	AAFRF	AAEF	2,555.50	529.74
		AAOF	307.63	309.27
		AAMIP	29.42	14.99
L&T FINANCE LTD	AAFRF	AACF	1,000.00	-
RAYMOND LTD	AACF	AAFDf	1,500.00	-
		AACF	7,000.00	-
		AAFRF	3,500.00	-
STERLITE INDUSTRIES LTD.	AACF	AAEF	1,310.54	615.42
	AAFRF	AAMIP	14.81	14.27
		AACF	4,400.00	-
		AAFRF	3,600.00	-
UNION BANK OF INDIA	AACF	AAEF	678.90	393.19
UTI BANK LIMITED	AAFRF	AAFRF	975.83	-
	AACF	AACF	2,456.35	977.53

AACF ABN AMRO CASH FUND

AAFRF ABN AMRO FLOATING RATE FUND

AAMIP ABN AMRO MONTHLY INCOME PLAN

AAFDf ABN AMRO FLEXI DEBT FUND

AAEF ABN AMRO EQUITY FUND

AAOF ABN AMRO OPPORTUNITIES FUND

Note 1: Excludes inter-scheme transfers/sale

\* Inter scheme transfers of securities are not included in the aggregate cost of acquisition.

# Includes investment made in the subsidiary of the Company viz., Ultratech Chemco.

\$ Includes investment made in the subsidiary of the Company viz., IDBI Capital Market Services.

The above investments comprise equity shares, debentures / bonds, money market instruments and other debt instruments. These investments have been made in line with the investment objective of the Schemes.

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND - ABN AMRO MONTHLY INCOME PLAN

1. We have Audited the attached Balance Sheet of ABN AMRO MUTUAL FUND – ABN AMRO MONTHLY INCOME PLAN ('the Scheme') as at March 31, 2005 and also the revenue account for the period from September 4, 2004 to March 31, 2005 ('the period') annexed thereto. These financial statements are the responsibility of the management of ABN AMRO Asset Management (India) Limited, the Scheme's asset managers. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that:
  - i. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
  - ii. The Balance Sheet and account dealt with by this report are in agreement with the books of account.
  - iii. In our opinion, the balance sheet and revenue account dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Eighth, Ninth and Tenth Schedules to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ('the SEBI Regulations').
  - iv. In our opinion, and on the basis of information and explanations given to us, the methods used to value non traded securities as at March 31, 2005 in accordance with the SEBI Regulations and other guidelines issued by the Securities and Exchange Board of India as applicable and approved by the Board of Directors of ABN AMRO Trustee (India) Private Limited, are fair and reasonable.
  - v. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI Regulations as applicable, and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - a) in the case of the Balance Sheet, of the state of affairs of the Schemes as at March 31, 2005; and
    - b) in the case of revenue account, of the surplus for the period ended on that date.

for **S. R. BATLIBOI & CO.**  
Chartered Accountants

Per **Viren H. Mehta**  
Partner  
Membership No.: 048749

Mumbai  
July 26, 2005

## BALANCE SHEET

AS AT MARCH 31, 2005

(All amounts in thousands of Rupees)

	Schedule	2005
<b>SOURCES OF FUNDS</b>		
Unit capital	2(b) & 3	168,059
Reserves and surplus	2(b) & 4	7,227
Current liabilities	5	3,089
		<b>178,375</b>
<b>APPLICATION OF FUNDS</b>		
Investments	2(c), 6 & 14	134,392
Other current assets	7	43,983
		<b>178,375</b>

The accompanying schedules are an integral part of this Balance Sheet.

As per our report of even date.

**For S.R. Batliboi & Co.**  
Chartered Accountants

Per **Viren H. Mehta**  
Partner  
Membership No: 048749  
Mumbai  
Date: July 26, 2005

**ABN AMRO Trustee  
(India) Private Limited**

**Shariq Contractor**  
Director

**Brijesh Mehra**  
Director

**ABN AMRO Asset  
Management (India) Limited**

**Romesh Sobti**  
Chairman

**Mahendra Jajoo**  
Fund Manager

## REVENUE ACCOUNT

FOR THE PERIOD FROM SEPTEMBER 4, 2004 TO MARCH 31, 2005

(All amounts in thousands of Rupees)

	Schedule	September 4, 2004 to March 31, 2005
<b>INCOME</b>		
Dividend	2(d)	23
Interest	2(d) & 8	4,416
Profit on sale/redemption of investments, net	2(d)	3,780
		<b>8,219</b>
<b>EXPENSES AND LOSSES</b>		
Provision for net unrealised loss in value of investments	2(c) & 6(ii)	7
Loss on inter-scheme transfer/sale of investments, net	2(d)	172
Management fee	9	1,040
Trusteeship fee	9	9
Custodian service charges		54
SEBI registration fees		2
Registrar service charges		141
Commission to distributors		488
Publicity expenses		35
Audit fee		50
Other operating expenses		192
Expenses reimbursed by the AMC	9	(139)
		<b>2,051</b>
Surplus for the period		<b>6,168</b>
Equalisation credit	2(e)	1,181
Income distribution on capital account		(1,725)
Income-tax on distributed income		(249)
Surplus transferred to the Balance Sheet	4	<b>5,375</b>

The accompanying schedules are an integral part of this revenue account

As per our report of even date.

**For S.R. Batliboi & Co.**  
Chartered Accountants

Per **Viren H. Mehta**  
Partner  
Membership No: 048749  
Mumbai  
Date: July 26, 2005

**ABN AMRO Trustee  
(India) Private Limited**

**Shariq Contractor**  
Director

**Brijesh Mehra**  
Director

**ABN AMRO Asset  
Management (India) Limited**

**Romesh Sobti**  
Chairman

**Mahendra Jajoo**  
Fund Manager



## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM SEPTEMBER 4, 2004 TO MARCH 31, 2005

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Monthly Income Plan ('the Scheme') was launched as an open ended income fund on August 9, 2004 and the initial offer closed on September 3, 2004.

ABN AMRO Bank N.V ('ABN AMRO') is the Sponsor for ABN AMRO Mutual Fund ('the Fund'). In accordance with the Securities and Exchange Board of India ('SEBI') (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of ABN AMRO Trustee (India) Private Limited ('the Trustee') has appointed ABN AMRO Asset Management (India) Limited ('the AMC') to manage the Fund's affairs and operate its Schemes.

The primary objective of the Scheme is to generate regular returns through investment primarily in debt and money market instruments. The secondary objective of the Scheme is to generate long-term capital appreciation by investing a portion of the Scheme's assets in equity and equity related securities.

The Scheme offers its investors the following Plans :

- Growth
- Monthly Dividend
- Quarterly Dividend (collectively 'the Plans').

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared on the accrual basis of accounting, under the historical cost convention, as modified for investments, which are 'marked-to-market'. The significant accounting policies, which are in accordance with the SEBI Regulations and have been approved by the Boards of Directors of the AMC and the Trustee, are stated below.

#### (a) Determination of net asset value ('NAV')

- The net asset value of the units of the Scheme is determined separately for the units issued under the Plans.
- For reporting the net asset values within the portfolio, the Scheme's daily income earned, including realised profit or loss and unrealised gain or loss in the value of investments, and expenses incurred, are allocated to the related plans in proportion to their respective daily net assets as at the end of the immediately preceding day's net assets, adjusted for unit capital movement for the day.

#### (b) Unit capital

- Unit capital represents the net outstanding units at the Balance Sheet date, thereby reflecting all transactions relating to the period ended on that date.
- Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of each Plan, after an appropriate portion of the issue proceeds and redemption payouts is credited or debited respectively to the equalisation account, a mandatory requirement for open-ended mutual fund schemes.

#### (c) Investments

##### Accounting for investment transactions

- Purchase and sale of investments are recorded on the date of the transaction, at cost and sale price respectively, after considering brokerage, commission, and fees payable or receivable, if any.
- Right entitlements are recognised as investments on the ex-rights date.
- Bonus entitlements are recognised as investments on the ex-bonus date.

##### Valuation of investments

- Investments in equity shares which have traded during a period of thirty days (prior to the Balance Sheet date) are stated at the closing prices on the Balance Sheet date or the last trading day before the Balance Sheet date, as may be applicable, on The National Stock Exchange of India Limited (Principal Exchange). When on a particular valuation day, a security has not been traded on the principal stock exchange, the value at which it is traded on The Stock Exchange, Mumbai will be used.
- Investments in Central Government securities (excluding treasury bills) are stated at their traded prices on the Balance Sheet date, as released by an independent agency suggested by the Association of Mutual Funds in India ('AMFI').
- Treasury bills are stated at their fair values determined using yields (YTM) prevailing at the Balance Sheet date.
- Investments in fixed income securities are valued as follows:
  - Securities (including money market and floating rate bonds) traded on the Balance Sheet date (on the stock exchange where a majority (in terms of value) of these securities are principally traded), are stated at the last traded price.
  - Money market instruments and floating rate bonds not traded on the Balance Sheet date are valued at amortised cost based on purchase price or last quoted market price, which include discount/premium accrued on a straight line basis over the period to maturity / the next reset date.
  - Other fixed income investments are stated at their fair value as determined by the AMC in accordance with the SEBI Regulations and related circulars, based on comparative yields released by an independent agency suggested by the AMFI.
- In accordance with the Guidance Note on Accounting for Investments in the Financial Statements of Mutual Funds issued by the Institute of Chartered Accountants of India (pursuant to the Eleventh Schedule of the SEBI Regulations), the net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealised loss, if any, between two Balance Sheet dates is recognised in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold/transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year, as recommended by the Guidance Note. However, this departure from the Guidance Note does not have any net impact on the Scheme's net assets.

**(d) Revenue recognition**

- Dividend income is recognised on the ex-dividend date.
- Interest income is recognised on an accrual basis.
- Profit or loss on sale/redemption of investments is determined on the basis of the weighted average cost method.

**(e) Equalisation account**

- The purpose of equalisation account is to maintain per unit amount of a Plan's share of the Scheme's distributable surplus, so that continuing unitholders' share of distributable surplus remains unchanged on issue or redemption of units under that Plan.
- When units are issued or redeemed, the total distributable surplus (including unit premium reserve) upto the date of the transaction is determined. Based on the number of units outstanding on the transaction date, the distributable surplus (including unit premium reserve) associated with each unit is computed. The per unit amount so determined is credited and debited to the equalisation account on issue and redemption of each unit respectively.
- At period end, the balance in the equalisation account is transferred to the revenue account.

**(f) Load**

- Load collected is retained in a separate account in the Scheme and is utilised for meeting the selling and distribution expenses of the Scheme.

**3. UNIT CAPITAL**

	Quantity 2005	Amount 2005
Units of Rs 10 each fully paid up		
<b>Growth Plan</b>		
Issued		
- initial public offer	3,060,041.000	30,600
- during the period	11,647,609.806	116,476
Redeemed during the period	(2,939,942.600)	(29,399)
Outstanding, end of period	11,767,708.206	117,677
<b>Monthly Dividend Plan</b>		
Issued		
- initial public offer	8,279,000.000	82,790
- during the period	903,767.217	9,038
Redeemed during the period	(6,561,966.107)	(65,620)
Outstanding, end of period	2,620,801.110	26,208
<b>Quarterly Dividend Plan</b>		
Issued		
- initial public offer	8,230,850.000	82,309
- during the period	989,378.319	9,894
Redeemed during the period	(6,802,882.226)	(68,029)
Outstanding, end of period	2,417,346.093	24,174
<b>Total</b>		
Issued		
- initial public offer	19,569,891.000	195,699
- during the period	13,540,755.342	135,408
Redeemed during the period	(16,304,790.933)	(163,048)
Outstanding, end of period	16,805,855.409	168,059

At March 31, 2005, of the above unit capital, approximately 29.52 per cent of the asset under management of the Scheme is held by a single investor.

**4. RESERVES AND SURPLUS**

Unit premium reserve	
Net premium on issue/redemption of units	1,241
Equalisation, net	(1,181)
Balance, end of period	60
Unrealised appreciation reserve	
Net unrealised appreciation in value of investments	1,792
Balance, end of period	1,792
Retained surplus	
Surplus transferred from revenue account	5,375
Balance, end of period	5,375
Total reserves and surplus	7,227

The share of the plans in the reserves and surplus is as follows:

Growth	6,094
Monthly Dividend	612
Quarterly Dividend	521
	7,227

## 5. CURRENT LIABILITIES

Amount due to AMC for management fees	178
Trusteeship fee payable	5
Sundry creditors for units redeemed by investors	
- Lateral shift	1,237
- Others	735
Dividend payable on units	430
Other current liabilities	504
	3,089

## 6. INVESTMENTS

Equity shares	24,241
Privately placed debentures and bonds	39,789
Other debentures and bonds	20,058
Commercial paper	50,304
	134,392

(i) All the investments are held in the name of the Scheme, as per clause 7 of the Seventh Schedule under Regulation 44(1) of SEBI (Mutual Funds) Regulations, 1996.

(ii) Aggregate appreciation and depreciation in the value of investments are as follows:

Equity shares	
- appreciation	2,049
- depreciation	270
Privately placed debentures and bonds	
- appreciation	13
- depreciation	-
Other debentures and bonds	
- appreciation	-
- depreciation	7

(iii) The aggregate value of investments acquired and sold/redeemed during the period and these amounts as a percentage of average daily net assets are as follows:

*Purchases (excluding Reverse repos, Call money & Fixed deposits)*

- amount	1,213,593
- as a percentage of average daily net assets	755.21%

*Sales / Redemptions (excluding Reverse repos, Call money & Fixed deposits)*

- amount	1,084,726
- as a percentage of average daily net assets	675.02%

(iv) The aggregate purchases made by the schemes during the current period and the fair value of such investments as at March 31, 2005 in companies which have invested in any scheme of the Fund in excess of five per cent of that scheme's net assets are provided in Attachment I.

(v) Aggregate fair value of non traded investments as on March 31, 2005  
valued in good faith

59,847

## 7. OTHER CURRENT ASSETS

Balances with banks in current accounts	322
Sundry debtors for units issued to investors	45
Receivable from AMC	139
Contracts for sale of investments	805
Collateralised lending	42,246
Outstanding and accrued income	426
	43,983

**8. INTEREST**

Debentures and bonds	920
Central government securities	1,155
Money market instruments	1,305
Others	1,036
	<b>4,416</b>

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services under an agreement with the AMC, which provides for computation of such fee as a percentage of the Scheme's average daily net assets, after excluding the net asset value of the investments by the AMC and other schemes, in the Scheme, if any. During the period ended March 31, 2005, the Scheme has paid management fee at an average rate of 1.25 per cent (annualised).

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for computation of such fee at 0.01 per cent of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum.

The AMC has borne Rs.1.39 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations, chargeable to the Scheme.

**10. INCOME AND EXPENDITURE**

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets on an annualised basis are provided below:

*Income*

- amount	8,219
- as a percentage of average daily net assets	9.88%

*Expenditure*

- amount	1,872
- as a percentage of average daily net assets	2.25%

**11. RELATED PARTY TRANSACTIONS**
**Transactions covered by Regulation 25(8) of the SEBI Regulations with the Sponsors or Associate of the sponsor of the Fund**

Name of related party	Nature of transactions	2005
ABN AMRO Bank N.V.	Bank charges	7
	Commission paid for procuring unit capital	430
ABN AMRO Securities (India) Pvt. Ltd.	Securities transaction in the form of investment in private placement where the associate acted as the arranger	19,163
ABN AMRO Asia Equities (India) Ltd	Brokerage on securities transactions	6

**12. NET ASSET VALUE**
**2005**

Net asset value of each unit of Rs 10 of the Scheme

Growth	10.5179
Monthly Dividend	10.2337
Quarterly Dividend	10.2156

The net asset value of the Scheme's unit is determined separately for units issued under each of the plans after including the respective unit capital and reserves and surplus.

**13. PRIOR PERIOD COMPARATIVES**

As these are the first financial statements of the Scheme since the date of its launch, there are no prior period comparatives.

#### 14. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION

Details of investment portfolio and industrywise classification of the Scheme's investments in each category of investments at March 31, 2005 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2005, as well as the aggregate investments in each investment category.

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
<b>EQUITY SHARES</b>				
<b>INDUSTRIAL CAPITAL GOODS</b>				
Alfa Laval (India) Ltd.	1,800	1,300	0.74	5.36
Bharat Earth Movers Ltd.	3,400	1,222	0.70	5.04
Larsen And Toubro Ltd.	1,500	1,499	0.86	6.18
Thermax Ltd.	2,500	1,480	0.84	6.11
<b>CONSUMER NON DURABLES</b>				
Balrampur Chini Mills Ltd.	8,000	554	0.32	2.29
Dhampur Sugar Mills Ltd.	7,500	1,019	0.58	4.20
<b>BANKS</b>				
Bank Of India	15,000	1,555	0.89	6.41
Indus Ind Bank Ltd.	16,000	802	0.46	3.31
Punjab National Bank Ltd.	3,300	1,298	0.74	5.35
State Bank Of India	1,600	1,048	0.60	4.32
<b>CEMENT</b>				
Century Textile & Industries Ltd.	6,600	1,473	0.84	6.08
<b>CONSTRUCTION</b>				
Hindustan Construction Company Ltd.	3,600	1,722	0.98	7.10
<b>SOFTWARE</b>				
Infosys Technologies Ltd.	625	1,411	0.80	5.82
Tata Consultancy Services Ltd.	900	1,289	0.74	5.32
<b>OIL</b>				
Oil & Natural Gas Corporation Ltd.	2,200	1,948	1.11	8.03
<b>NON FERROUS METALS</b>				
Sterlite Industries (India) Ltd.	2,000	1,427	0.81	5.89
<b>INDUSTRIAL PRODUCTS</b>				
Sintex Industries Ltd.	4,000	1,689	0.96	6.97
<b>FERROUS METALS</b>				
Tata Iron & Steel Company Ltd.	3,750	1,504	0.86	6.20
<b>Total</b>	<b>84,275</b>	<b>24,241</b>	<b>13.83</b>	<b>100.00</b>
<b>DEBENTURES AND BONDS</b>				
<b>(a) Private placed debentures and bonds</b>				
<b>Finance (Asset Backed Securities)</b>				
Retail Pool Trust*	3	20,603	11.75	51.78
UMT 1 Trust *	2	19,186	10.95	48.22
<b>Total</b>	<b>5</b>	<b>39,789</b>	<b>22.70</b>	<b>100.00</b>
<b>(b) Other debenture and bonds</b>				
<b>Finance</b>				
Citicorp Maruti Finance Corporation Ltd*	200,000	20,058	11.44	100.00
<b>Total</b>	<b>200,000</b>	<b>20,058</b>	<b>11.44</b>	<b>100.00</b>
<b>COMMERCIAL PAPER</b>				
<b>Finance</b>				
G.E.Capital Financials Services Ltd	350,000	34,474	19.67	68.53
Infrastructure Development Finance Corporation Ltd	160,000	15,830	9.03	31.47
<b>Total</b>	<b>510,000</b>	<b>50,304</b>	<b>28.70</b>	<b>100.00</b>
<b>OTHER CURRENT ASSETS</b>		<b>43,983</b>	<b>25.09</b>	
<b>TOTAL ASSETS</b>		<b>178,375</b>	<b>101.76</b>	
<b>LESS: CURRENT LIABILITIES</b>		<b>3,089</b>	<b>1.76</b>	
<b>NET ASSETS</b>		<b>175,286</b>	<b>100.00</b>	

\* Non traded / thinly traded investments

## ATTACHMENT I

### ABN AMRO Mutual Fund

Disclosure under Regulation 25(11) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

Investment made by the schemes of ABN AMRO Mutual Fund in companies or their subsidiaries that have invested more than 5% of the net assets of any scheme during the current year 2004-2005.

Name of the Company	Scheme(s) in which the company has invested	Scheme(s) which have invested in securities of the mentioned company	Aggregate Investment made in the company by the scheme during the 2004-2005 (Rs. in Lacs) (Note 1)*	Market / Fair Value of Investments as at March 31, 2005 (Rs. in Lacs)
BANK OF INDIA	AACF	AAEF AAMIP	826.59 12.14	577.95 15.55
EXIM BANK	AACF	AACF	2,887.18	2,894.10
GRASIM INDUSTRIES LTD. #	AACF	AAEF	1,711.72	-
		AAOF	198.38	197.96
GUJARAT AMBUJA CEMENTS LTD.	AACF	AAEF	696.90	-
		AAOF	198.08	196.25
HERO HONDA MOTORS LTD.	AAFRF	AAEF	540.47	-
	AACF	AAMIP	13.55	-
HDFC	AACF	AACF	2,475.21	480.72
		AAFRF	-	2,000.00
ICICI SECURITIES LIMITED	AACF	AACF	500.00	-
	AAFRF	AAFRF	2,000.00	-
IDBI \$	AACF	AACF	7,500.00	-
		AAFRF	2,443.19	-
IDFC	AACF	AAEF	-	494.70
		AAFRF	496.34	2,992.95
		AAFDF	2,445.87	920.15
		AAMIP	-	158.30
		AACF	8,654.14	4,338.54
ITC LTD.	AAFRF	AAEF	2,613.08	-
	AACF	AAMIP	25.80	-
		AAOF	460.29	469.72
JUBILANT ORGANOSYS LTD	AACF	AAEF	466.35	445.54
LARSEN & TOUBRO LTD.	AAFRF	AAEF	2,555.50	529.74
		AAOF	307.63	309.27
		AAMIP	29.42	14.99
L&T FINANCE LTD	AAFRF	AACF	1,000.00	-
RAYMOND LTD	AACF	AAFDF	1,500.00	-
		AACF	7,000.00	-
		AAFRF	3,500.00	-
STERLITE INDUSTRIES LTD.	AACF	AAEF	1,310.54	615.42
	AAFRF	AAMIP	14.81	14.27
		AACF	4,400.00	-
		AAFRF	3,600.00	-
UNION BANK OF INDIA	AACF	AAEF	678.90	393.19
UTI BANK LIMITED	AAFRF	AAFRF	975.83	-
	AACF	AACF	2,456.35	977.53

AACF ABN AMRO CASH FUND

AAFRF ABN AMRO FLOATING RATE FUND

AAMIP ABN AMRO MONTHLY INCOME PLAN

AAFDF ABN AMRO FLEXI DEBT FUND

AAEF ABN AMRO EQUITY FUND

AAOF ABN AMRO OPPORTUNITIES FUND

Note 1: Excludes inter-scheme transfers/sale

\* Inter scheme transfers of securities are not included in the aggregate cost of acquisition.

# Includes investment made in the subsidiary of the Company viz., Ultratech Chemco.

\$ Includes investment made in the subsidiary of the Company viz., IDBI Capital Market Services.

The above investments comprise equity shares, debentures / bonds, money market instruments and other debt instruments. These investments have been made in line with the investment objective of the Schemes.

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND - ABN AMRO CASH FUND

1. We have Audited the attached Balance Sheet of ABN AMRO MUTUAL FUND – ABN AMRO CASH FUND ('the Scheme') as at March 31, 2005 and also the revenue account for the period from September 2, 2004 to March 31, 2005 ('the period') annexed thereto. These financial statements are the responsibility of the management of ABN AMRO Asset Management (India) Limited, the Scheme's asset managers. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.
  - ii. The Balance Sheet, revenue account dealt with by this report are in agreement with the books of account.
  - iii. In our opinion, the Balance Sheet and revenue account dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Eighth, Ninth and Tenth Schedules to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ('the SEBI Regulations').
  - iv. In our opinion, and on the basis of information and explanations given to us, the methods used to value non traded securities as at March 31, 2005 in accordance with the SEBI Regulations and other guidelines issued by the Securities and Exchange Board of India as applicable and approved by the Board of Directors of ABN AMRO Trustee (India) Private Limited, are fair and reasonable.
  - v. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI Regulations as applicable, and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2005;
    - and
    - b) in the case of the revenue account, of the surplus for the period ended on that date.

for **S. R. BATLIBOI & CO.**

*Chartered Accountants*

Per **Viren H. Mehta**

*Partner*

Membership No.: 048749

Mumbai

July 26, 2005

**BALANCE SHEET**

AS AT MARCH 31, 2005

(All amounts in thousands of Rupees)

	Schedule	2005
<b>SOURCES OF FUNDS</b>		
Unit capital	2(b) & 3	3,749,036
Reserves and surplus	2(b) & 4	48,051
Current liabilities	5	25,922
		<b>3,823,009</b>
<b>APPLICATION OF FUNDS</b>		
Investments	2(c), 6 & 15	3,387,213
Deposits	7	350,000
Other current assets	8	85,796
		<b>3,823,009</b>

The accompanying schedules are an integral part of this Balance Sheet.

As per our report of even date.

**For S.R. Batliboi & Co.**  
Chartered Accountants

Per **Viren H. Mehta**  
Partner  
Membership No: 048749  
Mumbai  
Date: July 26, 2005

**ABN AMRO Trustee  
(India) Private Limited**

**Shariq Contractor**  
Director

**Brijesh Mehra**  
Director

**ABN AMRO Asset  
Management (India) Limited**

**Romesh Sobti**  
Chairman

**R. Sivakumar**  
Fund Manager

**REVENUE ACCOUNT**

FOR THE PERIOD FROM SEPTEMBER 2, 2004 TO MARCH 31, 2005

(All amounts in thousands of Rupees)

	Schedule	September 2, 2004 to March 31, 2005
<b>INCOME</b>		
Interest	2(d) & 9	141,175
Other income		26
		<b>141,201</b>
<b>EXPENSES AND LOSSES</b>		
"Provision for net unrealised loss in value of investments	2(c) & 6(ii)	1,235
Loss on sale/redemption of investments, net	2(d)	1,313
Loss on inter-scheme transfer/sale of investments, net	2(d)	2,652
Management fee	10	4,727
Trusteeship fee	10	284
Custodian service charges		1,243
SEBI registration fees		46
Registrar service charges		2,250
Commission to distributors		3,276
Publicity expenses		576
Audit fee		75
Interest on borrowings		96
Other operating expenses		1,325
Expenses reimbursed by the AMC	10	(3,198)
		<b>15,900</b>
Surplus for the period		125,301
Equalisation debit	2(e)	(21,860)
Transfer from unit premium reserve		113
Income distribution on capital account		(46,701)
Income-tax on distributed income		(8,597)
Surplus transferred to the Balance Sheet	4	48,256

The accompanying schedules are an integral part of this revenue account.

As per our report of even date.

**For S.R. Batliboi & Co.**  
Chartered Accountants

Per **Viren H. Mehta**  
Partner  
Membership No: 048749  
Mumbai  
Date: July 26, 2005

**ABN AMRO Trustee  
(India) Private Limited**

**Shariq Contractor**  
Director

**Brijesh Mehra**  
Director

**ABN AMRO Asset  
Management (India) Limited**

**Romesh Sobti**  
Chairman

**R. Sivakumar**  
Fund Manager



## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM SEPTEMBER 2, 2004 TO MARCH 31, 2005

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Cash Fund ('the Scheme') was launched as an open-ended Liquid fund on August 31, 2004 and the initial offer closed on September 1, 2004.

ABN AMRO Bank N.V. ('ABN AMRO') is the Sponsor for ABN AMRO Mutual Fund ('the Fund'). In accordance with the Securities and Exchange Board of India ('SEBI') (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of ABN AMRO Trustee (India) Private Limited ('the Trustee') has appointed ABN AMRO Asset Management (India) Limited ('the AMC') to manage the Fund's affairs and operate its Schemes.

The primary objective of the Scheme is to enhance income, consistent with a high level of liquidity, through a judicious portfolio mix comprising money market and debt instruments.

The Scheme offers its investors the following Plans :

Regular Growth

Regular Weekly Dividend

Institutional Growth

Institutional Daily Dividend (collectively 'the Plans').

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared on the accrual basis of accounting, under the historical cost convention, as modified for investments, which are 'marked-to-market'. The significant accounting policies, which are in accordance with the SEBI Regulations and have been approved by the Boards of Directors of the AMC and the Trustee, are stated below.

#### (a) Determination of net asset value ('NAV')

- The net asset value of the units of the Scheme is determined separately for the units issued under the Plans.
- For reporting the net asset values within the portfolio, the Scheme's daily income earned, including realised profit or loss and unrealised gain or loss in the value of investments, and expenses incurred, are allocated to the related plans in proportion to their respective daily net assets as at the end of the immediately preceding day's net assets, adjusted for unit capital movement for the day.

#### (b) Unit capital

- Unit capital represents the net outstanding units at the Balance Sheet date, thereby reflecting all transactions relating to the period ended on that date.
- Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of each Plan, after an appropriate portion of the issue proceeds and redemption payouts is credited or debited respectively to the equalisation account, a mandatory requirement for open-ended mutual fund schemes.

#### (c) Investments

##### Accounting for investment transactions

- Purchase and sale of investments are recorded on the date of the transaction, at cost and sale price respectively, after considering brokerage, commission, and fees payable or receivable, if any.

##### Valuation of investments

- Investments in Central Government securities (excluding treasury bills) are stated at their traded prices on the Balance Sheet date, as released by an independent agency suggested by the Association of Mutual Funds in India ('AMFI').
- Treasury bills are stated at their fair values determined using yields (YTM) prevailing at the Balance Sheet date.
- Investments in fixed income securities are valued as follows:
  - Securities (including money market and floating rate bonds) traded on the Balance Sheet date (on the stock exchange where a majority (in terms of value) of these securities are principally traded), are stated at the last traded price.
  - Money market instruments and floating rate bonds not traded on Balance Sheet date are valued at amortised cost based on purchase price or last quoted market price, which include discount/premium accrued on a straight line basis over the period to maturity / the next reset date.
  - Other fixed income investments are stated at their fair value as determined by the AMC in accordance with the SEBI Regulations and related circulars, based on comparative yields released by an independent agency suggested by the AMFI.
- In accordance with the Guidance Note on Accounting for Investments in the Financial Statements of Mutual Funds issued by the Institute of Chartered Accountants of India (pursuant to the Eleventh Schedule of the SEBI Regulations), the net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealised loss, if any, between two Balance Sheet dates is recognised in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold/transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year, as recommended by the Guidance Note. However, this departure from the Guidance Note does not have any net impact on the Scheme's net assets.

#### d) Revenue recognition

- Interest income is recognised on an accrual basis.
- Profit or loss on sale/redemption of investments is determined on the basis of the weighted average cost method.

**e) Equalisation account**

- The purpose of equalisation account is to maintain per unit amount of a Plan's share of the Scheme's distributable surplus, so that continuing unit holders' share of distributable surplus remains unchanged on issue or redemption of units under that Plan.
- When units are issued or redeemed, the total distributable surplus (including unit premium reserve) upto the date of the transaction is determined. Based on the number of units outstanding on the transaction date, the distributable surplus (including unit premium reserve) associated with each unit is computed. The per unit amount so determined is credited and debited to the equalisation account on issue and redemption of each unit respectively.
- At period end, the balance in the equalisation account is transferred to the revenue account.

**(f) Load**

- Load collected is retained in a separate account in the Scheme and is utilised for meeting the selling and distribution expenses of the Scheme.

**3. UNIT CAPITAL**

	<b>Quantity 2005</b>	<b>Amount 2005</b>
Units of Rs 10 each fully paid up		
<b>Regular Growth</b>		
Issued		
- initial public offer	9,777,000.000	97,770
- during the period	58,021,721.791	580,217
Redeemed during the period	(61,935,786.819)	(619,358)
Outstanding, end of period	5,862,934.972	58,629
<b>Regular Weekly Dividend</b>		
Issued		
- initial public offer	67,978,500.000	679,785
- during the period	118,663,466.343	1,186,635
Redeemed during the period	(136,251,609.617)	(1,362,516)
Outstanding, end of period	50,390,356.726	503,904
<b>Institutional Growth</b>		
Issued		
- initial public offer	783,000,000.000	7,830,000
- during the period	1,877,880,503.415	18,778,805
Redeemed during the period	(2,498,522,245.923)	(24,985,222)
Outstanding, end of period	162,358,257.492	1,623,583
<b>Institutional Daily Dividend</b>		
Issued		
- initial public offer	262,650,000.000	2,626,500
- during the period	722,257,451.973	7,222,575
Redeemed during the period	(828,615,450.310)	(8,286,155)
Outstanding, end of period	156,292,001.663	1,562,920
<b>Total</b>		
Issued		
- initial public offer	1,123,405,500.000	11,234,055
- during the period	2,776,823,143.522	27,768,232
Redeemed during the period	(3,525,325,092.669)	(35,253,251)
Outstanding, end of period	374,903,550.853	3,749,036

**4. RESERVES AND SURPLUS**

Unit premium reserve		
Net premium on issue/redemption of units		(21,952)
Equilisation, net		21,860
Transfer to revenue account		(113)
Balance, end of period		(205)
Retained surplus		
Surplus transferred from revenue account		48,256
Balance, end of period		48,256
Total reserves and surplus		48,051

The share of the plans in the reserves and surplus is as follows:

Regular Growth	1,523
Regular Weekly Dividend	-
Institutional Growth	46,528
Institutional Daily Dividend	-
	48,051

## 5. CURRENT LIABILITIES

Payable on subscriptions rejected	23,003
Amount due to AMC for management fees	651
Trusteeship fee payable	130
Other current liabilities	2,138
	25,922

## 6. INVESTMENTS

Privately placed debentures and bonds	976,744
Other debentures and bonds	401,473
Central government securities	1,667
Commercial paper	1,520,328
Certificates of deposit	487,001
	3,387,213

(i) All the investments are held in the name of the Scheme, as per clause 7 of the Seventh Schedule under Regulation 44(1) of SEBI (Mutual Funds) Regulations, 1996, except in respect of government securities which are held in the name of ABN AMRO Mutual Fund.

(ii) Aggregate appreciation and depreciation in the value of investments are as follows:

Privately placed debentures and bonds	
- appreciation	135
- depreciation	596
Other debentures and bonds	
- appreciation	-
- depreciation	773
Central government securities	
- appreciation	-
- depreciation	1

(iii) The aggregate value of investments acquired and sold/redeemed during the period and these amounts as a percentage of average daily net assets during the period are as follows:

*Purchases (excluding Reverse repos, Call money & Fixed deposits)*

- amount	29,818,242
- as a percentage of average daily net assets	662.83%

*Sales / Redemptions (excluding Reverse repos, Call money & Fixed deposits)*

- amount	26,485,387
- as a percentage of average daily net assets	588.75%

(iv) The aggregate purchases made by the schemes during the current period and the fair value of such investments as at March 31, 2005 in companies which have invested in any scheme of the Fund in excess of five per cent of that scheme's net assets are provided in Attachment I.

(v) Aggregate fair value of non traded investments as on March 31, 2005  
valued in good faith

1,378,217

## 7. DEPOSITS

Scheduled banks	350,000
	350,000

## 8. OTHER CURRENT ASSETS

Balances with banks in current accounts	5,180
Receivable from AMC	1,839
Collateralised lending	68,449
Outstanding and accrued income	10,328
	85,796

**9. INTEREST**

Debentures and bonds	48,851
Central government securities	10,888
Money market instruments	57,870
Deposits	14,120
Others	9,446
	141,175

**10. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services under an agreement with the AMC, which provides for computation of such fee as a percentage of Scheme's average daily net assets, after excluding the net asset value of the investments by the AMC and other schemes, in the Scheme, if any. During the period ended March 31, 2005, the Scheme has paid management fee at an average rate of 0.19 per cent. (annualised)

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for computation of such fee at 0.01 per cent of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum

The AMC has borne Rs. 31.98 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the offer document / internal limits, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets on an annualised basis are provided below:

*Income*

- amount	141,201
- as a percentage of average daily net assets	5.46%

*Expenditure*

- amount	10,700
- as a percentage of average daily net assets	0.41%

**12. RELATED PARTY DISCLOSURES**

**Transactions covered by Regulation 25(8) of the SEBI Regulation with the Sponsors or Associate of the sponsor of the Fund**

Name of related party	Nature of transactions	2005
ABN AMRO Bank N.V.	Bank charges	185
	Commission paid for procuring unit capital	1,202
ABN AMRO Securities (India) Pvt. Ltd.	Securities transaction in the form of investment in private placement where the associate acted as the arranger	161,001

**13. NET ASSET VALUE****2005**

Net asset value of each unit of Rs 10 of the Scheme

Regular Growth	10.2598
Regular Weekly Dividend	10.0000
Institutional Growth	10.2866
Institutional Daily Dividend	10.0000

The net asset value of the Scheme's unit is determined separately for units issued under each of the plans after including the respective unit capital and reserves and surplus.

**14. PRIOR PERIOD COMPARATIVES**

As these are the first financial statements of the Scheme since the date of its launch, there are no prior period comparatives.

# 15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION

Details of investment portfolio and industrywise classification of the Scheme's investments in each category of investments at March 31, 2005 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2005, as well as the aggregate investments in each investment category.

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
<b>DEBENTURES AND BONDS</b>				
<b>(a) Privately placed debentures and bonds</b>				
<b>Finance</b>	<b>3,200,000</b>	<b>320,024</b>	<b>8.43</b>	<b>32.76</b>
GE Countrywide Consumer Finance Services Ltd.*	200,000	20,024	0.53	2.05
Rabo India Finance Pvt. Ltd.*	2,500,000	250,000	6.58	25.60
Housing Urban Development Corporation Ltd.*	500,000	50,000	1.32	5.12
<b>Consumer Durable</b>	<b>1,900,000</b>	<b>190,000</b>	<b>5.00</b>	<b>19.45</b>
Whirlpool India Ltd.*	1,900,000	190,000	5.00	19.45
<b>Finance (Asset Backed Securities)</b>	<b>71</b>	<b>466,720</b>	<b>12.29</b>	<b>47.78</b>
IBL Securitisation Trust*	20	187,120	4.93	19.16
Retail ABS Trust Ltd.*	10	98,520	2.59	10.09
UTM 1 Trust *	37	151,020	3.98	15.46
VE Trust - (M&M)*	4	30,060	0.79	3.08
<b>Total</b>	<b>5,100,071</b>	<b>976,744</b>	<b>25.72</b>	<b>100.00</b>
<b>(b) Other debentures and bonds</b>				
<b>Finance</b>				
Citifinancial Consumer Financial Services Ltd.*	2,500,000	250,000	6.58	62.27
Indian Railway Finance Corporation Ltd.*	500,000	50,579	1.33	12.60
Rural Electrification Corporation Of India*	1,000,000	100,894	2.66	25.13
<b>Total</b>	<b>4,000,000</b>	<b>401,473</b>	<b>10.57</b>	<b>100.00</b>
<b>GOVERNMENT SECURITIES</b>				
Treasury Bills	1,750,000	1,667	0.04	100.00
<b>Total</b>	<b>1,750,000</b>	<b>1,667</b>	<b>0.04</b>	<b>100.00</b>
<b>CERTIFICATES OF DEPOSIT</b>				
Banks				
ICICI Bank Ltd.	150,000,000	144,476	3.80	29.67
Kotak Bank Ltd.	250,000,000	244,772	6.45	50.26
UTI Bank Ltd.	100,000,000	97,753	2.57	20.07
<b>Total</b>	<b>500,000,000</b>	<b>487,001</b>	<b>12.83</b>	<b>100.00</b>
<b>COMMERCIAL PAPER</b>				
<b>Finance</b>				
Exim Bank Ltd.	2,000,000	189,854	5.00	12.49
Exim Bank Ltd.	1,000,000	99,556	2.62	6.55
Infrastructure Development Finance Corporation Ltd.	4,385,000	433,854	11.43	28.54
Housing Development Finance Corporation Ltd.	500,000	48,072	1.27	3.16
Bajaj Auto Finance Ltd.	1,000,000	97,880	2.58	6.44
G.E. Capital Ltd.	2,500,000	247,276	6.51	16.26
G.E. Capital Ltd.	4,100,000	403,835	10.64	26.56
<b>Total</b>	<b>15,485,000</b>	<b>1,520,328</b>	<b>40.04</b>	<b>100.00</b>
<b>DEPOSITS</b>		<b>350,000</b>	<b>9.22</b>	
<b>OTHER CURRENT ASSETS</b>		<b>85,796</b>	<b>2.26</b>	
<b>TOTAL ASSETS</b>		<b>3,823,009</b>	<b>100.68</b>	
<b>LESS: CURRENT LIABILITIES</b>		<b>25,922</b>	<b>0.68</b>	
<b>NET ASSETS</b>		<b>3,797,087</b>	<b>100.00</b>	

\* Non traded / thinly traded investments

## ATTACHMENT I

## ABN AMRO Mutual Fund

Disclosure under Regulation 25(11) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

Investment made by the schemes of ABN AMRO Mutual Fund in companies or their subsidiaries that have invested more than 5% of the net assets of any scheme during the current year 2004-2005.

Name of the Company	Scheme(s) in which the company has invested	Scheme(s) which have invested in securities of the mentioned company	Aggregate Investment made in the company by the scheme during the 2004-2005 (Rs. in Lacs) (Note 1)*	Market / Fair Value of Investments as at March 31, 2005 (Rs. in Lacs)
BANK OF INDIA	AACF	AAEF AAMIP	826.59 12.14	577.95 15.55
EXIM BANK	AACF	AACF	2,887.18	2,894.10
GRASIM INDUSTRIES LTD. #	AACF	AAEF	1,711.72	-
		AAOF	198.38	197.96
GUJARAT AMBUJA CEMENTS LTD.	AACF	AAEF	696.90	-
		AAOF	198.08	196.25
HERO HONDA MOTORS LTD.	AAFRF	AAEF	540.47	-
	AACF	AAMIP	13.55	-
HDFC	AACF	AACF	2,475.21	480.72
		AAFRF	-	2,000.00
ICICI SECURITIES LIMITED	AACF	AACF	500.00	-
	AAFRF	AAFRF	2,000.00	-
IDBI \$	AACF	AACF	7,500.00	-
		AAFRF	2,443.19	-
IDFC	AACF	AAEF	-	494.70
		AAFRF	496.34	2,992.95
		AAFDf	2,445.87	920.15
		AAMIP	-	158.30
		AACF	8,654.14	4,338.54
ITC LTD.	AAFRF	AAEF	2,613.08	-
	AACF	AAMIP	25.80	-
		AAOF	460.29	469.72
JUBILANT ORGANOSYS LTD	AACF	AAEF	466.35	445.54
LARSEN & TOUBRO LTD.	AAFRF	AAEF	2,555.50	529.74
		AAOF	307.63	309.27
		AAMIP	29.42	14.99
L&T FINANCE LTD	AAFRF	AACF	1,000.00	-
RAYMOND LTD	AACF	AAFDf	1,500.00	-
		AACF	7,000.00	-
		AAFRF	3,500.00	-
STERLITE INDUSTRIES LTD.	AACF	AAEF	1,310.54	615.42
	AAFRF	AAMIP	14.81	14.27
		AACF	4,400.00	-
		AAFRF	3,600.00	-
UNION BANK OF INDIA	AACF	AAEF	678.90	393.19
UTI BANK LIMITED	AAFRF	AAFRF	975.83	-
	AACF	AACF	2,456.35	977.53

AACF ABN AMRO CASH FUND

AAFRF ABN AMRO FLOATING RATE FUND

AAMIP ABN AMRO MONTHLY INCOME PLAN

AAFDf ABN AMRO FLEXI DEBT FUND

AAEF ABN AMRO EQUITY FUND

AAOF ABN AMRO OPPORTUNITIES FUND

Note 1: Excludes inter-scheme transfers/sale

\* Inter scheme transfers of securities are not included in the aggregate cost of acquisition.

# Includes investment made in the subsidiary of the Company viz., Ultratech Chemco.

\$ Includes investment made in the subsidiary of the Company viz., IDBI Capital Market Services.

The above investments comprise equity shares, debentures / bonds, money market instruments and other debt instruments. These investments have been made in line with the investment objective of the Schemes.

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND - ABN AMRO FLOATING RATE FUND

1. We have Audited the attached Balance Sheet of ABN AMRO MUTUAL FUND – ABN AMRO FLOATING RATE FUND ('the Scheme') as at March 31, 2005 and also the revenue account for the period from September 4, 2004 to March 31, 2005 ('the period') annexed thereto. These financial statements are the responsibility of the management of ABN AMRO Asset Management (India) Limited, the Scheme's asset managers. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that:
  - i. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - ii. The Balance Sheet and revenue account dealt with by this report are in agreement with the books of account.
  - iii. In our opinion, the Balance Sheet and revenue account dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Eighth, Ninth and Tenth Schedules to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ('the SEBI Regulations').
  - iv. In our opinion, and on the basis of information and explanations given to us, the methods used to value non traded securities as at March 31, 2005 in accordance with the SEBI Regulations and other guidelines issued by the Securities and Exchange Board of India as applicable and approved by the Board of Directors of ABN AMRO Trustee (India) Private Limited, are fair and reasonable.
  - v. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) in the case of Balance Sheet, of the state of affairs of the Schemes as at March 31, 2005; and
    - b) in the case of the revenue account, of the surplus for the period ended on that date.

For **S. R. BATLIBOI & CO.**  
Chartered Accountants

Per **Viren H. Mehta**  
Partner  
Membership No.: 048749

Mumbai  
July 26, 2005

## BALANCE SHEET

AS AT MARCH 31, 2005

(All amounts in thousands of Rupees)

	Schedule	2005
<b>SOURCES OF FUNDS</b>		
Unit capital	2(b) & 3	2,865,555
Reserves and surplus	2(b) & 4	17,772
Current liabilities	5	7,208
		<b>2,890,535</b>
<b>APPLICATION OF FUNDS</b>		
Investments	2(c), 6 & 15	2,694,422
Deposit	7	150,000
Other current assets	8	46,113
		<b>2,890,535</b>

The accompanying schedules are an integral part of this Balance Sheet.

As per our report of even date.

**For S.R. Batliboi & Co.**  
Chartered Accountants

Per **Viren H. Mehta**  
Partner  
Membership No: 048749  
Mumbai  
Date: July 26, 2005

**ABN AMRO Trustee  
(India) Private Limited**

**Shariq Contractor**  
Director

**Brijesh Mehra**  
Director

**ABN AMRO Asset  
Management (India) Limited**

**Romesh Sobti**  
Chairman

**R. Sivakumar**  
Fund Manager

## REVENUE ACCOUNT

FOR THE PERIOD FROM SEPTEMBER 4, 2004 TO MARCH 31, 2005

(All amounts in thousands of Rupees)

	Schedule	September 4, 2004 to March 31, 2005
<b>INCOME</b>		
Interest	2(d) & 9	99,510
Other income		9
		<b>99,519</b>
<b>EXPENSES AND LOSSES</b>		
Provision for net unrealised loss in value of investments	2(c) & 6(ii)	900
Loss on sale/ redemption of investments, net	2(d)	765
Loss on inter-scheme transfer/sale of investments, net	2(d)	1,269
Management fee	10	3,329
Trusteeship fee	10	192
Custodian service charges		844
SEBI registration fees		27
Registrar service charges		1,531
Commission to distributors		5,047
Publicity expenses		584
Audit fee		75
Other operating expenses		1,033
Expenses reimbursed by the AMC	10	(2,961)
		<b>12,635</b>
Surplus for the period		<b>86,884</b>
Equalisation debit	2(e)	(16,072)
Transfer from unit premium reserve		101
Income distribution on capital account		(45,460)
Income-tax on distributed income		(7,621)
Surplus transferred to the Balance Sheet	4	<b>17,832</b>

The accompanying schedules are an integral part of this revenue account.

As per our report of even date.

**For S.R. Batliboi & Co.**  
Chartered Accountants

Per **Viren H. Mehta**  
Partner  
Membership No: 048749  
Mumbai  
Date: July 26, 2005

**ABN AMRO Trustee  
(India) Private Limited**

**Shariq Contractor**  
Director

**Brijesh Mehra**  
Director

**ABN AMRO Asset  
Management (India) Limited**

**Romesh Sobti**  
Chairman

**R. Sivakumar**  
Fund Manager



## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM SEPTEMBER 4, 2004 TO MARCH 31, 2005

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Floating Rate Fund ('the Scheme') was launched as an open-ended Liquid fund on August 9, 2004 and the initial offer closed on September 3, 2004.

ABN AMRO Bank N.V. ('ABN AMRO') is the Sponsor for ABN AMRO Mutual Fund ('the Fund'). In accordance with the Securities and Exchange Board of India ('SEBI') (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of ABN AMRO Trustee (India) Private Limited ('the Trustee') has appointed ABN AMRO Asset Management (India) Limited ('the AMC') to manage the Fund's affairs and operate its Schemes.

The primary objective of the Scheme is to provide income consistent with the prudent risk from a portfolio comprising substantially of floating rate debt instruments, fixed rate debt instruments swapped for floating rate return, through the use of Over the counter ('OTC') or exchange traded derivatives. The Scheme may also invest in fixed rate & money market instruments and / or floating rate instruments swapped for fixed rate return through the use of OTC or exchange traded derivatives.

The Scheme offers its investors the following plans:-

- Regular Growth
- Regular Monthly Dividend
- Institutional Growth
- Institutional Daily Dividend
- Institutional Monthly Dividend (collectively 'the Plans').

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared on the accrual basis of accounting, under the historical cost convention, as modified for investments, which are 'marked-to-market'. The significant accounting policies, which are in accordance with the SEBI Regulations and have been approved by the Boards of Directors of the AMC and the Trustee, are stated below.

#### (a) Determination of net asset value ('NAV')

- The net asset value of the units of the Scheme is determined separately for the units issued under the Plans.
- For reporting the net asset values within the portfolio, the Scheme's daily income earned, including realised profit or loss and unrealised gain or loss in the value of investments, and expenses incurred, are allocated to the related plans in proportion to their respective daily net assets as at the end of the immediately preceding day's net assets, adjusted for unit capital movement for the day.

#### (b) Unit capital

- Unit capital represents the net outstanding units at the Balance Sheet date, thereby reflecting all transactions relating to the period ended on that date.
- Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of each Plan, after an appropriate portion of the issue proceeds and redemption payouts is credited or debited respectively to the equalisation account, a mandatory requirement for open-ended mutual fund schemes.

#### (c) Investments

##### Accounting for investment transactions

- Purchase and sale of investments are recorded on the date of the transaction, at cost and sale price respectively, after considering brokerage, commission, and fees payable or receivable, if any.

##### Valuation of investments

- Investments in Central Government securities (excluding treasury bills) are stated at their traded prices on the Balance Sheet date, as released by an independent agency suggested by the Association of Mutual Funds in India ('AMFI').
- Treasury bills are stated at their fair values determined using yields (YTM) prevailing at the Balance Sheet date.
- Investments in fixed income securities are valued as follows:
  - Securities (including money market and floating rate bonds) traded on the Balance Sheet date (on the stock exchange where a majority (in terms of value) of these securities are principally traded), are stated at the last traded price.
  - Money market instruments and floating rate bonds not traded on the Balance Sheet date are valued at amortised cost based on purchase price or last quoted market price, which include discount/premium accrued on a straight line basis over the period to maturity / the next reset date.
  - Other fixed income investments are stated at their fair value as determined by the AMC in accordance with the SEBI Regulations and related circulars, based on comparative yields released by an independent agency suggested by the AMFI.
- In accordance with the Guidance Note on Accounting for Investments in the Financial Statements of Mutual Funds issued by the Institute of Chartered Accountants of India (pursuant to the Eleventh Schedule of the SEBI Regulations), the net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealised loss, if any, between two Balance Sheet dates is recognised in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold/transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year, as recommended by the Guidance Note. However, this departure from the Guidance Note does not have any net impact on the Scheme's net assets.

**(d) Revenue recognition**

- Interest income is recognised on an accrual basis.
- Profit or loss on sale/redemption of investments is determined on the basis of the weighted average cost method.

**(e) Equalisation account**

- The purpose of equalisation account is to maintain per unit amount of a Plan's share of the Scheme's distributable surplus, so that continuing unitholders' share of distributable surplus remains unchanged on issue or redemption of units under that Plan.
- When units are issued or redeemed, the total distributable surplus (including unit premium reserve) upto the date of the transaction is determined. Based on the number of units outstanding on the transaction date, the distributable surplus (including unit premium reserve) associated with each unit is computed. The per unit amount so determined is credited and debited to the equalisation account on issue and redemption of each unit respectively.
- At period end, the balance in the equalisation account is transferred to the revenue account.

**(f) Load**

- Load collected is retained in a separate account in the Scheme and is utilised for meeting the selling and distribution expenses of the Scheme.

**3. UNIT CAPITAL**

	Quantity 2005	Amount 2005
Units of Rs 10 each fully paid up		
<b>Regular Growth Plan</b>		
Issued		
- initial public offer	84,851,230.000	848,512
- during the period	144,817,341.219	1,448,173
Redeemed during the period	(200,737,432.409)	(2,007,374)
Outstanding, end of period	28,931,138.810	289,311
<b>Regular Monthly Dividend</b>		
Issued		
- initial public offer	104,453,000.000	1,044,530
- during the period	196,657,543.458	1,966,575
Redeemed during the period	(231,334,733.265)	(2,313,347)
Outstanding, end of period	69,775,810.193	697,758
<b>Institutional Growth</b>		
Issued		
- initial public offer	111,090,000.000	1,110,900
- during the period	423,349,042.338	4,233,491
Redeemed during the period	(499,157,292.954)	(4,991,573)
Outstanding, end of period	35,281,749.384	352,818
<b>Institutional Daily Dividend</b>		
Issued		
- initial public offer	60,400,000.000	604,000
- during the period	418,996,726.507	4,189,967
Redeemed during the period	(351,559,039.824)	(3,515,590)
Outstanding, end of period	127,837,686.683	1,278,377
<b>Institutional Monthly Dividend Plan</b>		
Outstanding at the beginning		
Issued		
- initial public offer	26,160,000.000	261,600
- during the period	32,459,668.813	324,597
Redeemed during the period	(33,890,590.683)	(338,906)
Outstanding, end of period	24,729,078.130	247,291
<b>Total</b>		
Issued		
- initial public offer	386,954,230.000	3,869,542
- during the period	1,216,280,322.335	12,162,803
Redeemed during the period	(1,316,679,089.135)	(13,166,790)
Outstanding, end of period	286,555,463.200	2,865,555

**4. RESERVES AND SURPLUS**

Unit premium reserve	
Net premium on issue/redemption of units	(16,031)
Equalisation, net	16,072
Transfer to revenue account	(101)
Balance, end of period	(60)
Retained surplus	
Surplus transferred from revenue account	17,832
Balance, end of period	17,832
Total reserves and surplus	17,772
The share of the plans in the reserves and surplus is as follows:	
Regular Growth	7,536
Regular Monthly Dividend	209
Institutional Growth	9,938
Institutional Daily Dividend	-
Institutional Monthly Dividend	89
	17,772

**5. CURRENT LIABILITIES**

Amount due to AMC for management fees	419
Trusteeship fee payable	112
Dividend payable on units	3,328
Other current liabilities	3,349
	7,208

**6. INVESTMENTS**

Privately placed debentures and bonds	1,472,088
Other debentures and bonds	450,000
Central government securities	10,719
Commercial paper	571,071
Certificates of deposit	190,544
	2,694,422

- (i) All the investments are held in the name of the Scheme, as per clause 7 of the Seventh Schedule under Regulation 44(1) of SEBI (Mutual Funds) Regulations, 1996, except in respect of government securities which are held in the name of ABN AMRO Mutual Fund.
- (ii) Aggregate appreciation and depreciation in the value of investments are as follows:
- |                                       |       |
|---------------------------------------|-------|
| Privately placed debentures and bonds |       |
| - appreciation                        | 157   |
| - depreciation                        | 1,052 |
| Central government securities         |       |
| - appreciation                        | -     |
| - depreciation                        | 5     |
- (iii) The aggregate value of investments acquired and sold / redeemed during the period and these amounts as a percentage of average daily net assets are as follows:
- |   |            |
|---|------------|
| <i>Purchases (excluding Reverse repos, Call money &amp; Fixed deposits)</i>           |            |
| - amount  | 16,379,351 |
| - as a percentage of average daily net assets   | 513.80%    |
| <i>Sales / Redemptions (excluding Reverse repos, Call money &amp; Fixed deposits)</i> |            |
| - amount  | 13,685,713 |
| - as a percentage of average daily net assets   | 429.30%    |
- (iv) The aggregate purchases made by the schemes during the current period and the fair value of such investments as at March 31, 2005 in companies which have invested in any scheme of the Fund in excess of five per cent of that scheme's net assets are provided in Attachment I.
- (v) Aggregate fair value of non traded investments as on March 31, 2005 valued in good faith 1,922,088

**7. DEPOSITS**

Scheduled banks	150,000
	150,000

**8. OTHER CURRENT ASSETS**

Balances with banks in current accounts	9,036
Sundry debtors for units issued to investors	500
Receivable from AMC	2,481
Collateralised lending	7,607
Outstanding and accrued income	26,489
	46,113

**9. INTEREST**

Debentures and bonds	52,911
Central government securities	5,323
Money market instruments	33,165
Deposits	1,262
Others	6,849
	99,510

**10. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services under an agreement with the AMC, which provides for computation of such fee as a percentage of the Scheme's average daily net assets, after excluding the net asset value of the investments by the AMC and other schemes, in the Scheme, if any. During the period ended March 31, 2005, the Scheme has paid management fee at an average rate of 0.19 per cent (annualised).

The Scheme pays fees for Trusteeship services under an agreement with the Trustee, which provides for computation of such fee at 0.01 per cent of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum

The AMC has borne Rs 29.61 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the Offer document/ Internal limit, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets on an annualised basis are provided below:

*Income*

- amount	99,519
- as a percentage of average daily net sssets	5.73%

*Expenditure*

- amount	9,701
- as a percentage of average daily net sssets	0.56%

**12. RELATED PARTY TRANSACTIONS****Transactions covered by Regulation 25(8) of the SEBI Regulation with the Sponsors or Associate of the sponsor of the Fund**

Name of related party	Nature of transactions	2005
ABN AMRO Bank N.V.	Bank charges	138
	Commission paid for procuring unit capital	3,247
ABN AMRO Securities (India) Pvt. Ltd.	Securities transaction in the form of investment in private placement where the associate acted as the arranger	114,979

**13. NET ASSET VALUE****2005**

Net asset value of each unit of Rs 10 of the Scheme

Regular Growth	10.2605
Regular Monthly Dividend	10.0030
Institutional Growth	10.2817
Institutional Daily Dividend	10.0000
Institutional Monthly Dividend	10.0036

The net asset value of the Scheme's unit is determined separately for units issued under each of the plans after including the respective unit capital and reserves and surplus.

**14. PRIOR PERIOD COMPARATIVES**

As these are the first financials statements of the Scheme since the date of its launch, there are no prior period comparatives.

# 15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION

Details of investment portfolio and industrywise classification of the Scheme's investments in each category of investments at March 31, 2005 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2005, as well as the aggregate investments in each investment category.

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
<b>DEBENTURES AND BONDS</b>				
<b>(a) Privately placed debentures and bonds</b>				
<b>Finance</b>	<b>5,000,000</b>	<b>500,235</b>	<b>17.34</b>	<b>33.98</b>
GE Countrywide Consumer Financial Services Ltd.*	1,000,000	100,119	3.47	6.80
Kotak Mahindra Primus Ltd.*	1,500,000	150,000	5.20	10.19
Kotak Mahindra Primus Ltd.*	1,500,000	150,000	5.20	10.19
Lakshmi General Finance Ltd.*	500,000	50,116	1.74	3.40
Housing Urban Development Corporation Ltd.*	500,000	50,000	1.73	3.40
<b>Banks</b>	<b>750,000</b>	<b>77,618</b>	<b>2.69</b>	<b>5.27</b>
ICICI Bank Ltd.*	750,000	77,618	2.69	5.27
<b>Finance (Asset Backed Securities)</b>	<b>103</b>	<b>894,235</b>	<b>31.02</b>	<b>60.75</b>
UMT 1 Trust *	17	163,083	5.66	11.08
VE Trust *	16	120,239	4.17	8.17
BHPC Auto Securitisation Trust*	25	187,205	6.49	12.72
Retail Pool Trust Ltd.*	15	158,214	5.49	10.75
Retail ABS Trust*	20	199,147	6.91	13.53
UBPP Series Trust Ltd.*	10	66,348	2.30	4.51
<b>Total</b>	<b>5,750,103</b>	<b>1,472,088</b>	<b>51.05</b>	<b>100.00</b>
<b>(b) Other debentures and bonds</b>				
<b>Finance</b>				
Citifinancial Consumer Financial Services Ltd.*	2,500,000	250,000	8.67	55.56
Housing Development Finance Company Ltd.*	2,000,000	200,000	6.94	44.44
<b>Total</b>	<b>4,500,000</b>	<b>450,000</b>	<b>15.61</b>	<b>100.00</b>
<b>GOVERNMENT SECURITIES</b>				
Treasury Bills	11,250,000	10,719	0.37	100.00
<b>Total</b>	<b>11,250,000</b>	<b>10,719</b>	<b>0.37</b>	<b>100.00</b>
<b>COMMERCIAL PAPER</b>				
<b>Finance</b>				
G.E.Capital Services India Ltd	2,200,000	217,603	7.55	38.10
G.E.Capital Services India Ltd	550,000	54,173	1.88	9.49
Infrastructure Development Finance Corporation	3,025,000	299,295	10.38	52.41
<b>Total</b>	<b>5,775,000</b>	<b>571,071</b>	<b>19.81</b>	<b>100.00</b>
<b>CERTIFICATE OF DEPOSIT</b>				
<b>Banks</b>				
ICICI Bank Ltd	100,000,000	96,238	3.34	50.51
Karnataka Bank Ltd	100,000,000	94,306	3.27	49.49
<b>Total</b>	<b>200,000,000</b>	<b>190,544</b>	<b>6.61</b>	<b>100.00</b>
<b>DEPOSITS</b>		<b>150,000</b>	<b>5.20</b>	
<b>OTHER CURRENT ASSETS</b>		<b>46,113</b>	<b>1.60</b>	
<b>TOTAL ASSETS</b>		<b>2,890,535</b>	<b>100.25</b>	
<b>LESS: CURRENT LIABILITIES</b>		<b>7,208</b>	<b>0.25</b>	
<b>NET ASSETS</b>		<b>2,883,327</b>	<b>100.00</b>	

\* Non traded / thinly traded investments

## ATTACHMENT I

## ABN AMRO Mutual Fund

Disclosure under Regulation 25(11) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

Investment made by the schemes of ABN AMRO Mutual Fund in companies or their subsidiaries that have invested more than 5% of the net assets of any scheme during the current year 2004-2005.

Name of the Company	Scheme(s) in which the company has invested	Scheme(s) which have invested in securities of the mentioned company	Aggregate Investment made in the company by the scheme during the 2004-2005 (Rs. in Lacs) (Note 1)*	Market / Fair Value of Investments as at March 31, 2005 (Rs. in Lacs)
BANK OF INDIA	AACF	AAEF AAMIP	826.59 12.14	577.95 15.55
EXIM BANK	AACF	AACF	2,887.18	2,894.10
GRASIM INDUSTRIES LTD. #	AACF	AAEF	1,711.72	-
		AAOF	198.38	197.96
GUJARAT AMBUJA CEMENTS LTD.	AACF	AAEF	696.90	-
		AAOF	198.08	196.25
HERO HONDA MOTORS LTD.	AAFRF	AAEF	540.47	-
	AACF	AAMIP	13.55	-
HDFC	AACF	AACF	2,475.21	480.72
		AAFRF	-	2,000.00
ICICI SECURITIES LIMITED	AACF	AACF	500.00	-
	AAFRF	AAFRF	2,000.00	-
IDBI \$	AACF	AACF	7,500.00	-
		AAFRF	2,443.19	-
IDFC	AACF	AAEF	-	494.70
		AAFRF	496.34	2,992.95
		AAFDF	2,445.87	920.15
		AAMIP	-	158.30
		AACF	8,654.14	4,338.54
ITC LTD.	AAFRF	AAEF	2,613.08	-
	AACF	AAMIP	25.80	-
		AAOF	460.29	469.72
JUBILANT ORGANOSYS LTD	AACF	AAEF	466.35	445.54
LARSEN & TOUBRO LTD.	AAFRF	AAEF	2,555.50	529.74
		AAOF	307.63	309.27
		AAMIP	29.42	14.99
L&T FINANCE LTD	AAFRF	AACF	1,000.00	-
RAYMOND LTD	AACF	AAFDF	1,500.00	-
		AACF	7,000.00	-
		AAFRF	3,500.00	-
STERLITE INDUSTRIES LTD.	AACF	AAEF	1,310.54	615.42
	AAFRF	AAMIP	14.81	14.27
		AACF	4,400.00	-
		AAFRF	3,600.00	-
UNION BANK OF INDIA	AACF	AAEF	678.90	393.19
UTI BANK LIMITED	AAFRF	AAFRF	975.83	-
	AACF	AACF	2,456.35	977.53

AACF ABN AMRO CASH FUND

AAFRF ABN AMRO FLOATING RATE FUND

AAMIP ABN AMRO MONTHLY INCOME PLAN

AAFDF ABN AMRO FLEXI DEBT FUND

AAEF ABN AMRO EQUITY FUND

AAOF ABN AMRO OPPORTUNITIES FUND

Note 1: Excludes inter-scheme transfers/sale

\* Inter scheme transfers of securities are not included in the aggregate cost of acquisition.

# Includes investment made in the subsidiary of the Company viz., Ultratech Chemco.

\$ Includes investment made in the subsidiary of the Company viz., IDBI Capital Market Services.

The above investments comprise equity shares, debentures / bonds, money market instruments and other debt instruments. These investments have been made in line with the investment objective of the Schemes.

## HISTORICAL PER UNIT STATISTICS

Audited as of 31.03.05

	ABN AMRO CASH FUND	ABN AMRO FLOATING RATE FUND	ABN AMRO FLEXI DEBT FUND	ABN AMRO MONTHLY INCOME PLAN
(a) Net Asset Value, per unit				
Growth				10.5179
Dividend				
Monthly Dividend				10.2337
Quarterly Dividend				10.2156
Regular Growth	10.2598	10.2605	10.1283	
Regular Weekly Dividend	10.0000			
Regular Monthly Dividend		10.0030		
Regular Quarterly Dividend			10.0020	
Regular Half-Yearly Dividend			10.0024	
Institutional Growth	10.2866	10.2817		
Institutional Daily Dividend	10.0000	10.0000		
Institutional Monthly Dividend		10.0036		
Institutional Quarterly Dividend				
(b) Gross Income:				
i) Income other than profit on sale of investment, per unit	0.3766	0.3473	1.7206	0.2641
ii) profit on interscheme sale/transfer of investment, per unit	–	–	–	–
iii) profit on sale of investment to third party, per unit	–	–	–	0.2249
iv) transfer to Revenue Account from past year's reserve per unit	–	–	–	–
(c) Aggregate of expenses, write offs, amortisation and charges, per unit	0.0391	0.0410	0.9742	0.1216
(d) Net unrealised depreciation in value of investments	0.0033	0.0031	–	0.0004
(e) Net Income, per unit	0.3342	0.3032	0.7464	0.3670
(f) i ) Highest traded price				
ii ) Lowest traded price				
iii) Highest repurchase price/NAV				
Dividend				
Growth				10.5440
Institutional Daily Dividend	10.0002	10.0021		
Institutional Growth	10.2866	10.2817	10.1900	
Institutional Monthly Dividend		10.0669	10.0533	
Institutional Quarterly Dividend			10.0501	
Monthly Dividend				10.3089
Quarterly Dividend				10.3914
Regular Growth	10.2598	10.2605	10.1283	
Regular Half-Yearly Dividend			10.1273	
Regular Monthly Dividend		10.0634		
Regular Quarterly Dividend			10.0815	
Regular Weekly Dividend	10.0080			

## HISTORICAL PER UNIT STATISTICS

Audited as of 31.03.05

	ABN AMRO CASH FUND	ABN AMRO FLOATING RATE FUND	ABN AMRO FLEXI DEBT FUND	ABN AMRO MONTHLY INCOME PLAN
iv) Highest resale price				
Dividend				
Growth				10.5440
Institutional Daily Dividend	10.0002	10.0021		
Institutional Growth	10.2866	10.2817	10.1900	
Institutional Monthly Dividend		10.0669	10.0533	
Institutional Quarterly Dividend			10.0501	
Monthly Dividend				10.3089
Quarterly Dividend				10.3914
Regular Growth	10.2598	10.2605	10.1283	
Regular Half-Yearly Dividend			10.1273	
Regular Monthly Dividend		10.0634		
Regular Quarterly Dividend			10.0815	
Regular Weekly Dividend	10.0080			
v) Lowest repurchase price/NAV				
Dividend				
Growth				9.9682
Institutional Daily Dividend	10.0000	10.0000		
Institutional Growth	10.0369	10.0315	10.0291	
Institutional Monthly Dividend		10.0026	10.0058	
Institutional Quarterly Dividend			10.0305	
Monthly Dividend				9.9709
Quarterly Dividend				9.9703
Regular Growth	10.0337	10.0298	9.9741	
Regular Half-Yearly Dividend			9.9827	
Regular Monthly Dividend		10.0022		
Regular Quarterly Dividend			9.9571	
Regular Weekly Dividend	10.0000			
vi) Lowest resale price				
Dividend				
Growth				10.0165
Institutional Daily Dividend	10.0000	10.0000		
Institutional Growth	10.0369	10.0315	10.0291	
Institutional Monthly Dividend		10.0026	10.0058	
Institutional Quarterly Dividend			10.0305	
Monthly Dividend				10.0164
Quarterly Dividend				10.0164
Regular Growth	10.0337	10.0298	10.0242	
Regular Half-Yearly Dividend			10.0232	
Regular Monthly Dividend		10.0022		
Regular Quarterly Dividend			10.0039	
Regular Weekly Dividend	10.0000			
vii) Price Earning Ratio	NA	NA	NA	NA
viii) Ratio of Expenses to Average Net Assets(%)				
Regular Plan	0.82%	0.80%	2.19%	
Institutional Plan	0.40%	0.42%	1.00%	2.25%
(g) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%)	5.40%	5.69%	7.08%	9.85%



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<b>Bangalore</b>	: 22, 3rd Floor, Prestige Kada, Above Bank of India, Richmond Road, Bangalore - 560 025. Tel.: (080) 5179 7400

**Investment Objectives :** • **ABN AMRO Flexi Debt Fund (AAFDF)** (an open-ended income scheme): The primary objective of the Scheme is to generate income through investments in a range of Debt and Money Market Instruments of various maturities with a view to maximise income while maintaining an optimum balance between yield, safety and liquidity. • **ABN AMRO Monthly Income Plan (AAMIP)** (an open-ended income scheme. Monthly income is not assured and is subject to availability of distributable surplus) The primary objective of the Scheme is to generate regular returns through investment primarily in Debt and Money Market Instruments. The secondary objective of the Scheme is to generate long-term capital appreciation by investing a portion of the Scheme's assets in equity and equity related securities. • **ABN AMRO Cash Fund (AACF)** (an open-ended liquid scheme): The primary objective of the Scheme is to enhance income consistent with a high level of liquidity, through a judicious portfolio mix comprising of money market and debt instruments. • **ABN AMRO Floating Rate Fund (AAFRF)** (an open-ended liquid scheme): The primary objective of the Scheme is to provide income consistent with the prudent risk from a portfolio comprising substantially of floating rate debt instruments, fixed rate debt instruments swapped for floating rate return, through the use of OTC or exchange traded derivatives. The Scheme may also invest in fixed rate & money market instruments and / or floating rate instruments swapped for fixed rate return through the use of OTC or exchange traded derivatives. **Statutory Details: Sponsor:** ABN AMRO Bank N.V. **Trustees:** ABN AMRO Trustee (India) Private Limited. **Investment Manager / AMC:** ABN AMRO Asset Management (India) Limited (AAAMIL). The Sponsor is not responsible or liable for any loss or shortfall resulting from the operations of the Schemes beyond the initial contribution of Rs. 1 lakh made by it towards setting up the Fund and such other accretions and additions to the same. **Risk Factors:** Mutual Funds and securities investments are subject to market risks and there can be no assurance or guarantee that the Scheme's objectives will be achieved. Investors may note that securities which offer higher potential return will usually display higher volatility. Equity securities by nature are volatile and prone to price fluctuations on a daily basis due to macro & micro factors. The volatility of medium / small - capitalisation stocks may be higher in comparison to liquid large capitalisation stocks. As with any investment in securities, the Net Asset Value of Units issued under the Schemes may go up or down depending on the various factors and forces affecting the capital market. Past performance of the Sponsor and its affiliates / fund / Investment Manager does not indicate the future performance of the Schemes of the Mutual Fund. ABN AMRO Monthly Income Plan, ABN AMRO Flexi Debt Fund, ABN AMRO Floating Rate Fund and ABN AMRO Cash Fund are only the names of the Schemes and do not in any manner indicate either the quality of the Schemes or their future prospects and returns. Any information contained herein does not constitute and shall be deemed not to constitute an advise or offer to sale / purchase any of the Schemes of ABN AMRO Mutual Fund. Investment decisions made by the AAAMIL may not always be profitable. Investors should study the Offer Documents carefully in its entirety before investing and retain the Offer Documents for future references. Unitholders in the Schemes are not being offered any guaranteed / assured returns. Offer Document / Key Information Memorandum cum Application form are available at AAAMIL offices / Investor Service Centres / Distributors / AAAMIL. web-site: [www.assetmanagement.abnamro.co.in](http://www.assetmanagement.abnamro.co.in).

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**Investment Objective :** **ABN AMRO Equity Fund (AAEF)** (an open-ended equity scheme) The investment objective of the Scheme is to generate long-term capital growth from a diversified and actively managed portfolio of equity and equity related securities. The Scheme will invest in a range of companies, with a bias towards large & medium market capitalisation companies. **Statutory Details: Sponsor:** ABN AMRO Bank N.V. **Trustees:** ABN AMRO Trustee (India) Private Limited. **Investment Manager / AMC:** ABN AMRO Asset Management (India) Limited (AAAMIL). The Sponsor is not responsible or liable for any loss or shortfall resulting from the operations of the Scheme beyond the initial contribution of Rs. 1 lakh made by it towards setting up the Fund and such other accretions and additions to the same. **Risk Factors:** Mutual Funds and securities investments are subject to market risks and there can be no assurance or guarantee that the Scheme objectives will be achieved. Investors may note that securities which offer higher potential return will usually display higher volatility. Equity securities by nature are volatile and prone to price fluctuations on a daily basis due to macro & micro factors. The volatility of medium / small - capitalisation stocks may be higher in comparison to liquid large capitalisation stocks. As with any investment in securities, the Net Asset Value of Units issued under the Scheme may go up or down depending on the various factors and forces affecting the capital market. Past performance of the Sponsor and its affiliates / fund / Investment Manager does not indicate the future performance of the Scheme of the Mutual Fund. ABN AMRO Equity Fund is only the name of the Scheme and does not in any manner indicate either the quality of the Scheme or its future prospects and returns. Any information contained herein does not constitute and shall be deemed not to constitute an advise or offer to sale / purchase any of the Scheme of ABN AMRO Mutual Fund. Investment decisions made by the AAAMIL may not always be profitable. Investors should study the Offer Documents carefully in its entirety before investing and retain the Offer Documents for future references. Unitholders in the Scheme are not being offered any guaranteed / assured returns. Offer Document / Key Information Memorandum cum Application form are available at AAAMIL offices / Investor Service Centres / Distributors / AAAMIL. web-site: [www.assetmanagement.abnamro.co.in](http://www.assetmanagement.abnamro.co.in).

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