

ANNUAL REPORT

2005 - 2006



TRUSTEE REPORT

Dear Sir / Madam,

ABN AMRO Mutual Fund (the "Fund") commenced its operations in the month of August 2004. During the financial year 2005-2006, it has launched 8 Schemes successfully with a subscription of Rs. 2200 crores approx. The Fund manages 12 Schemes as on March 31, 2006 with Assets under Management of Rs.2769.27 Crores. It gives us pleasure in presenting the Second Annual Report of the Schemes of the Fund for the year ended March 31, 2006.

INVESTMENT POLICY & OUTLOOK

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

The Fund's approach to equities is a blend of sector and company views with macroeconomic analysis, in a structured and successful investment process. The Fund's style is characterised by active management, bias towards quality and Growth At a Reasonable Price (GARP), aimed at delivering superior risk-adjusted performance. In view of the Fund Manager, the Indian economy is well on its path to grow at around 8% 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.

The Fund's 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 Fund's 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 elevated levels of international oil prices continue to lead to higher inflationary expectations globally. Major central banks are still pursuing tightening monetary policies. The outlook for bond yields is presently mixed. With US economy showing early signs of slowing down, Fed may pause soon, to assess the impact of past hikes on the inflationary expectations. This may provide higher flexibility to Asian central banks. In addition, recent spike in bond yields will also help stabilise markets as a fair degree of negative expectations are priced in current yield curves. However, inflationary expectations were to resurface, fixed income markets may remain volatile.

PERFORMANCE FOR PERIOD ENDING MARCH 31, 2006

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.

However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee / indicate any returns.

	Compounded Annual Growth Rate (%) Since Inception	Compounded Annual Growth Rate (%) Last one year
AAEF - Growth Option	77.69	81.15
S & P CNX Nifty	56.38	67.15

Period: September 23, 2004 - March 31, 2006. 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.

The AAEF has done reasonably well over the last one year by outperforming the benchmark index by 14%. Since inception, the scheme has delivered even better relative performance.

STATUTORY DETAILS

The Fund has been set up as a trust, as evidenced by the Trust Deed dated April 15, 2004, between ABN AMRO Bank N.V., the Sponsor* of the Fund and ABN AMRO Trustee (India) Private Limited. 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.

* Consequent to receipt of no-objection letter received from SEBI (its letter no. IMD/SB/46021/05 dated August 4, 2005), the controlling interest in the AMC was transferred from ABN AMRO Bank N.V. to ABN AMRO Asset Management (Asia) Limited with effect from October 31, 2005.

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 ABN AMRO Asset Management (Asia) Limited 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 the Board of Trustees of ABN AMRO Mutual Fund

Pradyumna Naware

Chairman

ABN AMRO Trustee (India) Private Limited

Trustee to ABN AMRO Mutual Fund

Date: August 22, 2006

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, 2006 and also the Revenue Account and Cash Flow Statement for the year ended on that date 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 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 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 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, 2006;
 - b) in the case of the Revenue Account, of the surplus for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

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

Mumbai,
August 22, 2006

BALANCE SHEET

AS AT MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	2006	2005
SOURCES OF FUNDS			
Unit capital (including initial capital)	2(b) & 3	1,183,587	1,593,040
Reserves and surplus	2(b) & 4	1,129,163	513,427
Current liabilities	5	124,849	53,060
		2,437,599	2,159,527
APPLICATION OF FUNDS			
Investments	2(c), 6 & 15	2,264,881	2,121,259
Other current assets	7	172,718	38,268
		2,437,599	2,159,527

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: August 22, 2006

For and on behalf of

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

Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of

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

Romesh Sobti
Chairman

Prateek Agrawal
Fund Manager

REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	2006	September 04, 2004 to March 31, 2005
INCOME			
Dividend	2(d)	24,627	17,649
Interest	2(d) & 8	3,719	8,824
Profit on sale / redemption of investments, net	2(d)	966,769	476,118
		995,115	502,591
EXPENSES AND LOSSES			
Change in provision for net unrealised loss in value of investments	2(c) & 6(ii)	(1)	1
Loss on inter-scheme transfer / sale of investments, net	2(d)	7	84
Management fee	9	24,144	14,347
Trusteeship fee	9	85	143
Custodian service charges		1,591	948
SEBI registration fees		—	20
Registrar service charges		5,132	2,975
Commission to distributors		13,887	8,120
Publicity expenses		2,031	3,845
Audit fee		337	150
Other operating expenses		3,993	2,529
Expenses reimbursed by the AMC		—	(2,421)
		51,206	30,741
Surplus for the year		943,909	471,850
Equalisation debit	2(e)	(77,851)	(65,216)
Income distribution on capital account		(471,738)	—
Surplus transferred to the balance sheet	4	394,320	406,634

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: August 22, 2006

For and on behalf of

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

Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of

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

Romesh Sobti
Chairman

Prateek Agrawal
Fund Manager

CASH FLOW STATEMENT

FOR THE YEAR FROM APRIL 2005 TO MARCH 2006

(All amounts in thousands of Rupees)

	2006	September 4, 2004 to March 31, 2005
A. Cash Flow from Operating Activity		
Surplus for the period	943,909	471,850
Adjustments for:-		
Investments (at cost) made, net	107,104	(1,856,825)
Other current assets receivable	2,918	(2,933)
Current liabilities incurred	(3,674)	15,129
Change in provision for net unrealised loss in value of investments	(1)	1
Net cash used in operations (A)	1,050,256	(1,372,778)
B. Cash Flow from Financing Activities		
Proceeds from issuance of unit capital, net	(409,453)	1,593,040
Unit premium received / (paid) thereon, net	(230,270)	(233,803)
Adjustments for:-		
Sundry creditors for units redeemed by investors	(9,157)	37,931
Sundry debtors for units issued to investors	11,302	(18,294)
Dividend paid	(471,732)	–
Loan taken for redemption	60,000	
Net Cash generated from Financing Activities (B)	(1,049,310)	1,378,874
Net Cash and cash equivalents (A+B)	946	6,096
Cash and cash equivalents, beginning of the period	6,096	–
Cash and cash equivalents, end of the period	7,042	6,096
Components of cash and cash equivalents		
Balances with banks in current accounts	7,042	3,581
Collateralised Lending	–	2,515
	7,042	6,096

As per our report of even date.

For **S. R. Batliboi & Co.**
Chartered Accountantsper **Viren H. Mehta**
Partner
Membership No.: 048749Mumbai
Date: August 22, 2006

For and on behalf of

**ABN AMRO Trustee
(India) Private Limited****Shariq Contractor**
Director**Brijesh Mehra**
Director

For and on behalf of

**ABN AMRO Asset
Management (India) Limited****Romesh Sobti**
Chairman**Prateek Agrawal**
Fund Manager

SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2006

(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 scheme on August 9, 2004 and the initial offer closed on September 3, 2004.

ABN AMRO Bank N.V. ('ABN AMRO') was the Sponsor for ABN AMRO Mutual Fund ('the Fund') since inception of the Fund. With effect from October 31, 2005, consequent to receipt of no objection letter from Securities and Exchange Board of India ('SEBI'), the controlling interest in ABN AMRO Asset Management (India) Limited and ABN AMRO Trustee (India) Private Limited was transferred from ABN AMRO Bank N.V. to ABN AMRO Asset Management (Asia) Limited ('AAAM Asia'), the new sponsor of the Fund.

In accordance with the 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 following plans :

Growth

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 other than Central Government securities and treasury bills 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 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 and is utilised for meeting the selling and distribution expenses of the Scheme.

3. UNIT CAPITAL (including initial capital)

	Quantity 2006	Quantity 2005	Amount 2006	Amount 2005
Initial Capital			100	100
Units of Rs. 10 each fully paid up				
Growth Plan				
Outstanding, beginning of year	59,034,048.180	–	590,340	–
Issued				
– new fund offer	–	78,324,373.738	–	783,244
– during the year	35,564,098.056	72,113,219.185	355,641	721,131
Redeemed during the year	(66,311,469.731)	(91,403,544.743)	(663,115)	(914,035)
Outstanding, end of year	28,286,676.505	59,034,048.180	282,866	590,340
Dividend Plan				
Outstanding, beginning of year	100,259,986.532	–	1,002,600	–
Issued				
– new fund offer	–	317,485,787.245	–	3,174,858
– during the year	155,399,479.700	81,950,521.653	1,553,995	819,505
Redeemed during the year	(165,597,397.282)	(299,176,322.366)	(1,655,974)	(2,991,763)
Outstanding, end of year	90,062,068.950	100,259,986.532	900,621	1,002,600
Total				
Initial Capital			100	100
Outstanding, beginning of year	159,294,034.712	–	1,592,940	–
Issued				
– new fund offer	–	395,810,160.983	–	3,958,102
– during the year	190,963,577.756	154,063,740.838	1,909,636	1,540,636
Redeemed during the year	(231,908,867.013)	(390,579,867.109)	(2,319,089)	(3,905,798)
Outstanding, end of year	118,348,745.455	159,294,034.712	1,183,587	1,593,040
			2006	2005

4. RESERVES AND SURPLUS**Unit premium reserve**

Balance, beginning of year	(168,587)	–
Net premium on issue / redemption of units	(230,270)	(233,803)
Equalisation, net	77,851	65,216
Balance, end of year	(321,006)	(168,587)

Unrealised appreciation reserve

Balance, beginning of year	275,380	–
Change in net unrealised appreciation in value of investments	373,834	275,380
Balance, end of year	649,215	275,380

Retained surplus

Balance, beginning of year	406,634	–
Surplus transferred from revenue account	394,320	406,634
Balance, end of year	800,954	406,634
Total reserves and surplus	1,129,163	513,427

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

– Growth Plan	393,946	189,769
– Dividend Plan	735,217	323,658
	1,129,163	513,427

	2006	2005
5. CURRENT LIABILITIES		
Amount due to AMC for management fees	2,459	2,089
Trusteeship fee payable	45	82
Sundry creditors for units redeemed by investors		
– Lateral shift	1,819	31,366
– Others	26,955	6,565
Contract for purchase of investments	24,614	–
Dividend payable on units	6	–
Load pending utilisation	1,458	331
Loan from Bank	60,000	–
Other current liabilities	7,493	12,627
	124,849	53,060
6. INVESTMENTS		
Equity shares	2,264,881	2,041,702
Debentures and bonds	–	30,087
Commercial paper	–	49,470
	2,264,881	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	670,063	299,625
– depreciation	20,848	24,245
Debentures and bonds		
– appreciation	–	–
– depreciation	–	1
(iii) The aggregate value of investments acquired and sold / redeemed during the year and these amounts as a percentage of average daily net assets are as follows:		
Purchases (excluding Collateralised lending & Fixed deposits)		
– amount	5,248,398	10,662,990
– as a percentage of average daily net assets	242.48	423.03
Sales / Redemptions (excluding Collateralised lending & Fixed deposits)		
– amount	6,445,381	9,293,203
– as a percentage of average daily net assets	297.78	368.96
(iv) The aggregate purchases made by the schemes during the current year and the fair value of such investments as at March 31, 2006 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	7,042	3,581
Sundry debtors for units issued to investors		
– Lateral shift	1,302	46
– Others	5,690	18,248
Receivable from AMC	15	2,424
Contracts for sale of investments	158,669	10,945
Collateralised lending	–	2,515
Outstanding and accrued income	–	509
	172,718	38,268
	2006	September 4, 2004 to March 31, 2005
8. INTEREST		
Debentures and Bonds	164	140
Central Government securities	–	1,591
Money market instruments	582	1,240
Collateralised lending	2,973	5,853
	3,719	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 year ended March 31, 2006, the Scheme has paid management fee at an average rate of 1.12 per cent (2005-1.10 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 (2005- 0.01 per cent) of the Scheme's average daily net assets, subject to a maximum of Rs.10 lakhs per annum .		

2006 September 4, 2004
to March 31, 2005

10. INCOME AND EXPENDITURE

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets are provided below (previous years net assets have been annualised):

Income		
– amount	995,115	502,591
– as a percentage of average daily net assets	45.97	38.51
Expenditure (excluding change in provision for net unrealised loss and realised loss on sale of investments)		
– amount	51,200	30,656
– as a percentage of average daily net assets	2.37	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 ASSET MANAGEMENT (ASIA) LIMITED	Sponsor of the Fund (from October 31, 2005)
ABN AMRO BANK N.V.	Sponsor of the Fund upto October 31, 2005, thereafter Associate of the sponsor
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
ABN AMRO OPPORTUNITIES FUND
ABN AMRO DIVIDEND YIELD FUND
ABN AMRO LONG TERM FLOATING RATE FUND
ABN AMRO TAX ADVANTAGE PLAN (ELSS)
ABN AMRO FIXED TERM PLAN - SERIES 1
ABN AMRO FIXED TERM PLAN - SERIES 2 : QUARTERLY PLAN A
ABN AMRO FIXED TERM PLAN - SERIES 2 : (13 MONTHS) PLAN

(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	Year ended March 2006	Balance as at March 31, 2006	Period ended March 31, 2005	Balance as at March 31, 2005
ABN AMRO Cash Fund	Purchase of investments	291,613	–	1,068,465	–
	Sale of investments	236,435	–	344,807	–
ABN AMRO Floating Rate Fund	Purchase of investments	286,882	–	109,356	–
	Sale of investments	113,034	–	196,323	–
ABN AMRO Flexi Debt Fund	Purchase of investments	86,952	–	521,621	–
ABN AMRO Opportunities Fund	Sale of investments	49,490	–	12,349	–
Other Schemes under common control	Purchase of investments	44,729	–	–	–
	Sale of investments	10,007	–	–	–
ABN AMRO Trustee (India) Private Limited	Fees for trusteeship services	85	45	143	82
ABN AMRO Asset Management (India) Limited	Fees for investment management services	24,144	2,459	14,347	2,089
ABN AMRO Bank N.V.	Commission paid for procuring unit capital	27,497	4,224	78,506	–
	Bank charges	91	28	109	–
	Collateralised lending (first leg)	403,631	–	–	–
	Interest on collateralised lending	101	–	–	–
	Borrowings by the Scheme	130,000	60,000	–	–
ABN AMRO Asia Equities (India) Ltd.	Brokerage on securities transactions	1,801	–	1,716	–

12. SEGMENT REPORTING

The Scheme operates in one segment only viz. to primarily generate attractive returns from a diverse and actively managed portfolio of equity and equity related instruments. Further, the Scheme does not have any geographical segment.

2006 2005

13. NET ASSET VALUE

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

Growth Plan	Rs. 23.93	Rs. 13.21
Dividend Plan	Rs. 18.16	Rs. 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 the prior period was from September 4, 2004 to March 31, 2005, the corresponding figures for the previous period are not comparable with those of the current year.

Further, previous period's figures have been regrouped where necessary to conform to this year's classification.

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, 2006, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2006, as well as the aggregate investments in each investment category.

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
EQUITY SHARES				
Auto	285,607	276,515	11.96	12.21
Bajaj Auto Ltd.	24,000	65,910	2.85	2.91
Mahindra & Mahindra Ltd.	94,669	59,362	2.57	2.62
Maruti Udyog Ltd.	75,038	65,606	2.84	2.90
Tata Motors Ltd.	91,900	85,637	3.70	3.78
Auto Ancillaries	206,050	65,184	2.82	2.88
Amtek Auto Ltd.	206,050	65,184	2.82	2.88
Banks	1,007,950	197,462	8.54	8.72
Bank of India	354,100	47,290	2.04	2.09
State Bank of India	104,050	100,772	4.36	4.45
Syndicate Bank	549,800	49,400	2.14	2.18
Cement	47,650	98,276	4.25	4.34
Grasim Industries Ltd.	47,650	98,276	4.25	4.34
Construction	477,380	128,000	5.53	5.65
Hindustan Construction Company Ltd.	323,980	56,032	2.42	2.47
Jaiprakash Associates Ltd.	153,400	71,968	3.11	3.18
Consumer- Durables	65,059	65,807	2.85	2.91
Voltas Ltd.	65,059	65,807	2.85	2.91
Consumer Non Durables	626,527	149,844	6.48	6.62
Dhampur Sugar Mills Ltd.	187,500	48,347	2.09	2.13
ITC Ltd.	329,800	64,360	2.78	2.84
Uttam Sugar Mills Ltd.	109,227	37,137	1.61	1.64
Ferrous Metals	45,500	24,411	1.06	1.08
Tata Steel Ltd.	45,500	24,411	1.06	1.08
Fertilisers	346,995	31,108	1.35	1.37
DCM Shriram Consolidated Ltd.	346,995	31,108	1.35	1.37
Industrial Capital Goods	416,875	345,402	14.93	15.26
Alfa Laval Ltd.	52,065	57,357	2.48	2.53
Bharat Heavy Electricals Ltd.	37,450	83,961	3.63	3.71
Crompton Greaves Ltd.	65,700	68,982	2.98	3.05
Siemens Ltd.	10,000	56,748	2.45	2.51
Thermax India Ltd.	251,660	78,354	3.39	3.46
Industrial Product	69,100	30,774	1.33	1.36
Bharat Forge Limited	69,100	30,774	1.33	1.36
Media & Entertainment	546,531	163,916	7.09	7.24
Inox Leisure Limited	181,349	38,410	1.66	1.70
Television 18 Ltd.	93,182	60,498	2.62	2.67
Zee Telefilms Ltd.	272,000	65,008	2.81	2.87
Oil And Gas	1,765,600	107,328	4.65	4.74
Oil and Natural Gas Corporation Ltd.	37,840	49,621	2.15	2.19
Reliance Natural Resources Ltd.	1,727,760	57,707	2.50	2.55

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
Pesticides	209,631	54,997	2.37	2.43
United Phosphorus Ltd.	209,631	54,997	2.37	2.43
Petroleum Products	84,000	66,809	2.88	2.94
Reliance Industries Ltd.	84,000	66,809	2.88	2.94
Pharmaceuticals	204,595	108,553	4.69	4.79
Lupin Ltd.	50,695	51,402	2.22	2.27
Orchid Chemicals & Pharmaceuticals Ltd.	153,900	57,151	2.47	2.52
Software	446,911	283,538	12.26	12.52
Geodesic Information Systems Ltd.	157,394	34,635	1.50	1.53
HCL Technologies Ltd.	79,952	52,305	2.26	2.31
Infosys Technologies Ltd.	23,815	71,002	3.07	3.13
Satyam Computers Ltd.	74,900	63,553	2.75	2.81
Wipro Ltd.	110,850	62,043	2.68	2.74
Telecom-services	216,900	66,957	2.89	2.95
Reliance Communication Ventures Ltd.	216,900	66,957	2.89	2.95
Total	7,068,861	2,264,881	97.93	100.00
OTHER CURRENT ASSETS		172,718	7.47	
TOTAL ASSETS		2,437,599	105.40	
LESS: CURRENT LIABILITIES		124,849	5.40	
NET ASSETS		2,312,750	100.00	

HISTORIAL PER UNIT STATISTICS

PER UNIT STATISTICS	as on 31.03.06	as on 31.03.05
(a) Net Asset Value, per unit		
Growth	23.93	13.21
Dividend	18.16	13.23
(b) Gross Income:		
i) Income other than profit on sale of investment, per unit	0.24	0.17
ii) profit on interscheme sale / transfer of investment, per unit	0.00	0.00
iii) profit on sale of investment to third party, per unit	8.17	2.99
iv) transfer to Revenue Account from past year's reserve per unit	0.00	0.00
(c) Aggregate of expenses, write offs, amortisation and charges, per unit	0.43	0.19
(d) Net unrealised (appreciation) / depreciation in value of investments	(0.00)	0.00
(e) Net Income, per unit	7.98	2.96
(f) i) Highest traded price		
ii) Lowest traded price		
iii) Highest repurchase price / NAV *		
Growth	23.93	14.04
Dividend	20.46	14.06
iv) Highest resale price *		
Growth	24.47	14.36
Dividend	20.92	14.37
v) Lowest repurchase price / NAV*		
Growth	12.40	10.30
Dividend	10.75	10.30
vi) Lowest resale price*		
Growth	11.29	10.53
Dividend	11.17	10.53
Monthly Dividend		
vii) Price Earning Ratio	NA	NA
viii) Ratio of Expenses to Average Net Assets (%)		
Regular Plan	2.37%	2.35%
ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%)	45.97%	38.28%

TRUSTEE REPORT

Dear Sir / Madam,

ABN AMRO Mutual Fund (the "Fund") commenced its operations in the month of August 2004. During the financial year 2005-2006, it has launched 8 Schemes successfully with a subscription of Rs. 2200 crores approx. The Fund manages 12 Schemes as on March 31, 2006 with Assets under Management of Rs.2769.27 Crores. It gives us pleasure in presenting the Second Annual Report of the Schemes of the Fund for the year ended March 31, 2006.

INVESTMENT POLICY & OUTLOOK

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

The Fund's approach to equities is a blend of sector and company views with macroeconomic analysis, in a structured and successful investment process. The Fund's style is characterised by active management, bias towards quality and Growth At a Reasonable Price (GARP), aimed at delivering superior risk-adjusted performance. In view of the Fund Manager, the Indian economy is well on its path to grow at around 8% 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.

The Fund's 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 Fund's 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 elevated levels of international oil prices continue to lead to higher inflationary expectations globally. Major central banks are still pursuing tightening monetary policies. The outlook for bond yields is presently mixed. With US economy showing early signs of slowing down, Fed may pause soon, to assess the impact of past hikes on the inflationary expectations. This may provide higher flexibility to Asian central banks. In addition, recent spike in bond yields will also help stabilise markets as a fair degree of negative expectations are priced in current yield curves. However, inflationary expectations were to resurface, fixed income markets may remain volatile.

PERFORMANCE FOR PERIOD ENDING MARCH 31, 2006

ABN AMRO Opportunities Fund (AAOF) (an open-ended equity scheme)

The investment objective is to generate long-term capital growth from an actively managed portfolio of equity and equity related securities. The Scheme will aim to identify attractive investment opportunities in companies across all ranges of market-capitalization viz. large, medium and small capitalization and across all sizes in terms of turnover, balance sheet size etc. The Scheme has the flexibility to actively shift portfolio concentration between different market capitalization buckets. The Scheme also retains the flexibility to hold from time to time relatively more concentrated investments in a few sectors than plain diversified equity funds.

However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee / indicate any returns.

	Since Inception (% Absolute)
AAOF - Growth Option	80.29
BSE 200	67.89

Period: April 15, 2005 - March 31, 2006. 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.

The AAOF has done reasonably well since inception by outperforming the benchmark index by almost 13%.

STATUTORY DETAILS

The Fund has been set up as a trust, as evidenced by the Trust Deed dated April 15, 2004, between ABN AMRO Bank N.V., the Sponsor* of the Fund and ABN AMRO Trustee (India) Private Limited. 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.

* Consequent to receipt of no-objection letter received from SEBI (its letter no. IMD/SB/46021/05 dated August 4, 2005), the controlling interest in the AMC was transferred from ABN AMRO Bank N.V. to ABN AMRO Asset Management (Asia) Limited with effect from October 31, 2005.

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 ABN AMRO Asset Management (Asia) Limited 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 the Board of Trustees of ABN AMRO Mutual Fund

Pradyumna Naware

Chairman

ABN AMRO Trustee (India) Private Limited

Trustee to ABN AMRO Mutual Fund

Date: August 22, 2006

AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND - ABN AMRO OPPORTUNITIES FUND

1. We have audited the attached Balance Sheet of ABN AMRO MUTUAL FUND - ABN AMRO OPPORTUNITIES FUND ('the Scheme') as at March 31, 2006 and also the Revenue Account and Cash Flow Statement for the period from March 9, 2005 to March 31, 2006 ('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 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 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 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, 2006;
 - 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, August 22, 2006

BALANCE SHEET

AS AT MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	2006
SOURCES OF FUNDS		
Unit capital	2(b) & 3	1,399,697
Reserves and surplus	2(b) & 4	864,401
Current liabilities	5	72,784
		2,336,882
APPLICATION OF FUNDS		
Investments	2(c), 6 & 16	2,153,393
Other current assets	7	125,015
Deferred revenue expenditure	2(g) & 11	58,474
		2,336,882

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: August 22, 2006

For and on behalf of

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

Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of

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

Romesh Sobti
Chairman

Prateek Agrawal
Fund Manager

REVENUE ACCOUNT

FOR THE PERIOD FROM MARCH 9, 2005 TO MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	March 9, 2005 to March 31, 2006
INCOME		
Dividend	2(d)	35,930
Interest	2(d) & 8	7,054
Profit on sale / redemption of investments, net	2(d)	920,966
Other income		5
		963,955
EXPENSES AND LOSSES		
Loss on inter-scheme transfer/sale of investments, net	2(d)	132
Management fee	9	27,620
Trusteeship fee	9	91
Custodian service charges		1,733
Registrar service charges		6,707
Commission to distributors		10,001
Publicity expenses		7,668
Audit fee		297
Deferred revenue expenditure amortised	2(g) & 11	24,924
Other operating expenses		5,022
		84,195
Surplus for the period		879,760
Equalisation debit	2(e)	(25,467)
Income distribution on capital account		(300,264)
Surplus transferred to the balance sheet	4	554,029

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: August 22, 2006

For and on behalf of

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

Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of

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

Romesh Sobti
Chairman

Prateek Agrawal
Fund Manager

CASH FLOW STATEMENT

FOR THE PERIOD FROM MARCH 9, 2005 TO MARCH 31, 2006

(All amounts in thousands of Rupees)

		March 9, 2005 to March 31, 2006
A. Cash Flow from Operating Activity		
Surplus for the period		879,760
Adjustments for:-		
Deferred revenue expenditure amortised in current period		24,924
New Fund Offer expenses incurred during the period		(83,397)
Investments (at cost) made, net		(1,588,997)
Current liabilities incurred		13,075
Net cash used in operations	(A)	(754,635)
B. Cash Flow from Financing Activities		
Proceeds from issuance of unit capital, net		1,399,697
Unit premium received / (paid) thereon, net		(311,765)
Adjustments for:-		
Sundry creditors for units redeemed by investors		14,595
Sundry debtors for units issued to investors		(4,455)
Dividend and tax on dividend paid during the period		(300,062)
Net Cash generated from Financing Activities	(B)	798,010
Net Cash and cash equivalents	(A+B)	43,375
Cash and cash equivalents, beginning of the period		–
Cash and cash equivalents, end of the period		43,375
Components of cash and cash equivalents		
Balances with banks in current accounts		43,375
Collateralised Lending		–
		43,375

As per our report of even date.

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

per **Viren H. Mehta**
Partner
Membership No.: 048749
Mumbai
Date: August 22, 2006

For and on behalf of

**ABN AMRO Trustee
(India) Private Limited**
Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of

**ABN AMRO Asset
Management (India) Limited**
Romesh Sobti
Chairman

Prateek Agrawal
Fund Manager

SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM MARCH 9, 2005 TO MARCH 31, 2006

(All amounts in thousands of Rupees unless specified otherwise)

1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Opportunities Fund ('the Scheme') was launched as an open ended equity scheme on March 9, 2005 and the initial offer closed on March 30, 2005.

ABN AMRO Bank N.V ('ABN AMRO') was the Sponsor for ABN AMRO Mutual Fund ('the Fund') since inception of the Fund. With effect from October 31, 2005, consequent to receipt of no objection letter from Securities and Exchange Board of India ('SEBI'), the controlling interest in ABN AMRO Asset Management (India) Limited and ABN AMRO Trustee (India) Private Limited was transferred from ABN AMRO Bank N.V. to ABN AMRO Asset Management (Asia) Limited ('AAAM Asia'), the new sponsor of the Fund.

In accordance with the 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 is to generate long-term capital growth from an actively managed portfolio of equity and equity related securities. The Scheme will aim to identify attractive investment opportunities in companies across all ranges of market-capitalization viz. large, medium and small-capitalization and across all sizes in terms of turnover, balance sheet size etc. The Scheme has the flexibility to actively shift portfolio concentration between different market capitalization buckets. The Scheme also retains the flexibility to hold from time to time relatively more concentrated investments in a few sectors than plain diversified equity funds.

The Scheme offers its investors the following plans :

Growth Plan

Dividend 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 other than Central Government securities and treasury bills 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 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.

(g) Deferred Revenue Expenditure

The scheme amortises New Fund Offer ('NFO') expenses on a straight line basis over a period of five years from the date of first allotment of units in addition to accelerated amortisation of NFO expenses based on net redemptions in proportion to net assets of the scheme. Upto March 21, 2006, the Scheme amortised the NFO expenses on a straight line basis over a period of five years. Had the scheme not changed its method of amortisation, the surplus for the period would have been higher by Rs. 89.01 lakhs.

3. UNIT CAPITAL

	Quantity 2006	Amount 2006
Units of Rs. 10 each fully paid up		
Growth Plan		
Issued		
– new fund offer	136,208,782.911	1,362,088
– during the period	24,974,184.151	249,742
Redeemed during the period	(124,492,694.149)	(1,244,927)
Outstanding, end of period	36,690,272.913	366,903
Dividend Plan		
Issued		
– new fund offer	280,782,303.307	2,807,823
– during the period	83,467,800.796	834,678
Redeemed during the period	(260,970,696.858)	(2,609,707)
Outstanding, end of period	103,279,407.245	1,032,794
Total		
Issued		
– new fund offer	416,991,086.218	4,169,911
– during the period	108,441,984.947	1,084,420
Redeemed during the period	(385,463,391.007)	(3,854,634)
Outstanding, end of period	139,969,680.158	1,399,697
		2006

4. RESERVES AND SURPLUS

Unit premium reserve	
Net premium on issue/redemption of units	(311,765)
Equalisation, net	25,467
Balance, end of period	(286,298)
Unrealised appreciation reserve	
Net unrealised appreciation in value of investments	596,670
Balance, end of period	596,670
Retained surplus	
Surplus transferred from revenue account	554,029
Balance, end of period	554,029
Total reserves and surplus	864,401
The share of the plans in the reserves and surplus is as follows:	
– Growth Plan	294,585
– Dividend Plan	569,816
	864,401

5. CURRENT LIABILITIES

Amount due to AMC for management fees	2,364
Trusteeship fee payable	45
Sundry creditors for units redeemed by investors	
– Lateral shifts	11,397
– Others	3,199
Load pending utilisation	3,728
Contract for purchase of investments	44,911
Dividend payable on units	202
Other current liabilities	6,938
	72,784

6. INVESTMENTS

Equity shares	2,153,393
	2,153,393
(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	607,398
– depreciation	10,728
(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 Collateralised lending & Fixed deposits)	
– amount	10,358,430
– as a percentage of average daily net assets	395.02
Sales / Redemptions (excluding Collateralised lending & Fixed deposits)	
– amount	10,526,468
– as a percentage of average daily net assets	401.43

2006

- (iv) The aggregate purchases made by the schemes during the current period and the fair value of such investments as at March 31, 2006 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	43,375
Sundry debtors for units issued to investors	
– Lateral shifts	2,213
– Others	2,242
Contracts for sale of investments	77,185
	125,015
	March 9, 2005 to March 31, 2006

8. INTEREST

Debentures and bonds	843
Central Government securities	1
Money market instruments	1,516
Collateralised lending	4,694
	7,054

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, 2006, the Scheme has paid management fee at an average rate of 1.10 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.

**March 9, 2005 to
March 31, 2006**
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	963,955
– as a percentage of average daily net assets	38.23
Expenditure (excluding realised loss on sale of investments and deferred revenue expenditure)	
– amount	59,139
– as a percentage of average daily net assets	2.35

11. DEFERRED REVENUE EXPENDITURE

Incurred during the period (2% of initial funds raised)	83,398
Less: Amortised during the period	(24,924)
Closing Balance	58,474

12. 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 ASSET MANAGEMENT (ASIA) LIMITED	Sponsor of the Fund (from October 31, 2005)
ABN AMRO BANK N.V.	Sponsor of the Fund upto October 31, 2005, thereafter Associate of the sponsor
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
 ABN AMRO EQUITY FUND
 ABN AMRO DIVIDEND YIELD FUND
 ABN AMRO LONG TERM FLOATING RATE FUND
 ABN AMRO TAX ADVANTAGE PLAN
 ABN AMRO FIXED TERM PLAN - SERIES 1
 ABN AMRO FIXED TERM PLAN - SERIES 2 : QUARTERLY PLAN A
 ABN AMRO FIXED TERM PLAN - SERIES 2 : (13 MONTHS) PLAN

(ii) **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	Period ended March 31, 2006	Balance as at March 31, 2006
ABN AMRO Cash Fund	Purchase of investments Sale of investments	1,210,806 1,077,877	— —
ABN AMRO Floating Rate Fund	Purchase of investments Sale of investments	569,761 574,612	— —
Other Schemes under common control	Purchase of investments Sale of investments	94,246 22,509	— —
ABN AMRO Bank N.V.	Bank Charges Marketing & Distribution Expenses Collateralised lending (first leg) Interest on collateralised lending Commission paid for procuring unit capital	304 2,446 2,541,345 466 100,596	13 — — — 3,526
ABN AMRO Asia Equities (India) Limited	Brokerage on securities transactions	1,647	—
ABN AMRO Asset Management (India) Limited	Investment Management Fees	27,620	2,364
ABN AMRO Trustee (India) Limited	Trustee Fees	91	45

13. SEGMENT REPORTING

The Scheme operates in one segment only viz. to primarily generate attractive returns from a diverse and actively managed portfolio of equity and equity related instruments. Further, the Scheme does not have any geographical segment.

2006

14. NET ASSET VALUE

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

Growth Plan

Rs. 18.03

Dividend Plan

Rs. 15.52

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.

15. 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.

16. 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, 2006, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2006, as well as the aggregate investments in each investment category.

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
EQUITY SHARES				
Auto	284,521	266,148	11.76	12.36
Bajaj Auto Ltd.	19,990	54,898	2.42	2.55
Mahindra & Mahindra Ltd.	101,331	63,540	2.81	2.95
Maruti Udyog Ltd.	75,900	66,359	2.93	3.08
Tata Motors	87,300	81,351	3.59	3.78
Auto Ancillaries	111,139	9,236	0.41	0.43
Phoenix Lamps Ltd.	111,139	9,236	0.41	0.43
Banks	1,110,200	235,284	10.39	10.93
Bank of India	339,000	45,273	2.00	2.10
Punjab National Bank	98,800	46,476	2.05	2.16
State Bank of India	94,600	91,620	4.05	4.25
Synidicate Bank	577,800	51,915	2.29	2.41
Cement	77,300	108,450	4.79	5.04
Grasim Industries Ltd.	33,800	69,711	3.08	3.24
Shree Cement Ltd.	43,500	38,739	1.71	1.80
Chemicals	49,000	29,204	1.29	1.36
Bombay Dyeing & Manufacturing Company Ltd.	49,000	29,204	1.29	1.36
Construction	550,377	168,645	7.45	7.83
Hindustan Construction Company Ltd.	302,377	52,296	2.31	2.43
Jaiprakash Associates Ltd.	248,000	116,349	5.14	5.40
Consumer- Durables	55,540	56,179	2.48	2.61
Voltas Ltd.	55,540	56,179	2.48	2.61
Consumer Non Durables	103,914	35,331	1.56	1.64
Uttam Sugar Mills Ltd.	103,914	35,331	1.56	1.64

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
Ferrous Metals	372,418	154,702	6.84	7.18
Maharashtra Seamless Ltd.	87,431	59,213	2.62	2.75
PSL Holding Ltd.	204,987	52,569	2.32	2.44
Tata Steel Ltd.	80,000	42,920	1.90	1.99
Fertilisers	603,393	54,094	2.39	2.51
DCM Shriram Consolidated Ltd.	603,393	54,094	2.39	2.51
Industrial Capital Goods	481,384	327,640	14.47	15.21
ABG Heavy Industries Ltd.	115,317	34,238	1.51	1.59
Bharat Heavy Electricals Ltd.	28,003	62,781	2.77	2.92
Bharat Electronics Ltd.	30,809	40,796	1.80	1.89
Crompton Greaves Ltd.	53,600	56,277	2.49	2.61
Siemens Ltd.	10,175	57,741	2.55	2.68
Thermax India Ltd.	243,480	75,807	3.35	3.52
Industrial Product	55,200	24,583	1.09	1.14
Bharat Forge Ltd.	55,200	24,583	1.09	1.14
Media & Entertainment	212,182	64,089	2.83	2.98
Deccan Chronicle Holding Ltd.	78,063	35,683	1.58	1.66
Inox Leisure Ltd.	134,119	28,406	1.25	1.32
Oil And Gas	1,964,493	113,269	5.01	5.26
Gulf Oil Corp. Ltd.	47,853	49,253	2.18	2.29
Reliance Natural Resources Ltd.	1,916,640	64,016	2.83	2.97
Pesticides	131,074	34,387	1.51	1.60
United Phosphorus Ltd.	131,074	34,387	1.51	1.60
Petroleum Products	85,123	67,703	2.99	3.14
Reliance Industries Ltd.	85,123	67,703	2.99	3.14
Pharmaceuticals	162,400	88,068	3.89	4.09
Lupin Ltd.	43,200	43,803	1.93	2.03
Orchid Chemicals & Pharmaceuticals Ltd.	119,200	44,265	1.96	2.06
Software	419,656	261,772	11.56	12.16
Geodesic Information Systems Ltd.	149,038	32,796	1.45	1.52
HCL Technologies Ltd.	85,466	55,912	2.47	2.60
Infosys Technologies Ltd.	20,002	59,634	2.63	2.77
Satyam Computers Ltd.	72,700	61,686	2.72	2.87
Wipro Ltd.	92,450	51,744	2.29	2.40
Telecom- Services	176,900	54,609	2.41	2.54
Reliance Communication Ventures Ltd.	176,900	54,609	2.41	2.54
Total	7,006,214	2,153,393	95.11	100.00
OTHER CURRENT ASSETS		125,015	5.52	
DEFERRED REVENUE EXPENDITURE		58,474	2.58	
TOTAL ASSETS		2,336,882	103.21	
LESS: CURRENT LIABILITIES		72,784	3.21	
NET ASSETS		2,264,098	100.00	

HISTORIAL PER UNIT STATISTICS

PER UNIT STATISTICS	as on 31.03.06
(a) Net Asset Value, per unit	
Growth	18.030
Dividend	15.520
(b) Gross Income:	
i) Income other than profit on sale of investment, per unit	0.307
ii) profit on interscheme sale / transfer of investment, per unit	0.000
iii) profit on sale of investment to third party, per unit	6.580
iv) transfer to Revenue Account from past year's reserve per unit	0.000
(c) Aggregate of expenses, write offs, amortisation and charges, per unit	0.602
(d) Net unrealised (appreciation) / depreciation in value of investments	0.000
(e) Net Income, per unit	6.285
(f) i) Highest traded price	
ii) Lowest traded price	
iii) Highest repurchase price / NAV *	
Growth	18.029
Dividend	17.899
iv) Highest resale price *	
Growth	18.435
Dividend	18.302
v) Lowest repurchase price / NAV*	
Growth	9.427
Dividend	9.427
vi) Lowest resale price*	
Growth	9.639
Dividend	9.639
vii) Price Earning Ratio	NA
viii) Ratio of Expenses to Average Net Assets (%)	
Regular Plan	2.35%
ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%)	38.36%

TRUSTEE REPORT

Dear Sir / Madam,

ABN AMRO Mutual Fund (the "Fund") commenced its operations in the month of August 2004. During the financial year 2005-2006, it has launched 8 Schemes successfully with a subscription of Rs. 2200 crores approx. The Fund manages 12 Schemes as on March 31, 2006 with Assets under Management of Rs.2769.27 Crores. It gives us pleasure in presenting the Second Annual Report of the Schemes of the Fund for the year ended March 31, 2006.

INVESTMENT POLICY & OUTLOOK

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

The Fund's approach to equities is a blend of sector and company views with macroeconomic analysis, in a structured and successful investment process. The Fund's style is characterised by active management, bias towards quality and Growth At a Reasonable Price (GARP), aimed at delivering superior risk-adjusted performance. In view of the Fund Manager, the Indian economy is well on its path to grow at around 8% 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.

The Fund's 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 Fund's 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 elevated levels of international oil prices continue to lead to higher inflationary expectations globally. Major central banks are still pursuing tightening monetary policies. The outlook for bond yields is presently mixed. With US economy showing early signs of slowing down, Fed may pause soon, to assess the impact of past hikes on the inflationary expectations. This may provide higher flexibility to Asian central banks. In addition, recent spike in bond yields will also help stabilise markets as a fair degree of negative expectations are priced in current yield curves. However, inflationary expectations were to resurface, fixed income markets may remain volatile.

PERFORMANCE FOR PERIOD ENDING MARCH 31, 2006

ABN AMRO Dividend Yield Fund (AADYF) (an open-ended equity scheme)

To generate long term capital growth from an actively managed portfolio of equity and equity related securities, primarily being high dividend yield stocks.

High dividend yield stocks are defined as stocks of companies that have a dividend yield in excess of the dividend yield of the BSE Sensitive Index (BSE Sensex), at the time of investment

However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee / indicate any returns.

	Since Inception (% Absolute)
AADYF - Growth Option	17.76
BSE Sensitive Index	36.17

Period: September 15, 2005 - March 31, 2006. 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.

The AADYF has lagged the benchmark index returns since inception, as it was positioned to deliver a blended dividend yield significantly higher than the benchmark.

STATUTORY DETAILS

The Fund has been set up as a trust, as evidenced by the Trust Deed dated April 15, 2004, between ABN AMRO Bank N.V., the Sponsor* of the Fund and ABN AMRO Trustee (India) Private Limited. 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.

* Consequent to receipt of no-objection letter received from SEBI (its letter no. IMD/SB/46021/05 dated August 4, 2005), the controlling interest in the AMC was transferred from ABN AMRO Bank N.V. to ABN AMRO Asset Management (Asia) Limited with effect from October 31, 2005.

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 ABN AMRO Asset Management (Asia) Limited 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 the Board of Trustees of ABN AMRO Mutual Fund

Pradyumna Naware

Chairman

ABN AMRO Trustee (India) Private Limited

Trustee to ABN AMRO Mutual Fund

Date: August 22, 2006

AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND - ABN AMRO DIVIDEND YIELD FUND

1. We have audited the attached Balance Sheet of ABN AMRO MUTUAL FUND - ABN AMRO DIVIDEND YIELD FUND ('the Scheme') as at March 31, 2006 and also the Revenue Account for the period from August 1, 2005 to March 31, 2006 ('the period') annexed thereto. These financial statements are the responsibility of the management of ABN AMRO Asset Management (India) Limited, the Scheme's asset manager. 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 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, 2006; 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, August 22, 2006

BALANCE SHEET

AS AT MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	2006
SOURCES OF FUNDS		
Unit capital	2(b) & 3	1,141,199
Reserves and surplus	2(b) & 4	202,848
Current liabilities	5	183,317
		1,527,364
APPLICATION OF FUNDS		
Investments	2(c), 6 & 15	1,295,509
Other current assets	7	175,442
Deferred revenue expenditure	2(e) & 11	56,413
		1,527,364

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: August 22, 2006

For and on behalf of

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

Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of

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

Romesh Sobti
Chairman

Pradeep Kumar
Fund Manager

REVENUE ACCOUNT

FOR THE PERIOD FROM AUGUST 1, 2005 TO MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	August 1, 2005 to March 31, 2006
INCOME		
Dividend	2(d)	29,622
Interest	2(d) & 8	18,400
Profit on sale / redemption of investments, net	2(d)	301,673
		349,695
EXPENSES AND LOSSES		
Loss on inter-scheme transfer / sale of investments, net	2(d)	332
Management fee	9	17,308
Trusteeship fee	9	144
Custodian service charges		1,191
Registrar service charges		4,016
Commission to distributors		5,257
Publicity expenses		6,198
Audit fee		258
Deferred revenue expenditure amortised	2(e) & 11	29,670
Other operating expenses		2,836
		67,210
Surplus for the period		282,485
Equalisation debit	2(f)	(22,923)
Surplus transferred to the balance sheet	4	259,562

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: August 22, 2006

For and on behalf of

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

Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of

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

Romesh Sobti
Chairman

Pradeep Kumar
Fund Manager

SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM AUGUST 1, 2005 TO MARCH 31, 2006

(All amounts in thousands of Rupees unless specified otherwise)

1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Dividend Yield Fund ('the Scheme') was launched as an open ended equity scheme on August 1, 2005 and the initial offer closed on August 30, 2005.

ABN AMRO Bank N.V. ('ABN AMRO') was the Sponsor for ABN AMRO Mutual Fund ('the Fund') since inception of the Fund. With effect from October 31, 2005, consequent to receipt of no objection letter from Securities and Exchange Board of India ('SEBI'), the controlling interest in ABN AMRO Asset Management (India) Limited and ABN AMRO Trustee (India) Private Limited was transferred from ABN AMRO Bank N.V. to ABN AMRO Asset Management (Asia) Limited ('AAAM Asia'), the new sponsor of the Fund.

In accordance with the 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 long term capital growth from an actively managed portfolio of equity and equity related securities, primarily being high dividend yield stocks. High dividend yield stocks are defined as stocks of companies that have a dividend yield in excess of the dividend yield of the BSE Sensitive Index (BSE Sensex), at the time of investment.

The Scheme offers its investors the following plans :

Growth Plan

Dividend 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 Board 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 excluding amortisation and deferred revenue expenditure, 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.
- 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) Deferred revenue expenditure

The scheme amortises New Fund Offer ('NFO') expenses on a straight line basis over a period of five years from the date of first allotment of units in addition to accelerated amortisation of NFO expenses based on net redemptions in proportion to net assets of the scheme. Upto March 21, 2006, the Scheme amortised the NFO expenses on a straight line basis over a period of five years. Had the scheme not changed its method of amortisation, the surplus for the period would have been higher by Rs. 203.41 lakhs.

(f) 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.

(g) 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 2006	Amount 2006
Units of Rs. 10 each fully paid up		
Growth Plan		
Issued		
– new fund offer	126,560,369.203	1,265,603
– during the period	5,407,481.143	54,075
Redeemed during the period	(102,250,421.107)	(1,022,504)
Outstanding, end of period	29,717,429.239	297,174
Dividend Plan		
Issued		
– new fund offer	303,856,475.150	3,038,565
– during the period	19,797,625.726	197,976
Redeemed during the period	(239,251,608.242)	(2,392,516)
Outstanding, end of period	84,402,492.634	844,025
Total		
Issued		
– new fund offer	430,416,844.353	4,304,168
– during the period	25,205,106.869	252,051
Redeemed during the period	(341,502,029.349)	(3,415,020)
Outstanding, end of period	114,119,921.873	1,141,199
		2006

4. RESERVES AND SURPLUS

Unit premium reserve	
Net premium on issue/redemption of units	(280,641)
Equalisation, net	22,923
Balance, end of period	(257,718)
Unrealised appreciation reserve	
Net unrealised appreciation in value of investments	201,004
Balance, end of period	201,004
Retained surplus	
Surplus transferred from revenue account	259,562
Balance, end of period	259,562
Total reserves and surplus	202,848
The share of the plans in the reserves and surplus is as follows:	
– Growth Plan	52,791
– Dividend Plan	150,057
	202,848

5. CURRENT LIABILITIES

Amount due to AMC for management fees	1,652
– Others	1
Trusteeship fee payable	54
Sundry creditors for units redeemed by investors	
– Lateral shifts	22,598
– Others	141,248
Load pending utilisation	3,191
Contract for purchase of investments	8,977
Other current liabilities	5,596
	183,317

	2006
6. INVESTMENTS	
Equity shares	1,295,509
	1,295,509
(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	244,593
– depreciation	43,589
(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 Collateralised lending & Fixed deposits)	
– amount	8,412,034
– as a percentage of average daily net assets	285.81
Sales / Redemptions (excluding Collateralised lending & Fixed deposits)	
– amount	7,617,757
– as a percentage of average daily net assets	258.83
(iv) The aggregate purchases made by the schemes during the current period and the fair value of such investments as at March 31, 2006 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	9,063
Sundry debtors for units issued to investors	
– Lateral shifts	11
– Others	165
Contracts for sale of investments	165,952
Dividend receivable	251
	175,442
	August 1, 2005 to March 31, 2006
8. INTEREST	
Debentures and Bonds	2,525
Money market instruments	1,454
Collateralised lending	14,421
	18,400
9. MANAGEMENT AND TRUSTEESHIP FEES	
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, 2006, the Scheme has paid management fee at an average rate of 1.08 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.	
	August 1, 2005 to March 31, 2006
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	349,695
– as a percentage of average daily net assets	21.90
Expenditure (excluding deferred revenue expenditure amortised and realised loss on sale of investments)	
– amount	37,208
– as a percentage of average daily net assets	2.33
11. DEFERRED REVENUE EXPENDITURE	
Incurred during the period (2% of initial funds raised)	86,083
Less: Amortised during the period	(29,670)
Closing Balance	56,413

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	2006
ABN AMRO Bank N.V.	Bank charges Marketing & Distribution expenses Commission paid for procuring unit capital	294 2,343 78,024
ABN AMRO Asia Equities (India) Ltd.	Brokerage on Securities Transactions	868
		2006

13. NET ASSET VALUE

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

Growth Plan	Rs. 11.78
Dividend Plan	Rs. 11.78

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, 2006, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2006, as well as the aggregate investments in each investment category.

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
EQUITY SHARES				
Auto	132,031	120,072	8.93	9.27
Hero Honda Motors Ltd.	71,531	63,695	4.74	4.92
Tata Motors Ltd.	60,500	56,377	4.19	4.35
Banks	1,244,834	130,741	9.73	10.09
Allahabad Bank	326,300	25,794	1.92	1.99
Bank of Maharashtra	532,334	16,210	1.21	1.25
State Bank of India	61,500	59,563	4.43	4.60
Syndicate Bank	324,700	29,174	2.17	2.25
Cement	170,000	17,561	1.32	1.35
Gujarat Ambuja Cements Ltd.	170,000	17,561	1.32	1.35
Chemicals	1,600,570	141,961	10.56	10.96
Aarti Industries Ltd	726,618	58,347	4.34	4.50
Bombay Dyeing & Manufacturing Company Ltd.	16,000	9,536	0.71	0.74
Deepak Fertilisers & Petrochemicals Corp. Ltd.	483,300	48,040	3.57	3.71
Finolex Industries Ltd	374,652	26,038	1.94	2.01
Construction	206,600	96,926	7.21	7.48
Jaiprakash Associates Ltd.	206,600	96,926	7.21	7.48
Consumer Non Durables	325,902	113,957	8.48	8.80
Colgate Palmolive India Ltd.	121,700	52,593	3.91	4.06
Hindustan Lever Ltd.	118,600	32,259	2.40	2.49
Uttam Sugar Mills Ltd.	85,602	29,105	2.17	2.25
Ferrous Metals	314,675	143,449	10.67	11.07
PSL Holding Ltd.	208,825	53,553	3.98	4.13
Sesa Goa Ltd.	44,250	56,848	4.23	4.39
Tata Steel Ltd.	61,600	33,048	2.46	2.55
Hardware	200,457	36,684	2.73	2.83
HCL Infosystem Ltd.	200,457	36,684	2.73	2.83
Industrial Capital Goods	287,720	137,138	10.20	10.59
Alfa Laval Ltd.	60,175	66,292	4.93	5.12
Thermax India Ltd.	227,545	70,846	5.27	5.47
Non - Ferrous Metals	160,400	47,101	3.50	3.64
National Aluminium Company Ltd.	160,400	47,101	3.50	3.64
Oil And Gas	1,395,700	119,077	8.86	9.19
Gas Authority of India Ltd.	90,100	28,697	2.14	2.22
Oil and Natural Gas Corporation Ltd.	36,600	47,995	3.57	3.70
Reliance Natural Resources Ltd.	1,269,000	42,385	3.15	3.27
Software	96,606	63,200	4.70	4.88
HCL Technologies Ltd.	96,606	63,200	4.70	4.88

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
Textiles - Synthetic	375,120	22,582	1.68	1.74
Indo Rama Synthetics (I) Ltd.	375,120	22,582	1.68	1.74
Transportation	682,605	105,060	7.82	8.11
G. E. Shipping	287,100	75,120	5.59	5.80
Varun Shipping	395,505	29,940	2.23	2.31
Total	7,193,220	1,295,509	96.39	100.00
OTHER CURRENT ASSETS		175,442	13.05	
DEFERRED REVENUE EXPENDITURE		56,413	4.20	
TOTAL ASSETS		1,527,364	113.64	
LESS: CURRENT LIABILITIES		183,317	13.64	
NET ASSETS		1,344,047	100.00	

HISTORIAL PER UNIT STATISTICS

PER UNIT STATISTICS	as on 31.03.06
(a) Net Asset Value, per unit	
Growth	11.780
Dividend	11.780
(b) Gross Income:	
i) Income other than profit on sale of investment, per unit	0.421
ii) profit on interscheme sale / transfer of investment, per unit	0.000
iii) profit on sale of investment to third party, per unit	2.644
iv) transfer to Revenue Account from past year's reserve per unit	0.000
(c) Aggregate of expenses, write offs, amortisation and charges, per unit	0.589
(d) Net unrealised (appreciation) / depreciation in value of investments	0.000
(e) Net Income, per unit	2.475
(f) i) Highest traded price	
ii) Lowest traded price	
iii) Highest repurchase price / NAV *	
Growth	11.776
Dividend	11.778
iv) Highest resale price *	
Growth	12.041
Dividend	12.043
v) Lowest repurchase price / NAV*	
Growth	9.312
Dividend	9.312
vi) Lowest resale price*	
Growth	9.522
Dividend	9.522
vii) Price Earning Ratio	NA
viii) Ratio of Expenses to Average Net Assets (%)	
Regular Plan	2.33%
ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%)	22.01%

Dear Sir / Madam,

ABN AMRO Mutual Fund (the "Fund") commenced its operations in the month of August 2004. During the financial year 2005-2006, it has launched 8 Schemes successfully with a subscription of Rs. 2200 crores approx. The Fund manages 12 Schemes as on March 31, 2006 with Assets under Management of Rs.2769.27 Crores. It gives us pleasure in presenting the Second Annual Report of the Schemes of the Fund for the year ended March 31, 2006.

INVESTMENT POLICY & OUTLOOK

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

The Fund's approach to equities is a blend of sector and company views with macroeconomic analysis, in a structured and successful investment process. The Fund's style is characterised by active management, bias towards quality and Growth At a Reasonable Price (GARP), aimed at delivering superior risk-adjusted performance. In view of the Fund Manager, the Indian economy is well on its path to grow at around 8% 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.

The Fund's 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 Fund's 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 elevated levels of international oil prices continue to lead to higher inflationary expectations globally. Major central banks are still pursuing tightening monetary policies. The outlook for bond yields is presently mixed. With US economy showing early signs of slowing down, Fed may pause soon, to assess the impact of past hikes on the inflationary expectations. This may provide higher flexibility to Asian central banks. In addition, recent spike in bond yields will also help stabilise markets as a fair degree of negative expectations are priced in current yield curves. However, inflationary expectations were to resurface, fixed income markets may remain volatile.

PERFORMANCE FOR PERIOD ENDING MARCH 31, 2006

ABN AMRO Tax Advantage Plan (ELSS) (an open-ended equity linked tax saving 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 along with income tax rebate, as may be prevalent from time to time.

However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee / indicate any returns.

	Since Inception (% Absolute)
AATAP - Growth Option	23.54
BSE 200	15.87

Period: January 5, 2006 - March 31, 2006. 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.

The AATAP has done reasonably well in the short period since inception. It has delivered good absolute & relative performance.

STATUTORY DETAILS

The Fund has been set up as a trust, as evidenced by the Trust Deed dated April 15, 2004, between ABN AMRO Bank N.V., the Sponsor* of the Fund and ABN AMRO Trustee (India) Private Limited. 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.

* Consequent to receipt of no-objection letter received from SEBI (its letter no. IMD/SB/46021/05 dated August 4, 2005), the controlling interest in the AMC was transferred from ABN AMRO Bank N.V. to ABN AMRO Asset Management (Asia) Limited with effect from October 31, 2005.

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 ABN AMRO Asset Management (Asia) Limited 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 the Board of Trustees of ABN AMRO Mutual Fund

Pradyumna Naware

Chairman

ABN AMRO Trustee (India) Private Limited

Trustee to ABN AMRO Mutual Fund

Date: August 22, 2006

AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND - ABN AMRO TAX ADVANTAGE PLAN (ELSS)

1. We have audited the attached Balance Sheet of ABN AMRO MUTUAL FUND - ABN AMRO TAX ADVANTAGE PLAN (ELSS) ('the Scheme') as at March 31, 2006 and also the Revenue Account for the period from November 7, 2005 to March 31, 2006 ('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, 2006 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, 2006; 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, August 22, 2006

BALANCE SHEET

AS AT MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	2006
SOURCES OF FUNDS		
Unit capital	2(b) & 3	1,073,266
Reserves and surplus	2(b) & 4	252,572
Current liabilities	5	189,019
		1,514,857
APPLICATION OF FUNDS		
Investments	2(c), 6 & 16	1,227,710
Other current assets	7	230,386
Deferred revenue expenditure	2(g) & 12	56,761
		1,514,857

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 : August 22, 2006

For and on behalf of

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

Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of

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

Romesh Sobti
Chairman

Prateek Agrawal
Fund Manager

REVENUE ACCOUNT

FOR THE PERIOD FROM NOVEMBER 7, 2005 TO MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	November 7, 2005 to March 31, 2006
INCOME		
Dividend	2(d)	1,879
Interest	2(d) & 8	1,532
Profit on sale / redemption of investments, net	2(d)	115,564
		118,975
EXPENSES AND LOSSES		
Loss on inter-scheme transfer / sale of investments, net	2(d)	192
Management fee	9	3,200
Trusteeship fee	9	11
Custodian service charges		220
Registrar service charges		1,194
Commission to distributors		1,183
Publicity expenses		1,474
Audit fee		67
Deferred revenue expenditure amortised	2(g) & 12	4,833
Other operating expenses		581
Expenses reimbursed by the AMC	10	(1,468)
		11,487
Surplus for the period		107,488
Equalisation credit	2(e)	2,468
Surplus transferred to the balance sheet	4	109,956

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: August 22, 2006

For and on behalf of

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

Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of

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

Romesh Sobti
Chairman

Prateek Agrawal
Fund Manager

SCHEDULES TO THE FINANCIAL STATEMENTS

FOR PERIOD FROM NOVEMBER 7, 2005 TO MARCH 31, 2006

(All amounts in thousands of Rupees unless specified otherwise)

1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Tax Advantage Plan (ELSS) ('the Scheme') was launched as an open ended equity linked tax saving scheme with no assured returns on November 7, 2005 and the initial offer closed on December 20, 2005.

ABN AMRO Bank N.V. ('ABN AMRO') was the Sponsor for ABN AMRO Mutual Fund ('the Fund') since inception of the Fund. With effect from October 31, 2005, consequent to receipt of no objection letter from Securities and Exchange Board of India ('SEBI'), the controlling interest in ABN AMRO Asset Management (India) Limited and ABN AMRO Trustee (India) Private Limited was transferred from ABN AMRO Bank N.V. to ABN AMRO Asset Management (Asia) Limited ('AAAM Asia'), the new sponsor of the Fund.

In accordance with the 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 along with income tax rebate, as may be prevalent from time to time. However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee / indicate any returns.

The Scheme offers its investors the following plans :

Growth Plan

Dividend 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 other than Central Government securities and treasury bills 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.

(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 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.

(g) Deferred revenue expenditure

The scheme amortises New Fund Offer Expense on a straight line basis over a period of three years from the date of first allotment of units.

3. UNIT CAPITAL

	Quantity 2006	Amount 2006
Units of Rs. 10 each fully paid up		
Growth Plan		
Issued		
– New fund offer	38,235,250.000	382,353
– During the period	2,368,875.392	23,689
Redeemed during the period	(792.290)	(8)
Outstanding, end of period	40,603,333.102	406,034
Dividend Plan		
Issued		
– New fund offer	64,421,300.000	644,213
– During the period	2,303,374.029	23,034
Redeemed during the period	(1,493.391)	(15)
Outstanding, end of period	66,723,180.638	667,232
Total		
Issued		
– New fund offer	102,656,550.000	1,026,566
– During the period	4,672,249.421	46,723
Redeemed during the period	(2,285.681)	(23)
Outstanding, end of period	107,326,513.740	1,073,266
		2006

4. RESERVES AND SURPLUS
Unit premium reserve

Net premium on issue/redemption of units	7,638
Equalisation, net	(2,468)
Balance, end of period	5,170

Unrealised appreciation reserve

Net unrealised appreciation in value of investments	137,446
Balance, end of period	137,446

Retained surplus

Surplus transferred from revenue account	109,956
Balance, end of period	109,956
Total reserves and surplus	252,572

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

– Growth Plan	95,561
– Dividend Plan	157,011
	252,572

5. CURRENT LIABILITIES

Amount due to AMC for management fees	1,230
Trusteeship fee payable	10
Contract for purchase of investments	183,047
Other current liabilities	4,732
	189,019

6. INVESTMENTS

Equity shares	1,227,710
	1,227,710

(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.

2006

(ii)	Aggregate appreciation and depreciation in the value of investments are as follows:	
	Equity shares	
	– appreciation	157,327
	– depreciation	19,881
(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 Collateralised lending & Fixed deposits)	
	– amount	3,111,405
	– as a percentage of average daily net assets	280.84
	Sales / Redemptions (excluding Collateralised lending & Fixed deposits)	
	– amount	2,137,328
	– as a percentage of average daily net assets	192.92
(iv)	The aggregate purchases made by the schemes during the current period and the fair value of such investments as at March 31, 2006 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	6,320
Sundry debtors for units issued to investors	
– Lateral shift	39
– Others	10,517
Receivable from AMC	1,468
Contracts for sale of investments	212,042
	230,386

**November 7, 2005 to
March 31, 2006**
8. INTEREST

Debentures and Bonds	292
Money market instruments	480
Collateralised lending	760
	1,532

9. MANAGEMENT AND TRUSTEESHIP FEES

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, 2006, the Scheme has paid management fee at an average rate of 1.23 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.

- 10.** The AMC has borne Rs. 14.68 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations / Offer document, chargeable to the Scheme.

**November 7, 2005 to
March 31, 2006**
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	118,975
– as a percentage of average daily net assets	45.58
Expenditure (excluding deferred revenue expenditure amortised and realised loss on sale of investments)	
– amount	6,462
– as a percentage of average daily net assets	2.48

12. DEFERRED REVENUE EXPENDITURE

Incurred during the period (6% of initial funds raised)	61,594
Less: Amortised during the period	(4,833)
Closing Balance	56,761

13. 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	2006
ABN AMRO Bank N.V.	Bank charges	155
	Commission paid for procuring unit capital	27,398
	Marketing expenses	1,096
ABN AMRO Asia Equities (India) Ltd.	Brokerage for securities transactions	1,208

14. NET ASSET VALUE

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

Growth Plan

Rs. 12.35

Dividend Plan

Rs. 12.35

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.

15. 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.

16. 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, 2006, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2006, as well as the aggregate investments in each investment category.

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
EQUITY SHARES				
Auto	43,300	40,349	3.04	3.29
Tata Motors Ltd.	43,300	40,349	3.04	3.29
Auto Ancillaries	295,625	29,598	2.23	2.41
Amtek Auto Ltd.	21,572	6,824	0.51	0.56
Phoenix Lamps Ltd.	274,053	22,774	1.72	1.85
Banks	95,095	25,424	1.92	2.07
Canara Bank	95,095	25,424	1.92	2.07
Cement	44,676	39,786	3.00	3.24
Shree Cement Ltd.	44,676	39,786	3.00	3.24
Chemicals	78,500	46,786	3.53	3.81
Bombay Dyeing & Manufacturing Company Ltd.	78,500	46,786	3.53	3.81
Construction	690,967	209,066	15.78	17.03
DS Kulkarni Developers Ltd.	107,362	33,379	2.52	2.72
DS Kulkarni Developers Ltd.(Rights shares)*	53,681	5,392	0.41	0.44
Hindustan Construction Company Ltd.	200,000	34,590	2.61	2.82
IVRCL Infra & Projects Ltd.	65,324	18,160	1.37	1.48
Jaiprakash Associates Ltd.	179,600	84,259	6.36	6.86
Sadbhav Engineering Ltd.	85,000	33,286	2.51	2.71
Consumer Durables	25,000	25,288	1.91	2.06
Voltas Ltd.	25,000	25,288	1.91	2.06
Consumer Non Durables	180,786	51,494	3.88	4.19
Dhampur Sugar Mills Ltd.	121,400	31,303	2.36	2.55
Uttam Sugar Mills Ltd.	59,386	20,191	1.52	1.64
Ferrous Metals	166,900	56,244	4.24	4.58
PSL Holding Ltd.	118,900	30,492	2.30	2.48
Tata Steel Ltd.	48,000	25,752	1.94	2.10
Fertilisers	788,572	70,695	5.33	5.76
DCM Shriram Consolidated Ltd.	788,572	70,695	5.33	5.76
Finance	74,000	38,413	2.90	3.13
Reliance Capital Limited	74,000	38,413	2.90	3.13
Hotels	109,000	37,785	2.85	3.08
Hotel Leelaventure Ltd.	109,000	37,785	2.85	3.08
Industrial Capital Goods	241,190	188,522	14.21	15.36
ABG Heavy Industries Ltd.	122,939	36,501	2.75	2.98
Bharat Electronics Ltd.	19,600	25,953	1.96	2.12
Bharat Heavy Electricals Ltd.	11,500	25,782	1.94	2.10
Crompton Greaves Ltd.	38,820	40,759	3.07	3.32
Emco Ltd.	43,931	34,558	2.61	2.81
Siemens Ltd.	4,400	24,969	1.88	2.03
Media	269,300	61,208	4.62	4.99
Inox Leisure Ltd.	116,000	24,569	1.86	2.01
Zee Telefilms Ltd.	153,300	36,639	2.76	2.98
Oil And Gas	1,647,071	135,946	10.25	11.07
Gulf Oil Corp. Ltd.	81,271	83,648	6.31	6.81
Reliance Natural Resources Ltd.	1,565,800	52,298	3.94	4.26

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
Software	54,600	69,800	5.26	5.69
Financial Technology India Ltd.	27,100	46,466	3.50	3.79
Satyam Computers Ltd.	27,500	23,334	1.76	1.90
Telecom Services	151,100	46,645	3.52	3.80
Reliance Communication Ventures Ltd.	151,100	46,645	3.52	3.80
Transportation	73,800	19,310	1.46	1.57
Great Eastern Shipping Co. Ltd.	73,800	19,310	1.46	1.57
Travel	1,059	625	0.05	0.05
Balmer Lawrie and Company Ltd.	1,059	625	0.05	0.05
Miscellaneous	91,000	34,726	2.62	2.82
Madhucon Projects Ltd.	91,000	34,726	2.62	2.82
Total	5,121,541	1,227,710	92.60	100.00
OTHER CURRENT ASSETS		230,386	17.38	
DEFERRED REVENUE EXPENDITURE		56,761	4.28	
TOTAL ASSETS		1,514,857	114.26	
LESS: CURRENT LIABILITIES		189,019	14.26	
NET ASSETS		1,325,838	100.00	

*Unlisted rights shares

HISTORIAL PER UNIT STATISTICS

PER UNIT STATISTICS	as on 31.03.06
(a) Net Asset Value, per unit	
Growth	12.350
Dividend	12.350
(b) Gross Income:	
i) Income other than profit on sale of investment, per unit	0.032
ii) profit on interscheme sale / transfer of investment, per unit	0.000
iii) profit on sale of investment to third party, per unit	1.077
iv) transfer to Revenue Account from past year's reserve per unit	0.000
(c) Aggregate of expenses, write offs, amortisation and charges, per unit	0.108
(d) Net unrealised (appreciation) / depreciation in value of investments	0.000
(e) Net Income, per unit	1.001
(f) i) Highest traded price	
ii) Lowest traded price	
iii) Highest repurchase price / NAV *	
Growth	10.000
Dividend	10.000
iv) Highest resale price *	
Growth	12.632
Dividend	12.631
v) Lowest repurchase price / NAV*	
Growth	10.000
Dividend	10.000
vi) Lowest resale price*	
Growth	10.000
Dividend	10.000
vii) Price Earning Ratio	NA
viii) Ratio of Expenses to Average Net Assets (%)	
Regular Plan	2.46%
ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%)	46.12%

TRUSTEE REPORT

Dear Sir / Madam,

ABN AMRO Mutual Fund (the "Fund") commenced its operations in the month of August 2004. During the financial year 2005-2006, it has launched 8 Schemes successfully with a subscription of Rs. 2,200 crores approx. The Fund manages 12 Schemes as on March 31, 2006 with Assets under Management of Rs. 2,769.27 Crores. It gives us pleasure in presenting the Second Annual Report of the Schemes of the Fund for the year ended March 31, 2006.

INVESTMENT POLICY & OUTLOOK

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

The Fund's approach to equities is a blend of sector and company views with macroeconomic analysis, in a structured and successful investment process. The Fund's style is characterised by active management, bias towards quality and Growth At a Reasonable Price (GARP), aimed at delivering superior risk-adjusted performance. In view of the Fund Manager, the Indian economy is well on its path to grow at around 8% 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.

The Fund's 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 Fund's 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 elevated levels of international oil prices continue to lead to higher inflationary expectations globally. Major central banks are still pursuing tightening monetary policies. The outlook for bond yields is presently mixed. With US economy showing early signs of slowing down, Fed may pause soon, to assess the impact of past hikes on the inflationary expectations. This may provide higher flexibility to Asian central banks. In addition, recent spike in bond yields will also help stabilise markets as a fair degree of negative expectations are priced in current yield curves. However, inflationary expectations were to resurface, fixed income markets may remain volatile.

PERFORMANCE FOR PERIOD ENDING MARCH 31, 2006

1. 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.

However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee / indicate any returns.

	Compounded Annual Growth Rate (%) Since Inception	Compounded Annual Growth Rate (%) Last one year
AAMIP - Growth Option	10.90	11.24
CRISIL MIP Blended Index	10.03	11.23

Period: September 23, 2004 - March 31, 2006. 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 performed satisfactorily during the year. Buoyant equity markets combined with a conservative duration policy on fixed income side helped achieve this performance.

2. 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 maximizing income while maintaining an optimum balance between yield, safety and liquidity.

However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee / indicate any returns.

	Compounded Annual Growth Rate (%) Since Inception	Compounded Annual Growth Rate (%) Last one year
AAFDF - Regular Plan - Growth Option	4.08	4.92
CRISIL Composite Bond Fund Index	3.41	3.30

Period: September 23, 2004 - March 31, 2006. 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.

AAFDF performed satisfactorily in volatile fixed income markets and was able to outperform the benchmark.

3. 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.

However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee / indicate any returns.

	Compounded Annual Growth Rate (%) Since Inception	Compounded Annual Growth Rate (%) Last one year
AAFRF - Regular Plan - Growth Option	4.95	5.01
AAFRF - Institutional Plan - Growth Option	5.44	5.55
CRISIL Liquid Fund Index	4.70	4.86

Period: September 13, 2004 - March 31, 2006. 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.

	Since Inception (% Absolute)
AAFRF - Institutional Plus Plan - Growth Option	2.80
CRISIL Liquid Fund Index	2.43

Period: October 4, 2005 - March 31, 2006. 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 posted satisfactory performance beating the benchmark during the year.

4. 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.

However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee / indicate any returns.

	Compounded Annual Growth Rate (%) Since Inception	Compounded Annual Growth Rate (%) Last one year
AACF - Regular Plan - Growth Option	4.86	5.04
AACF - Institutional Plan - Growth Option	5.38	5.86
CRISIL Liquid Fund Index	4.67	4.86

Period: September 2, 2004 - March 31, 2006. 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.

	Since Inception (% Absolute)
AACF - Institutional Plus Plan - Growth Option	2.84
CRISIL Liquid Fund Index	2.44

Period: October 3, 2005 - March 31, 2006. 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 posted satisfactory performance beating the benchmark during the year.

5. ABN AMRO Long Term Floating Rate Fund (AALTRF) (an open-ended income scheme)

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

However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee / indicate any returns.

	Since Inception (% Absolute)
AALTRF - Regular Plan - Growth Option	2.23
AALTRF - Institutional Plan - Growth Option	2.48
CRISIL Liquid Fund Index	2.23

Period: October 21, 2005 - March 31, 2006. 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.

AALTRF posted satisfactory performance during the year amidst volatile fixed income markets.

6. ABN AMRO Fixed Term Plan- Series 1 (AAFTP-1)
(a close-ended fixed term income scheme)

The Investment objective of the Scheme is to seek to achieve growth of capital through investments made in a basket of fixed income securities in line with the duration of the Scheme.

However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee / indicate any returns.

	Since Inception (% Absolute)
AAFTP-1- Regular Plan: Growth Option	0.85
CRISIL Short-Term Bond Fund Index	0.16

Period: February 14, 2006 - March 31, 2006. 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.

AAFTP-1 performed satisfactorily during the period under review. Tight liquidity conditions at the time of the launch of the fund aided the performance.

7. ABN AMRO Fixed Term Plan - Series 2 : Quarterly Plan A (AAFTP-2:QPA)
(a close-ended Fixed Term Income Scheme comprising Quarterly Plan A)

The Investment objective of the scheme and the plans launched thereafter would be to generate reasonable returns through investments made in a basket of fixed income securities in line with the duration of the respective plan(s).

However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee / indicate any returns.

	Since Inception (% Absolute)
AAFTP-2: QPA - Regular Sub-Plan: Growth Option	0.67
CRISIL Liquid Fund Index	0.49

Period: March 1, 2006 - March 31, 2006. 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.

AAFTP-2 : QPA performed satisfactorily during the period under review. Tight liquidity conditions at the time of the launch of the fund aided the performance.

8. ABN AMRO Fixed Term Plan-2: Thirteen Months (AAFTP-2:TM)
(a close-ended Fixed Term Income Scheme comprising of Thirteen Month Plan)

The Investment objective of the scheme and the plans launched thereafter would be to generate reasonable returns through investments made in a basket of fixed income securities in line with the duration of the respective plan(s).

However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee / indicate any returns.

	Since Inception (% Absolute)
AAFTP-2:TM- Regular Plan: Growth Option	0.40
CRISIL Short-Term Bond Fund Index	0.36

Period: March 13, 2006 - March 31, 2006. 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.

AAFTP-2: TM was launched towards the end of period under review and was still in the process of investing. Considering that, performance is considered satisfactory.

STATUTORY DETAILS

The Fund has been set up as a trust, as evidenced by the Trust Deed dated April 15, 2004, between ABN AMRO Bank N.V., the Sponsor* of the Fund and ABN AMRO Trustee (India) Private Limited. 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.

** Consequent to receipt of no-objection letter received from SEBI (its letter no. IMD/SB/46021/05 dated August 4, 2005), the controlling interest in the AMC was transferred from ABN AMRO Bank N.V. to ABN AMRO Asset Management (Asia) Limited with effect from October 31, 2005.*

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 ABN AMRO Asset Management (Asia) Limited 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 the Board of Trustees of ABN AMRO Mutual Fund

Pradyumna Naware

Chairman

ABN AMRO Trustee (India) Private Limited

Trustee to ABN AMRO Mutual Fund

Date: August 22, 2006

AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND - ABN AMRO MONTHLY INCOME PLAN (Monthly income is not assured and is subject to availability of distributable surplus.)

1. We have audited the attached Balance Sheet of ABN AMRO MUTUAL FUND - ABN AMRO MONTHLY INCOME PLAN (Monthly income is not assured and is subject to availability of distributable surplus.) ('the Scheme') as at March 31, 2006 and also the Revenue Account for the year ended on that date 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, 2006 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, 2006; and
 - b) in the case of the Revenue Account, of the surplus for the year ended on that date.

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

per Viren H. Mehta
Partner
Membership No.: 048749

Mumbai, August 22, 2006

BALANCE SHEET

AS AT MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	2006	2005
SOURCES OF FUNDS			
Unit capital	2(b) & 3	680,086	168,059
Reserves and surplus	2(b) & 4	51,916	7,227
Current liabilities	5	20,835	3,089
		752,837	178,375
APPLICATION OF FUNDS			
Investments	2(c), 6 & 15	730,449	134,392
Other current assets	7	22,388	43,983
		752,837	178,375

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: August 22, 2006

For and on behalf of

**ABN AMRO Trustee
(India) Private Limited**
Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of

**ABN AMRO Asset
Management (India) Limited**
Romesh Sobti
Chairman

Mahendra Jajoo
Fund Manager

REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	2006	September 4, 2004 to March 31, 2005
INCOME			
Dividend	2(d)	873	23
Interest	2(d) & 8	23,155	4,416
Profit on sale / redemption of investments, net	2(d)	22,068	3,780
		46,096	8,219
EXPENSES AND LOSSES			
Change in provision for net unrealised loss in value of investments	2(c) & 6(ii)	14	7
Loss on inter-scheme transfer / sale of investments, net	2(d)	444	172
Management fee	9	6,016	1,040
Trusteeship fee	9	22	9
Custodian service charges		344	54
SEBI registration fees		-	2
Registrar service charges		582	141
Commission to distributors		6,586	488
Publicity expenses		367	35
Audit fee		76	50
Other operating expenses		868	192
Expenses reimbursed by the AMC	10	(4,033)	(139)
		11,286	2,051
Surplus for the year		34,810	6,168
Equalisation credit	2(e)	18,558	1,181
Transfer from unit premium reserve		5,554	-
Income distribution on capital account		(26,551)	(1,725)
Income-tax on distributed income		(5,066)	(249)
Surplus transferred to the balance sheet	4	27,305	5,375

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: August 22, 2006

For and on behalf of

**ABN AMRO Trustee
(India) Private Limited**
Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of

**ABN AMRO Asset
Management (India) Limited**
Romesh Sobti
Chairman

Mahendra Jajoo
Fund Manager

SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2006

(All amounts in thousands of Rupees unless specified otherwise)

1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Monthly Income Plan (Monthly income is not assured and is subject to availability of distributable surplus.) ('the Scheme') was launched as an open ended income scheme on August 9, 2004 and the initial offer closed on September 3, 2004.

ABN AMRO Bank N.V. ('ABN AMRO') was the Sponsor for ABN AMRO Mutual Fund ('the Fund') since inception of the Fund. With effect from October 31, 2005, consequent to receipt of no objection letter from Securities and Exchange Board of India ('SEBI'), the controlling interest in ABN AMRO Asset Management (India) Limited and ABN AMRO Trustee (India) Private Limited was transferred from ABN AMRO Bank N.V. to ABN AMRO Asset Management (Asia) Limited ('AAAM Asia'), the new sponsor of the Fund.

In accordance with the 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 other than central government securities and treasury bills 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 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.

3. UNIT CAPITAL

	Quantity 2006	Quantity 2005	Amount 2006	Amount 2005
Units of Rs. 10 each fully paid up				
Regular Growth Plan				
Outstanding, beginning of year	11,767,708.206	–	117,677	–
Issued				
– new fund offer	–	3,060,041.000	–	30,600
– during the year	23,768,755.532	11,647,609.806	237,687	116,476
Redeemed during the year	(18,377,603.461)	(2,939,942.600)	(183,776)	(29,399)
Outstanding, end of year	17,158,860.277	11,767,708.206	171,588	117,677
Regular Monthly Dividend Plan				
Outstanding, beginning of year	2,620,801.110	–	26,208	–
Issued				
– new fund offer	–	8,279,000.000	–	82,790
– during the year	46,184,178.861	903,767.217	461,842	9,038
Redeemed during the year	(14,805,462.223)	(6,561,966.107)	(148,055)	(65,620)
Outstanding, end of year	33,999,517.748	2,620,801.110	339,995	26,208
Regular Quarterly Dividend Plan				
Outstanding, beginning of year	2,417,346.093	–	24,174	–
Issued				
– new fund offer	–	8,230,850.000	–	82,309
– during the year	19,003,246.860	989,378.319	190,032	9,894
Redeemed during the year	(4,570,331.209)	(6,802,882.226)	(45,703)	(68,029)
Outstanding, end of year	16,850,261.744	2,417,346.093	168,503	24,174
Total				
Outstanding, beginning of year	16,805,855.409	–	168,059	–
Issued				
– new fund offer	–	19,569,891.000	–	195,699
– during the year	88,956,181.253	13,540,755.342	889,561	135,408
Redeemed during the year	(37,753,396.893)	(16,304,790.933)	(377,534)	(163,048)
Outstanding, end of year	68,008,639.769	16,805,855.409	680,086	168,059
			2006	2005

4. RESERVES AND SURPLUS

Unit premium reserve				
Balance, beginning of year			60	–
Net premium on issue/redemption of units			25,127	1,241
Equalisation, net			(18,558)	(1,181)
Transfer to revenue account			(5,554)	–
Balance, end of period			1,075	60
Unrealised appreciation reserve				
Balance, beginning of year			1,792	–
Change in net appreciation in the value of investment			16,369	–
Net unrealised appreciation in value of investments			–	1,792
Balance, end of period			18,161	1,792
Retained surplus				
Balance, beginning of year			5,375	–
Surplus transferred from revenue account			27,305	5,375
Balance, end of period			32,680	5,375
Total reserves and surplus			51,916	7,227
The share of the plans in the reserves and surplus is as follows:				
– Regular Growth			29,166	6,094
– Regular Monthly Dividend			15,843	612
– Regular Quarterly Dividend			6,907	521
			51,916	7,227

	2006	2005
5. CURRENT LIABILITIES		
Amount due to AMC for management fees	778	178
Trusteeship fee payable	12	5
Sundry creditors for units redeemed by investors		
– Lateral shift	3,029	1,237
– Others	2,417	735
Load Pending Utilisation	35	–
Contract for purchase of investments	7,907	–
Dividend payable on units	4,125	430
Other current liabilities	2,532	504
	20,835	3,089
6. INVESTMENTS		
Equity shares	100,808	24,241
Privately placed debentures and bonds	427,375	39,789
Other debentures and bonds	1,597	20,058
Certificates of deposit	200,669	–
Commercial paper	–	50,304
	730,449	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	18,161	2,049
– depreciation	–	270
Privately placed debentures and bonds		
– appreciation	4	13
– depreciation	17	–
Other debentures and bonds		
– appreciation	–	–
– depreciation	8	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 Collateralised lending & Fixed deposits)		
– amount	6,518,356	1,213,593
– as a percentage of average daily net assets	1354.46	755.21
Sales / Redemptions (excluding Collateralised lending & Fixed deposits)		
– amount	5,961,753	1,084,726
– as a percentage of average daily net assets	1,238.80	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, 2006 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, 2006 valued in good faith	428,972	59,847
7. OTHER CURRENT ASSETS		
Balances with banks in current accounts	6,882	322
Sundry debtors for units issued to investors		
– Lateral Shift Receivable	1,259	–
– Others	3,045	45
Receivable from AMC	1,235	139
Contracts for sale of investments	–	805
Collateralised lending	–	42,246
Inter Scheme Receivable	23	–
Outstanding and accrued income	9,944	426
	22,388	43,983

	2006	September 4, 2004 to March 31, 2005
8. INTEREST		
Debentures and bonds	7,698	920
Central government securities	3,060	1,155
Money market instruments	5,718	1,305
Others	6,679	1,036
	23,155	4,416

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, 2006, the Scheme has paid management fee at an average rate of 1.25 per cent (2005-1.25 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 (2005 - 0.01 per cent) of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum.

- 10.** The AMC has borne Rs. 40.33 lakhs (2005 - 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.

	2006	September 4, 2004 to March 31, 2005
--	------	--

11. INCOME AND EXPENDITURE

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets are provided below (previous years net assets have been annualised):

Income		
– amount	46,096	8,219
– as a percentage of average daily net assets	9.58	9.88
Expenditure (excluding change in provision for net unrealised loss and realised loss on sale of investments)		
– amount	10,828	1,872
– as a percentage of average daily net assets	2.25	2.25

12. 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	2006	2005
ABN AMRO Bank N.V.	Bank charges	14	7
	Commission paid for procuring unit capital	4,687	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	67	6

2006 2005

13. NET ASSET VALUE

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

Growth	Rs. 11.6998	Rs. 10.5179
Monthly Dividend	Rs. 10.4660	Rs. 10.2337
Quarterly Dividend	Rs. 10.4099	Rs. 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.

14. PRIOR PERIOD COMPARATIVES

As the prior period was from September 4, 2004 to March 31, 2005, the corresponding figures for the previous period are not comparable with those of the current year.

Further, previous period's figures have been regrouped where necessary to conform to this year's classification.

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, 2006 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2006, as well as the aggregate investments in each investment category.

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
EQUITY SHARES				
Auto	16,250	12,694	1.73	12.59
Mahindra & Mahindra Ltd.	7,450	4,672	0.64	4.63
Maruti Udyog Ltd.	3,100	2,710	0.37	2.69
Tata Motors	5,700	5,312	0.73	5.27
Banks	10,104	9,786	1.34	9.71
State Bank of India	10,104	9,786	1.34	9.71

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
Cement	2,900	5,981	0.82	5.93
Grasim Industries Ltd.	2,900	5,981	0.82	5.93
Chemicals	7,089	4,225	0.58	4.19
Bombay Dyeing & Manufacturing Company Ltd.	7,089	4,225	0.58	4.19
Construction	26,500	11,618	1.59	11.53
Jaiprakash Associates Ltd.	16,000	7,506	1.03	7.45
Sadbhav Engineering Ltd.	10,500	4,112	0.56	4.08
Consumer Non Durables	116,543	31,059	4.24	30.81
Dhampur Sugar Mills Ltd.	27,000	6,962	0.95	6.90
Hindustan Lever Ltd.	22,000	5,984	0.82	5.94
I. T. C. Ltd.	33,500	6,538	0.89	6.49
Uttam Sugar Mills Ltd.	34,043	11,575	1.58	11.48
Industrial Capital Goods	30,938	14,457	1.97	14.34
ABG Heavy Industries Ltd.	23,938	7,107	0.97	7.05
Crompton Greaves Ltd.	7,000	7,350	1.00	7.29
Oil	190,000	6,346	0.87	6.30
Reliance Natural Resources Ltd.	190,000	6,346	0.87	6.30
Pharmaceuticals	12,500	4,642	0.63	4.60
Orchid Chemicals & Pharmaceuticals Ltd.	12,500	4,642	0.63	4.60
Total	412,824	100,808	13.77	100.00
DEBENTURES AND BONDS				
(a) Private placed debentures and bonds				
Bank	1,900,000	190,000	25.96	44.46
Kotak Mahindra Bank Ltd.*	1,900,000	190,000	25.96	44.46
Finance (Asset Backed Securities)	12	37,484	5.12	8.77
IBL Securitisation Trust *	12	37,484	5.12	8.77
Financial Institution	1,000,000	100,000	13.66	23.40
Indian Railway Finance Corporation *	1,000,000	100,000	13.66	23.40
Finance	1,000,000	99,891	13.65	23.37
LIC Housing Finance Ltd.*	1,000,000	99,891	13.65	23.37
Total	3,900,012	427,375	58.39	100.00
(b) Others debentures and bonds				
Finance				
Power Finance Corporation Ltd.*	15,000	1,597	0.22	100.00
Total	15,000	1,597	0.22	100.00
CERTIFICATES OF DEPOSIT				
Bank				
Bharat Overseas Bank	1,760,000	171,295	23.40	85.36
Kotak Mahindra Bank Ltd.	300,000	29,374	4.01	14.64
Total	2,060,000	200,669	27.41	100.00
OTHER CURRENT ASSETS		22,388	3.06	
TOTAL ASSETS		752,837	102.85	
LESS: CURRENT LIABILITIES		20,835	2.85	
NET ASSETS		732,002	100.00	

* Non-traded / thinly traded investments

HISTORIAL PER UNIT STATISTICS

PER UNIT STATISTICS	as on 31.03.06	as on 31.03.05
(a) Net Asset Value, per unit		
Growth	11.7003	10.5179
Monthly Dividend	10.4961	10.2337
Quarterly Dividend	10.4104	10.2156
(b) Gross Income:		
i) Income other than profit on sale of investment, per unit	0.3533	0.2641
ii) profit on interscheme sale / transfer of investment, per unit	0.0000	0.0000
iii) profit on sale of investment to third party, per unit	0.3245	0.2249
iv) transfer to Revenue Account from past year's reserve per unit	0.0000	0.0000
(c) Aggregate of expenses, write offs, amortisation and charges, per unit	0.1657	0.1216
(d) Net unrealised (appreciation) / depreciation in value of investments	0.0002	0.0004
(e) Net Income, per unit	0.5119	0.3670
(f) i) Highest traded price		
ii) Lowest traded price		
iii) Highest repurchase price / NAV *		
Growth	11.7001	10.5440
Monthly Dividend	10.6211	10.3089
Quarterly Dividend	10.7472	10.3914
iv) Highest resale price *		
Growth	11.7001	10.5440
Monthly Dividend	10.6306	10.3089
Quarterly Dividend	10.7528	10.3914
vi) Lowest repurchase price / NAV*		
Growth	10.5159	10.0165
Monthly Dividend	10.2261	10.0164
Quarterly Dividend	10.2420	10.0164
vi) Lowest resale price*		
Growth	10.5241	10.0165
Monthly Dividend	10.2600	10.0164
Quarterly Dividend	10.2427	10.0164
vii) Price Earning Ratio	NA	NA
viii) Ratio of Expenses to Average Net Assets (%)		
Regular Plan	2.25%	2.25%
ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%)	9.58%	9.85%

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, 2006 and also the Revenue Account for the year ended on that date 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, 2006 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, 2006; and
 - b) in the case of the Revenue Account, of the surplus for the year ended on that date.

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

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

Mumbai, August 22, 2006

BALANCE SHEET

AS AT MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	2006	2005
SOURCES OF FUNDS			
Unit capital	2(b) & 3	231,764	239,302
Reserves and surplus	2(b) & 4	7,967	1,521
Current liabilities	5	1,680	38,212
		241,411	279,035
APPLICATION OF FUNDS			
Investments	2(c), 6 & 15	135,000	229,888
Deposits with scheduled banks		100,000	–
Other current assets	7	6,411	49,147
		241,411	279,035

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: August 22, 2006

For and on behalf of

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

Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of

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

Romesh Sobti
Chairman

Mahendra Jajoo
Fund Manager

REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	2006	September 4, 2004 to March 31, 2005
INCOME			
Interest	2(d) & 8	20,202	41,099
Profit on sale / redemption of investments, net	2(d)	1,811	–
Other income		–	76
		22,013	41,175
EXPENSES AND LOSSES			
Change in provision for net unrealised loss in value of investments	2(c) & 6(ii)	(1)	1
Loss on sale/redemption of investments, net	2(d)	–	7,958
Loss on inter-scheme transfer/sale of investments, net	2(d)	22	5,010
Management fee	9	1,878	5,347
Trusteeship fee	9	11	63
Custodian service charges		250	384
SEBI registration fees		–	4
Registrar service charges		395	710
Commission to distributors		1,043	3,321
Publicity expenses		92	175
Audit fee		83	75
Other operating expenses		313	891
Expenses reimbursed by the AMC	10	(508)	(626)
		3,578	23,313
Surplus for the year		18,435	17,862
Equalisation debit	2(e)	(842)	(9,559)
Income distribution on capital account		(8,910)	(5,328)
Income-tax on distributed income		(1,696)	(955)
Surplus transferred to the balance sheet	4	6,987	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: August 22, 2006

For and on behalf of

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

Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of

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

Romesh Sobti
Chairman

Mahendra Jajoo
Fund Manager

SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2006

(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 scheme on August 9, 2004 and the initial offer closed on September 3, 2004.

ABN AMRO Bank N.V. ('ABN AMRO') was the Sponsor for ABN AMRO Mutual Fund ('the Fund') since inception of the Fund. With effect from October 31, 2005, consequent to receipt of no objection letter from Securities and Exchange Board of India ('SEBI'), the controlling interest in ABN AMRO Asset Management (India) Limited and ABN AMRO Trustee (India) Private Limited was transferred from ABN AMRO Bank N.V. to ABN AMRO Asset Management (Asia) Limited ('AAAM Asia'), the new sponsor of the Fund.

In accordance with the 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 Daily Dividend
- Regular Weekly Dividend
- Regular Quarterly Dividend
- Regular Half Yearly 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 other than Central Government securities and treasury bills 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 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.

3. UNIT CAPITAL

	Quantity 2006	Quantity 2005	Amount 2006	Amount 2005
Units of Rs. 10 each fully paid up				
Regular Growth				
Outstanding, beginning of year	11,653,021.664	–	116,530	–
Issued				
– new fund offer	–	48,215,091.900	–	482,151
– during the year	131,526,920.659	28,527,907.093	1,315,269	285,279
Redeemed during the year	(130,734,765.539)	(65,089,977.329)	(1,307,347)	(650,900)
Outstanding, end of year	12,445,176.784	11,653,021.664	124,452	116,530
Regular Daily Dividend				
Issued during the year	127,597,874.199	–	1,275,979	–
Redeemed during the year	(121,628,295.181)	–	(1,216,283)	–
Outstanding, end of year	5,969,579.018	–	59,696	–
Regular Weekly Dividend				
Issued during the year	65,491,663.828	–	654,917	–
Redeemed during the year	(65,079,177.149)	–	(650,792)	–
Outstanding, end of year	412,486.679	–	4,125	–
Regular Quarterly Dividend				
Outstanding, beginning of year	11,315,394.860	–	113,154	–
Issued				
– new fund offer	–	75,124,135.100	–	751,241
– during the year	11,993,134.887	12,441,991.878	119,931	124,420
Redeemed during the year	(19,250,634.617)	(76,250,732.118)	(192,506)	(762,507)
Outstanding, end of year	4,057,895.130	11,315,394.860	40,579	113,154
Regular Half Yearly Dividend				
Outstanding, beginning of year	961,839.978	–	9,618	–
Issued				
– new fund offer	–	1,809,005.000	–	18,090
– during the year	14,466.281	299,815.460	145	2,998
Redeemed during the year	(685,088.864)	(1,146,980.482)	(6,851)	(11,470)
Outstanding, end of year	291,217.395	961,839.978	2,912	9,618
Institutional Growth				
Issued				
– new fund offer	–	37,000,000.000	–	370,000
– during the year	–	12,622,815.684	–	126,228
Redeemed during the year	–	(49,622,815.684)	–	(496,228)
Outstanding, end of year	–	–	–	–
Institutional Monthly Dividend				
Issued				
– new fund offer	–	51,310,000.000	–	513,100
– during the year	–	10,572,102.248	–	105,721
Redeemed during the year	–	(61,882,102.248)	–	(618,821)
Outstanding, end of year	–	–	–	–
Institutional Quarterly Dividend				
Issued				
– new fund offer	–	1,140,000.000	–	11,400
Redeemed during the year	–	(1,140,000.000)	–	(11,400)
Outstanding, end of year	–	–	–	–
Total				
Outstanding at the beginning	23,930,256.502	–	239,302	–
Issued				
– new fund offer	–	214,598,232.000	–	2,145,982
– during the year	336,624,059.854	64,464,632.363	3,366,241	644,646
Redeemed during the year	(337,377,961.350)	(255,132,607.861)	(3,373,779)	(2,551,326)
Outstanding, end of year	23,176,355.006	23,930,256.502	231,764	239,302

	2006	2005
4. RESERVES AND SURPLUS		
Unit premium reserve		
Balance, beginning of year	(509)	–
Net premium on issue/redemption of units	(1,373)	(10,068)
Equalisation, net	842	9,559
Balance, end of year	(1,040)	(509)
Unrealised appreciation reserve		
Balance, beginning of year	10	–
Change in net unrealised appreciation in value of investments	(10)	10
Balance, end of year	–	10
Retained surplus		
Balance, beginning of year	2,020	–
Surplus transferred from revenue account	6,987	2,020
Balance, end of year	9,007	2,020
Total reserves and surplus	7,967	1,521
The share of the plans in the reserves and surplus is as follows:		
– Regular Growth	7,796	1,496
– Regular Daily Dividend	1	–
– Regular Weekly Dividend	1	–
– Regular Quarterly Dividend	160	23
– Regular Half Yearly Dividend	9	2
	7,967	1,521
5. CURRENT LIABILITIES		
Payable on subscription rejected	200	–
Amount due to AMC for management fees	114	364
Trusteeship fee payable	8	26
Sundry creditors for units redeemed by investors		
– Lateral shifts	134	23,609
– Others	27	12,354
Dividend payable on units	524	535
Other current liabilities	673	1,324
	1,680	38,212
6. INVESTMENTS		
Privately placed debentures and bonds	135,000	86,447
Other debentures and bonds	–	21,754
Commercial paper	–	121,688
	135,000	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 year and these amounts as a percentage of average daily net assets are as follows:		
Purchases (excluding Collateralised lending & Fixed deposits)		
– amount	6,852,370	12,731,342
– as a percentage of average daily net assets	2192.92	1144.59
Sales / Redemptions (excluding Collateralised lending & Fixed deposits)		
– amount	7,698,985	12,488,645
– as a percentage of average daily net assets	2223.84	1122.77
(iv) The aggregate purchases made by the schemes during the current year and the fair value of such investments as at March 31, 2006 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, 2006 valued in good faith	135,000	108,201

	2006	2005
7. OTHER CURRENT ASSETS		
Balances with banks in current accounts	5,404	293
Sundry debtors for units issued to investors		
– Lateral shifts	28	–
– Others	160	16
Receivable from AMC	278	626
Collateralised lending	–	47,482
Outstanding and accrued income	541	641
Other current assets	–	89
	6,411	49,147
	2006	September 4, 2004 to March 31, 2005

8. INTEREST		
Debentures and Bonds	10,072	22,102
Central government securities	1,942	10,385
Money market instruments	908	3,920
Deposits	3,802	–
Others	3,478	4,693
	20,202	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 year ended March 31, 2006, the Scheme has paid management fee at an average rate of 0.60 per cent (2005 - 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 (2005 - 0.01 per cent) of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum.

- 10.** The AMC has borne Rs. 5.08 lakhs (2005 - 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.

	2006	September 4, 2004 to March 31, 2005
--	-------------	--

11. INCOME AND EXPENDITURE

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets are provided below (previous years net assets have been annualised):

Income		
– amount	22,013	41,175
– as a percentage of average daily net assets	7.04	7.15
Expenditure (excluding change in provision for net unrealised loss and realised loss on sale of investments)		
– amount	3,557	10,344
– as a percentage of average daily net assets	1.14	1.80

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	2006	2005
ABN AMRO Bank N.V.	Bank charges	6	48
	Commission paid for procuring unit capital	503	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

13. NET ASSET VALUE

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

	2006	2005
Regular Growth	Rs. 10.6265	Rs. 10.1283
Regular Daily Dividend *	Rs. 10.0001	–
Regular Weekly Dividend *	Rs. 10.0006	–
Regular Quarterly Dividend	Rs. 10.0393	Rs. 10.0020
Regular Half Yearly Dividend	Rs. 10.0299	Rs. 10.0024

* Plan launched during the year

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 the prior period was from September 4, 2004 to March 31, 2005, the corresponding figures for the previous period are not comparable with those of the current year.

Further, previous period's figures have been regrouped where necessary to conform to this year's classification.

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, 2006 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2006, as well as the aggregate investments in each investment category.

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
PRIVATELY PLACED DEBENTURES AND BONDS				
Chemicals	700,000	70,000	29.20	51.85
DIC India Ltd. *	700,000	70,000	29.20	51.85
Fertilisers	450,000	45,000	18.77	33.33
DCM Shriram Consolidated Ltd. *	450,000	45,000	18.77	33.33
Consumer Durables	200,000	20,000	8.34	14.82
Whirlpool of India Ltd. *	200,000	20,000	8.34	14.82
Total	1,350,000	135,000	56.31	100.00
DEPOSITS		100,000	41.71	
OTHER CURRENT ASSETS		6,411	2.68	
TOTAL ASSETS		241,411	100.70	
LESS: CURRENT LIABILITIES		1,680	0.70	
NET ASSETS		239,731	100.00	

* Non traded / thinly traded investments

HISTORIAL PER UNIT STATISTICS

PER UNIT STATISTICS	as on 31.03.06	as on 31.03.05
(a) Net Asset Value, per unit		
Regular Growth	10.6264	10.1283
Regular Daily Dividend	10.0001	
Regular Weekly Dividend	10.0006	
Regular Quarterly Dividend	10.0393	10.0020
Regular Half-Yearly Dividend	10.0299	10.0024
(b) Gross Income:		
i) Income other than profit on sale of investment, per unit	0.8717	1.7206
ii) profit on interscheme sale / transfer of investment, per unit	0.0000	–
iii) profit on sale of investment to third party, per unit	0.0781	–
iv) transfer to Revenue Account from past year's reserve per unit	0.0000	0.0000
(c) Aggregate of expenses, write offs, amortisation and charges, per unit	0.1544	0.9742
(d) Net unrealised (appreciation) / depreciation in value of investments	(0.0000)	0.0000
(e) Net Income, per unit	0.7954	0.7464
(f) i) Highest traded price		
ii) Lowest traded price		
iii) Highest repurchase price / NAV *		
Regular Growth	10.6225	10.1283
Regular Daily Dividend	10.0001	
Regular Weekly Dividend	10.0071	
Regular Quarterly Dividend	10.1819	10.0815
Regular Half-Yearly Dividend	10.2688	10.1273
Institutional Growth	10.1900	
Institutional Monthly Dividend		10.0533
Institutional Quarterly Dividend		10.0501
iv) Highest resale price *		
Regular Growth	10.6264	10.1283
Regular Daily Dividend	10.0001	
Regular Weekly Dividend	10.0000	
Regular Quarterly Dividend	10.1855	10.0815
Regular Half-Yearly Dividend	10.1717	10.1273
Institutional Growth		10.1900
Institutional Monthly Dividend		10.0533
Institutional Quarterly Dividend		10.0501
v) Lowest repurchase price / NAV*		
Regular Growth	10.0815	10.0242
Regular Daily Dividend	10.0000	
Regular Weekly Dividend	10.0001	
Regular Quarterly Dividend	9.9771	10.0039
Regular Half-Yearly Dividend	10.0062	10.0232
Institutional Growth		10.0291
Institutional Monthly Dividend		10.0058
Institutional Quarterly Dividend		10.0305
vi) Lowest resale price*		
Regular Growth	10.1322	10.0242
Regular Daily Dividend	10.0000	
Regular Weekly Dividend	9.9840	
Regular Quarterly Dividend	9.9771	10.0039
Regular Half-Yearly Dividend	10.0629	10.0232
Institutional Growth		10.0291
Institutional Monthly Dividend		10.0058
Institutional Quarterly Dividend		10.0305
vii) Price Earning Ratio	NA	NA
viii) Ratio of Expenses to Average Net Assets (%)		
Regular Plan	1.14%	2.19%
Institutional Plan		1.00%
ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%)	7.05%	7.08%

AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND - ABN AMRO LONG TERM FLOATING RATE FUND

1. We have audited the attached Balance Sheet of ABN AMRO MUTUAL FUND - ABN AMRO LONG TERM FLOATING RATE FUND ('the Scheme') as at March 31, 2006 and also the Revenue Account for the period from October 17, 2005 to March 31, 2006 ('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, 2006 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, 2006; 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, August 22, 2006

BALANCE SHEET

AS AT MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	2006
SOURCES OF FUNDS		
Unit capital	2(b) & 3	458,240
Reserves and surplus	2(b) & 4	6,669
Current liabilities	5	4,316
		469,225
APPLICATION OF FUNDS		
Investments	2(c), 6 & 14	436,161
Other current assets	7	33,064
		469,225

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: August 22, 2006

For and on behalf of

**ABN AMRO Trustee
(India) Private Limited**
Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of

**ABN AMRO Asset
Management (India) Limited**
Romesh Sobti
Chairman

Mahendra Jajoo
Fund Manager

REVENUE ACCOUNT

FOR THE PERIOD FROM OCTOBER 17, 2005 TO MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	October 17, 2005 to March 31, 2006
INCOME		
Interest	2(d) & 8	34,511
Profit on sale/redemption of investments, net	2(d)	59
Other income		34
		34,604
EXPENSES AND LOSSES		
Provision for net unrealised loss in value of investments	2(c) & 6(ii)	156
Loss on inter-scheme transfer / sale of investments, net	2(d)	1,398
Management fee	9	1,129
Trusteeship fee	9	21
Custodian service charges		253
Registrar service charges		363
Commission to distributors		1,039
Publicity expenses		148
Audit fee		168
Interest on borrowings		87
Other operating expenses		190
		4,952
Surplus for the period		29,652
Equalisation debit	2(e)	(8,771)
Transfer from unit premium reserve		64
Income distribution on capital account		(11,634)
Income-tax on distributed income		(2,563)
Surplus transferred to the balance sheet	4	6,748

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: August 22, 2006

For and on behalf of

**ABN AMRO Trustee
(India) Private Limited**
Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of

**ABN AMRO Asset
Management (India) Limited**
Romesh Sobti
Chairman

Mahendra Jajoo
Fund Manager

SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM OCTOBER 17, 2005 TO MARCH 31, 2006

(All amounts in thousands of Rupees unless specified otherwise)

1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Long Term Floating Rate Fund ('the Scheme') was launched as an open ended income scheme on October 17, 2005 and the initial offer closed on October 19, 2005.

"ABN AMRO Bank N.V. ('ABN AMRO') was the Sponsor for ABN AMRO Mutual Fund ('the Fund') since inception of the Fund. With effect from October 31, 2005, consequent to receipt of no objection letter from Securities and Exchange Board of India ('SEBI'), the controlling interest in ABN AMRO Asset Management (India) Limited and ABN AMRO Trustee (India) Private Limited was transferred from ABN AMRO Bank N.V. to ABN AMRO Asset Management (Asia) Limited ('AAAM Asia'), the new sponsor of the Fund.

In accordance with the 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 of floating rate debt instruments, fixed rate debt instruments, money market instruments and derivatives.

The Scheme offers its investors the following plans :

Regular Growth

Regular Weekly Dividend

Regular Monthly Dividend

Institutional Growth

Institutional Weekly 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 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.

(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.

3. UNIT CAPITAL

	Quantity 2006	Amount 2006
Units of Rs. 10 each fully paid up		
Regular Growth		
Issued		
– new fund offer	585,406.287	5,854
– during the period	3,535,884.118	35,359
Redeemed during the period	(2,688,102.998)	(26,881)
Outstanding, end of period	1,433,187.407	14,332
Regular Weekly Dividend		
Issued		
– new fund offer	3,020,000.000	30,200
– during the period	4,161,754.033	41,618
Redeemed during the period	(5,400,886.946)	(54,009)
Outstanding, end of period	1,780,867.087	17,809
Regular Monthly Dividend		
Issued during the period	2,379,926.192	23,799
Redeemed during the period	(198,298.851)	(1,983)
Outstanding, end of period	2,181,627.341	21,816
Institutional Growth		
Issued		
– new fund offer	125,188,707.644	1,251,887
– during the period	16,529,219.432	165,292
Redeemed during the period	(116,095,132.280)	(1,160,951)
Outstanding, end of period	25,622,794.796	256,228
Institutional Weekly Dividend		
Issued		
– new fund offer	77,283,226.386	772,833
– during the period	11,049,222.130	110,492
Redeemed during the period	(73,526,954.771)	(735,270)
Outstanding, end of period	14,805,493.745	148,055
Institutional Monthly Dividend		
Issued		
– new fund offer	4,440,000.000	44,400
– during the period	4,997,469.378	49,975
Redeemed during the period	(9,437,469.378)	(94,375)
Outstanding, end of period	–	–
Total		
Issued		
– new fund offer	210,517,340.317	2,105,173
– during the period	42,653,475.283	426,535
Redeemed during the period	(207,346,845.224)	(2,073,468)
Outstanding, end of period	45,823,970.376	458,240
		2006

4. RESERVES AND SURPLUS

Unit premium reserve		
Net premium / on issue / redemption of units		(8,786)
Equalisation, net		8,771
Transfer to revenue account		(64)
Balance, end of period		(79)
Retained surplus		
Surplus transferred from revenue account		6,748
Balance, end of period		6,748
Total reserves and surplus		6,669
The share of the plans in the reserves and surplus is as follows:		
– Regular Growth		320
– Regular Monthly Dividend		4
– Institutional Growth		6,344
– Institutional Weekly Dividend		1
		6,669

	2006
5. CURRENT LIABILITIES	
Amount due to AMC for management fees	122
Trusteeship fee payable	20
Sundry creditors for units redeemed by investors	
– Lateral shifts	3,202
Dividend payable on units	72
Other current liabilities	900
	4,316
6. INVESTMENTS	
Privately placed debentures and bonds	386,058
Other debentures and bonds	50,103
	436,161
(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	–
– depreciation	146
Other debentures and bonds	
– appreciation	–
– depreciation	10
(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 Collateralised lending & Fixed deposits)	
– amount	4,809,049
– as a percentage of average daily net assets	399.72
Sales / Redemptions (excluding Collateralised lending & Fixed deposits)	
– amount	4,372,486
– as a percentage of average daily net assets	363.44
(iv) The aggregate purchases made by the schemes during the current period and the fair value of such investments as at March 31, 2006 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, 2006 valued in good faith	436,161
7. OTHER CURRENT ASSETS	
Balances with banks in current accounts	5,215
Sundry debtors for units issued to investors	
– Lateral shifts	281
Collateralised lending	17,424
Outstanding and accrued income	10,144
	33,064
	October 17, 2005 to March 31, 2006
8. INTEREST	
Debentures and bonds	29,243
Money market instruments	3,234
Others	2,034
	34,511
9. MANAGEMENT AND TRUSTEESHIP FEES	
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, 2006, the Scheme has paid management fee at an average rate of 0.21 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.	

October 17, 2005
to March 31, 2006

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	34,604
– as a percentage of average daily net assets	6.52
Expenditure (excluding change in provision for net unrealised loss and realised loss on sale of investments)	
– amount	3,398
– as a percentage of average daily net assets	0.61

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	2006
ABN AMRO Bank N.V	Bank charges	15
	Commission paid for procuring unit capital	35
		2006

12. NET ASSET VALUE

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

Regular Growth	Rs.10.2233
Regular Weekly Dividend	Rs.10.0000
Regular Monthly Dividend	Rs.10.0020
Institutional Growth	Rs.10.2476
Institutional Weekly Dividend	Rs.10.0001

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, 2006 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2006, as well as the aggregate investments in each investment category.

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
DEBENTURES AND BONDS				
(a) Privately placed debentures and bonds				
Finance (Asset Backed Securities)	18	185,636	39.93	48.09
IBS Trust *	10	102,150	21.97	26.46
UBL Trust Series *	8	83,486	17.96	21.63
Banks	1,000,000	100,172	21.55	25.94
ICICI Bank Ltd.*	1,000,000	100,172	21.55	25.94
Non Banking Finance	1,000,000	100,250	21.56	25.97
Mahindra & Mahindra Financial Services Ltd.*	1,000,000	100,250	21.56	25.97
Total	2,000,018	386,058	83.04	100.00
(b) Other debentures and bonds				
Non-Banking Finance				
Cholamandalam Investments Ltd.*	500,000	50,103	10.78	100.00
Total	500,000	50,103	10.78	100.00
OTHER CURRENT ASSETS		33,064	7.11	
TOTAL ASSETS		469,225	100.93	
LESS: CURRENT LIABILITIES		4,316	0.93	
NET ASSETS		464,909	100.00	

* Non-traded / thinly traded investments

HISTORIAL PER UNIT STATISTICS

PER UNIT STATISTICS	as on 31.03.06
(a) Net Asset Value, per unit	
Regular Growth	10.2233
Regular Weekly Dividend	10.0000
Regular Monthly Dividend	10.0020
Institutional Growth	10.2476
Institutional Weekly Dividend	10.0001
Institutional Monthly Dividend	0.0000
(b) Gross Income:	
i) Income other than profit on sale of investment, per unit	0.7539
ii) profit on interscheme sale / transfer of investment, per unit	0.0000
iii) profit on sale of investment to third party, per unit	0.0013
iv) transfer to Revenue Account from past year's reserve per unit	0.0000
(c) Aggregate of expenses, write offs, amortisation and charges, per unit	0.1047
(d) Net unrealised (appreciation) / depreciation in value of investments	0.0034
(e) Net Income, per unit	0.6471
(f) i) Highest traded price	
ii) Lowest traded price	
iii) Highest repurchase price / NAV *	
Regular Growth	10.2095
Regular Weekly Dividend	10.0073
Regular Monthly Dividend	10.0327
Institutional Growth	10.2423
Institutional Weekly Dividend	10.0092
Institutional Monthly Dividend	10.0538
iv) Highest resale price *	
Regular Growth	10.2079
Regular Weekly Dividend	10.0104
Regular Monthly Dividend	10.0504
Institutional Growth	10.1436
Institutional Weekly Dividend	10.0000
Institutional Monthly Dividend	10.0250
v) Lowest repurchase price / NAV*	
Regular Growth	10.0609
Regular Weekly Dividend	10.0000
Regular Monthly Dividend	10.0140
Institutional Growth	10.0081
Institutional Weekly Dividend	10.0000
Institutional Monthly Dividend	10.0280
vi) Lowest resale price*	
Regular Growth	10.0000
Regular Weekly Dividend	10.0000
Regular Monthly Dividend	10.0202
Institutional Growth	10.0000
Institutional Weekly Dividend	10.0000
Institutional Monthly Dividend	10.0000
vii) Price Earning Ratio	NA
viii) Ratio of Expenses to Average Net Assets (%)	
Regular Plan	1.07%
Institutional Plan	0.60%
ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%)	6.49%

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, 2006 and also the Revenue Account for the year ended on that date 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, 2006 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, 2006; and
 - b) in the case of the Revenue Account, of the surplus for the year ended on that date.

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

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

Mumbai, August 22, 2006

BALANCE SHEET

AS AT MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	2006	2005
SOURCES OF FUNDS			
Unit capital	2(b) & 3	8,282,776	3,749,036
Reserves and surplus	2(b) & 4	208,669	48,051
Current liabilities	5	6,540	25,922
		8,497,984	3,823,009
APPLICATION OF FUNDS			
Investments	2(c), 6 & 15	8,349,553	3,387,213
Other current assets	7	148,431	85,796
		8,497,984	3,823,009

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

As per our report of even date.

For **S. R. Batliboi & Co.**
Chartered Accountantsper **Viren H. Mehta**
Partner
Membership No.: 048749Mumbai
Date: August 22, 2006

For and on behalf of

**ABN AMRO Trustee
(India) Private Limited**
Shariq Contractor
Director**Brijesh Mehra**
Director

For and on behalf of

**ABN AMRO Asset
Management (India) Limited**
Romesh Sobti
Chairman**R. Sivakumar**
Fund Manager**REVENUE ACCOUNT**

FOR THE YEAR ENDED MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	2006	September 02, 2004 to March 31, 2005
INCOME			
Interest	2(d) & 8	601,374	141,175
Other income		1,735	26
		603,109	141,201
EXPENSES AND LOSSES			
Change in provision for net unrealised loss in value of investments	2(c) & 6(ii)	(205)	1,235
Loss on sale / redemption of investments, net	2(d)	3,093	1,313
Loss on inter-scheme transfer / sale of investments, net	2(d)	1,726	2,652
Management fee	9	16,791	4,727
Trusteeship fee	9	495	284
Custodian service charges		4,945	1,243
SEBI registration fees		-	46
Registrar service charges		6,715	2,250
Commission to distributors		11,982	3,276
Publicity expenses		42	576
Audit fee		329	75
Interest on borrowings		8,123	96
Other operating expenses		2,321	1,325
Expenses reimbursed by the AMC	10	(3,016)	(3,198)
		53,341	15,900
Surplus for the year		549,768	125,301
Equalisation debit	2(e)	(93,536)	(21,860)
Transfer from unit premium reserve		-	113
Income distribution on capital account		(237,670)	(46,701)
Income-tax on distributed income		(51,790)	(8,597)
Surplus transferred to the balance sheet	4	166,773	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 Accountantsper **Viren H. Mehta**
Partner
Membership No.: 048749Mumbai
Date: August 22, 2006

For and on behalf of

**ABN AMRO Trustee
(India) Private Limited**
Shariq Contractor
Director**Brijesh Mehra**
Director

For and on behalf of

**ABN AMRO Asset
Management (India) Limited**
Romesh Sobti
Chairman**R. Sivakumar**
Fund Manager

SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2006

(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 scheme on August 31, 2004 and the initial offer closed on September 1, 2004.

ABN AMRO Bank N.V. ('ABN AMRO') was the Sponsor for ABN AMRO Mutual Fund ('the Fund') since inception of the Fund. With effect from October 31, 2005, consequent to receipt of no objection letter from Securities and Exchange Board of India ('SEBI'), the controlling interest in ABN AMRO Asset Management (India) Limited and ABN AMRO Trustee (India) Private Limited was transferred from ABN AMRO Bank N.V. to ABN AMRO Asset Management (Asia) Limited ('AAAM Asia'), the new sponsor of the Fund.

In accordance with the 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
Regular Monthly Dividend
Institutional Growth
Institutional Daily Dividend
Institutional Weekly Dividend
Institutional Monthly Dividend
Institutional Plus Growth
Institutional Plus Daily Dividend
Institutional Plus Weekly Dividend
Institutional Plus 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 other than Central Government securities and treasury bills 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 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.

3. UNIT CAPITAL

	Quantity 2006	Quantity 2005	Amount 2006	Amount 2005
Units of Rs. 10 each fully paid up				
Regular Growth				
Outstanding, beginning of year	5,862,934.972	–	58,629	–
Issued				
– new fund offer	–	9,777,000.000	–	97,770
– during the year	169,837,733.768	58,021,721.791	1,698,377	580,217
Redeemed during the year	(149,101,030.018)	(61,935,786.819)	(1,491,010)	(619,358)
Outstanding, end of year	26,599,638.722	5,862,934.972	265,996	58,629
Regular Weekly Dividend				
Outstanding, beginning of year	50,390,356.726	–	503,904	–
Issued				
– new fund offer	–	67,978,500.000	–	679,785
– during the year	223,506,143.328	118,663,466.343	2,235,061	1,186,635
Redeemed during the year	(224,119,600.882)	(136,251,609.617)	(2,241,196)	(1,362,516)
Outstanding, end of year	49,776,899.172	50,390,356.726	497,769	503,904
Regular Monthly Dividend				
Issued during the year	503,368.668	–	5,034	–
Redeemed during the year	(303,283.951)	–	(3,033)	–
Outstanding, end of year	200,084.717	–	2,001	–
Institutional Growth				
Outstanding, beginning of year	162,358,257.492	–	1,623,583	–
Issued				
– new fund offer	–	783,000,000.000	–	7,830,000
– during the year	4,154,682,039.295	1,877,880,503.415	41,546,820	18,778,805
Redeemed during the year	(4,132,403,368.074)	(2,498,522,245.923)	(41,324,034)	(24,985,222)
Outstanding, end of year	184,636,928.713	162,358,257.492	1,846,369	1,623,583
Institutional Daily Dividend				
Outstanding, beginning of year	156,292,001.663	–	1,562,920	–
Issued				
– new fund offer	–	262,650,000.000	–	2,626,500
– during the year	3,393,497,000.405	722,257,451.973	33,934,970	7,222,575
Redeemed during the year	(3,454,152,176.048)	(828,615,450.310)	(34,541,522)	(8,286,155)
Outstanding, end of year	95,636,826.020	156,292,001.663	956,368	1,562,920
Institutional Monthly Dividend				
Issued during the year	149,499,060.522	–	1,494,991	–
Redeemed during the year	(135,982,654.300)	–	(1,359,827)	–
Outstanding, end of year	13,516,406.222	–	135,164	–
Institutional Plus Growth				
Issued during the year	3,316,966,979.139	–	33,169,670	–
Redeemed during the year	(3,216,404,550.007)	–	(32,164,046)	–
Outstanding, end of year	100,562,429.132	–	1,005,624	–
Institutional Plus Daily Dividend				
Issued during the year	3,013,956,852.558	–	30,139,569	–
Redeemed during the year	(2,771,280,730.205)	–	(27,712,807)	–
Outstanding, end of year	242,676,122.353	–	2,426,762	–

	Quantity 2006	Quantity 2005	Amount 2006	Amount 2005
Institutional Plus Weekly Dividend				
Issued during the year	72,135,763.371	–	721,358	–
Redeemed during the year	(14,986,512.139)	–	(149,865)	–
Outstanding, end of year	57,149,251.232	–	571,493	–
Institutional Plus Monthly Dividend				
Issued during the year	232,754,208.116	–	2,327,542	–
Redeemed during the year	(175,231,229.974)	–	(1,752,312)	–
Outstanding, end of year	57,522,978.142	–	575,230	–
Total				
Outstanding, beginning of year	374,903,550.853	–	3,749,036	–
Issued				
– new fund offer	–	1,123,405,500.000	–	11,234,055
– during the year	14,727,339,149.170	2,776,823,143.522	147,273,392	27,768,232
Redeemed during the year	(14,273,965,135.598)	(3,525,325,092.669)	(142,739,652)	(35,253,251)
Outstanding, end of year	828,277,564.425	374,903,550.853	8,282,776	3,749,036
			2006	2005

4. RESERVES AND SURPLUS

Unit premium reserve

Balance, beginning of the year	(205)	–
Net premium on issue / redemption of units	(100,720)	(21,952)
Equalisation, net	93,536	21,860
Transfer to revenue account	–	(113)
Balance, end of year	(7,389)	(205)

Unrealised appreciation reserve

Balance, beginning of the year	–	–
Net unrealised appreciation in value of investments	1,029	–
Balance, end of year	1,029	–

Retained surplus

Balance, beginning of the year	48,256	–
Surplus transferred from revenue account	166,773	48,256
Balance, end of year	215,028	48,256
Total reserves and surplus	208,668	48,051

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

Regular Growth	20,665	1,523
Regular Weekly Dividend	69	–
Regular Monthly Dividend	1	–
Institutional Growth	158,915	46,528
Institutional Daily Dividend	1	–
Institutional Monthly Dividend	28	–
Institutional Plus Growth	28,727	–
Institutional Plus Daily Dividend	–	–
Institutional Plus Weekly Dividend	94	–
Institutional Plus Monthly Dividend	168	–
	208,668	48,051

5. CURRENT LIABILITIES

Payable on subscriptions rejected	–	23,003
Amount due to AMC for management fees	725	651
Trusteeship fee payable	226	130
Dividend payable on units	5	–
Other current liabilities	5,584	2,138
	6,540	25,922

	2006	2005
6. INVESTMENTS		
Privately placed debentures and bonds	2,684,374	976,744
Other debentures and bonds	954,672	401,473
Central Government securities	–	1,667
Commercial paper	264,825	1,520,328
Certificates of deposit	4,445,682	487,001
	8,349,553	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	20	135
– depreciation	1,050	596
Other debentures and bonds		
– appreciation	1,093	–
– depreciation	64	773
Central Government securities		
– appreciation	–	–
– depreciation	–	1
(iii) The aggregate value of investments acquired and sold / redeemed during the year and these amounts as a percentage of average daily net assets during the year are as follows:		
Purchases (excluding Collateralised lending & Fixed deposits)		
– amount	75,841,426	29,818,242
– as a percentage of average daily net assets	750.96	662.83
Sales / Redemptions (excluding Collateralised lending & Fixed deposits)		
– amount	73,008,443	26,485,387
– as a percentage of average daily net assets	722.91	588.75
(iv) The aggregate purchases made by the schemes during the current year and the fair value of such investments as at March 31, 2006 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, 2006 valued in good faith	3,639,044	1,378,217
7. OTHER CURRENT ASSETS		
Balances with banks in current accounts	11,408	5,180
Receivable from AMC	3,038	1,839
Collateralised lending	66,853	68,449
Inter-Scheme receivable	25	–
Outstanding and accrued income	67,107	10,328
	148,431	85,796
	2006	September 2, 2004 to March 31, 2005
8. INTEREST		
Debentures and bonds	205,828	48,851
Central government securities	4,153	10,888
Money market instruments	329,386	57,870
Deposits	8,054	14,120
Collateralised lending	53,953	9,446
	601,374	141,175
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 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 year ended March 31, 2006, the Scheme has paid management fee at an average rate of 0.17 per cent (2005 - 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 (2005- 0.01 per cent) of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum.		
10.	The AMC has borne Rs. 30.16 lakhs (2005 - 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.	

2006 September 2, 2004
to March 31, 2005

11. INCOME AND EXPENDITURE

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets are provided below (previous years net assets have been annualised):

Income		
– amount	603,109	141,201
– as a percentage of average daily net assets	5.97	5.46
Expenditure (excluding change in provision for net unrealised loss and realised loss on sale of investments)		
– amount	48,727	10,700
– as a percentage of average daily net assets	0.48	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	2006	2005
ABN AMRO Bank N.V.	Bank Charges	222	185
	Commission paid for procuring unit capital	2,290	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
		2006	2005

13. NET ASSET VALUE

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

Regular Growth	Rs. 10.7769	Rs. 10.2598
Regular Weekly Dividend	Rs. 10.0014	Rs. 10.0000
Regular Monthly Dividend *	Rs. 10.0034	–
Institutional Growth	Rs. 10.8607	Rs. 10.2866
Institutional Daily Dividend	Rs. 10.0000	Rs. 10.0000
Institutional Monthly Dividend *	Rs. 10.0021	–
Institutional Plus Growth *	Rs. 10.2857	–
Institutional Plus Daily Dividend *	Rs. 10.0000	–
Institutional Plus Weekly Dividend *	Rs. 10.0017	–
Institutional Plus Monthly Dividend *	Rs. 10.0029	–

* Plan launched during the year

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 the prior period was from September 2, 2004 to March 31, 2005, the corresponding figures for the previous period are not comparable with those of the current year.

Further, previous period's figures have been regrouped where necessary to conform to this year's classification.

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, 2006 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2006, as well as the aggregate investments in each investment category.

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
DEBENTURES AND BONDS				
(a) Privately placed debentures and bonds				
Finance (Asset Backed Securities)	126	992,955	11.69	36.99
IBL Securitisation Trust *	8	24,989	0.29	0.93
IBS Trust *	18	183,870	2.17	6.85
Indian Retail ABS Trust *	10	96,881	1.14	3.61
Retail ABS Trust	10	4,733	0.06	0.18
Retail Trust Series	20	56,337	0.66	2.10
UBL Trust Series	60	626,145	7.37	23.33
Banks	3,900,010	490,782	5.78	18.28
ICICI Bank Ltd.*	1,500,000	150,257	1.77	5.60
Kotak Mahindra Bank Ltd.*	10	100,525	1.18	3.74
Kotak Mahindra Bank Ltd.*	2,400,000	240,000	2.83	8.94

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
Non-Banking Finance	6,500,000	650,348	7.66	24.23
LIC Housing Finance Ltd.*	3,500,000	349,619	4.12	13.03
Mahindra & Mahindra Financial Services Ltd.	500,000	50,062	0.59	1.86
Mahindra & Mahindra Financial Services Ltd.	1,500,000	150,375	1.77	5.60
Rabo India Finance Pvt. Ltd.	1,000,000	100,292	1.18	3.74
Financial Institution	5,500,000	550,289	6.48	20.50
Indian Railway Finance Corporation *	3,000,000	300,289	3.54	11.19
Exim Bank *	2,500,000	250,000	2.94	9.31
Total	15,900,136	2,684,374	31.61	100.00
(b) Other debentures and bonds				
Non Banking Finance				
Bajaj Auto Finance Ltd.*	1,000,000	100,545	1.18	10.53
Cholamandalam Investments Ltd.*	1,000,000	100,206	1.18	10.50
Citifinancial Consumer Finance India Ltd.*	5,000,000	502,651	5.92	52.65
Citifinancial Consumer Finance India Ltd.*	2,500,000	251,270	2.96	26.32
Total	9,500,000	954,672	11.24	100.00
CERTIFICATES OF DEPOSIT				
Bank				
HDFC Bank Ltd. *	3,500,000	341,516	4.02	7.68
HDFC Bank Ltd. *	1,500,000	143,478	1.69	3.23
IDBI Bank Ltd. *	3,000,000	294,724	3.47	6.63
ING Vysya Bank *	1,000,000	98,537	1.16	2.22
ING Vysya Bank *	2,500,000	243,864	2.87	5.49
Jammu & Kashmir Bank *	500,000	49,339	0.58	1.11
Jammu & Kashmir Bank *	2,500,000	243,469	2.87	5.48
Karnataka Bank *	2,500,000	246,408	2.90	5.54
Kotak Mahindra Bank Ltd.*	2,100,000	205,618	2.42	4.63
Punjab National Bank *	2,500,000	242,150	2.85	5.45
State Bank of Patiala *	1,000,000	97,597	1.15	2.20
State Bank of Patiala *	4,000,000	389,786	4.59	8.77
State Bank of Travancore *	1,500,000	146,226	1.72	3.29
State Bank of Travancore *	2,500,000	248,849	2.93	5.60
UCO Bank *	1,000,000	98,025	1.15	2.20
UCO Bank *	5,000,000	483,273	5.69	10.87
UCO Bank *	5,000,000	482,542	5.68	10.84
UTI Bank Ltd. *	4,000,000	390,281	4.60	8.77
Total	45,600,000	4,445,682	52.34	100.00
COMMERCIAL PAPER				
Finance				
BHW Birla Home Finance Ltd. *	2,500,000	245,261	2.90	92.61
HDFC Ltd.*	200,000	19,564	0.24	7.39
Total	2,700,000	264,825	3.14	100.00
OTHER CURRENT ASSETS		148,431	1.75	
TOTAL ASSETS		8,497,984	100.08	
LESS: CURRENT LIABILITIES		6,540	0.08	
NET ASSETS		8,491,444	100.00	

* Non-traded / thinly traded investments

HISTORIAL PER UNIT STATISTICS

PER UNIT STATISTICS	as on 31.03.06	as on 31.03.05
(a) Net Asset Value, per unit		
Regular Growth	10.7769	10.2598
Regular Weekly Dividend	10.0014	10.0000
Regular Monthly Dividend	10.0034	
Institutional Growth	10.8607	10.2866
Institutional Daily Dividend	10.0000	10.0000
Institutional Monthly Dividend	10.0021	
Institutional Plus Growth	10.2857	
Institutional Plus Daily Dividend	10.0000	
Institutional Plus Weekly Dividend	10.0017	
Institutional Plus Monthly Dividend	10.0029	
(b) Gross Income:		
i) Income other than profit on sale of investment, per unit	0.7280	0.3766
ii) profit on interscheme sale / transfer of investment, per unit	0.0000	0.0000
iii) profit on sale of investment to third party, per unit	0.0000	0.0000
iv) transfer to Revenue Account from past year's reserve per unit	0.0000	0.0000
(c) Aggregate of expenses, write offs, amortisation and charges, per unit	0.0646	0.0391
(d) Net unrealised (appreciation) / depreciation in value of investments	(0.0002)	0.0033
(e) Net Income, per unit	0.6637	0.3342
(f) i) Highest traded price		
ii) Lowest traded price		
iii) Highest repurchase price / NAV *		
Regular Growth	10.7755	10.2598
Regular Weekly Dividend	10.0087	10.0080
Regular Monthly Dividend	10.0323	
Institutional Growth	10.8590	10.2866
Institutional Daily Dividend	10.0010	10.0002
Institutional Monthly Dividend	10.0357	
Institutional Plus Growth	10.2840	
Institutional Plus Daily Dividend	10.0001	
Institutional Plus Weekly Dividend	10.0090	
Institutional Plus Monthly Dividend	10.0352	
iv) Highest resale price *		
Regular Growth	10.7707	10.2598
Regular Weekly Dividend	10.0087	10.0080
Regular Monthly Dividend	10.0415	
Institutional Growth	10.8590	10.2866
Institutional Daily Dividend	10.0010	10.0002
Institutional Monthly Dividend	10.0342	
Institutional Plus Growth	10.2840	
Institutional Plus Daily Dividend	10.0001	
Institutional Plus Weekly Dividend	10.0072	
Institutional Plus Monthly Dividend	10.0370	
v) Lowest repurchase price / NAV*		
Regular Growth	10.2654	10.0337
Regular Weekly Dividend	10.0000	10.0000
Regular Monthly Dividend	10.0213	
Institutional Growth	10.2911	10.0369
Institutional Daily Dividend	10.0000	10.0000
Institutional Monthly Dividend	10.0042	
Institutional Plus Growth	10.0033	
Institutional Plus Daily Dividend	10.0000	
Institutional Plus Weekly Dividend	10.0090	
Institutional Plus Monthly Dividend	10.0061	
vi) Lowest resale price*		
Regular Growth	10.2640	10.0337
Regular Weekly Dividend	10.0000	10.0000
Regular Monthly Dividend	10.0415	
Institutional Growth	10.2820	10.0369
Institutional Daily Dividend	10.0000	10.0000
Institutional Monthly Dividend	10.0000	
Institutional Plus Growth	10.0000	
Institutional Plus Daily Dividend	10.0000	
Institutional Plus Weekly Dividend	10.0072	
Institutional Plus Monthly Dividend	10.0000	
vii) Price Earning Ratio	NA	NA
viii) Ratio of Expenses to Average Net Assets (%)		
Regular Plan	0.95%	0.82%
Institutional Plan	0.42%	
Institutional Plus Plan	0.24%	0.40%
ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%)	5.97%	5.40%

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, 2006 and also the Revenue Account for the year ended on that date 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, 2006 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, 2006; and
 - b) in the case of the Revenue Account, of the surplus for the year ended on that date.

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

per Viren H. Mehta
Partner
Membership No.: 048749

Mumbai, August 22, 2006

BALANCE SHEET

AS AT MARCH 31, 2006

	Schedule	2006	2005
(All amounts in thousands of Rupees)			
SOURCES OF FUNDS			
Unit capital	2(b) & 3	2,470,804	2,865,555
Reserves and surplus	2(b) & 4	56,819	17,772
Current liabilities	5	9,629	7,208
		2,537,252	2,890,535
APPLICATION OF FUNDS			
Investments	2(c), 6 & 15	2,142,423	2,694,422
Deposits with scheduled banks		–	150,000
Other current assets	7	394,829	46,113
		2,537,252	2,890,535

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: August 22, 2006

For and on behalf of

ABN AMRO Trustee
(India) Private Limited
Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of

ABN AMRO Asset
Management (India) Limited
Romesh Sobti
Chairman

R. Sivakumar
Fund Manager

REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2006

	Schedule	2006	September 4, 2004 to March 31, 2005
(All amounts in thousands of Rupees)			
INCOME			
Interest	2(d) & 8	270,579	99,510
Other income		–	9
		270,579	99,519
EXPENSES AND LOSSES			
Change in provision for net unrealised loss in value of investments	2(c) & 6(ii)	(576)	900
Loss on sale / redemption of investments, net	2(d)	2,061	765
Loss on inter-scheme transfer / sale of investments, net	2(d)	6,981	1,269
Management fee	9	10,376	3,329
Trusteeship fee	9	205	192
Custodian service charges		2,192	844
SEBI registration fees		–	27
Registrar service charges		3,031	1,531
Commission to distributors		9,333	5,047
Publicity expenses		106	584
Audit fee		270	75
Interest on borrowings		2,103	–
Other operating expenses		1,596	1,033
Expenses reimbursed by the AMC	10	(2,572)	(2,961)
		35,106	12,635
Surplus for the year		235,473	86,884
Equalisation debit	2(e)	(35,451)	(16,072)
Transfer from unit premium reserve		–	101
Income distribution on capital account		(135,648)	(45,460)
Income-tax on distributed income		(25,428)	(7,621)
Surplus transferred to the balance sheet	4	38,946	17,832

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: August 22, 2006

For and on behalf of

ABN AMRO Trustee
(India) Private Limited
Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of

ABN AMRO Asset
Management (India) Limited
Romesh Sobti
Chairman

R. Sivakumar
Fund Manager

SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2006

(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 scheme on August 9, 2004 and the initial offer closed on September 3, 2004.

ABN AMRO Bank N.V. ('ABN AMRO') was the Sponsor for ABN AMRO Mutual Fund ('the Fund') since inception of the Fund. With effect from October 31, 2005, consequent to receipt of no objection letter from Securities and Exchange Board of India ('SEBI'), the controlling interest in ABN AMRO Asset Management (India) Limited and ABN AMRO Trustee (India) Private Limited was transferred from ABN AMRO Bank N.V. to ABN AMRO Asset Management (Asia) Limited ('AAAM Asia'), the new sponsor of the Fund.

In accordance with the 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
- Regular Weekly Dividend
- Institutional Growth
- Institutional Daily Dividend
- Institutional Monthly Dividend
- Institutional Plus Growth
- Institutional Plus Daily Dividend
- Institutional Plus Weekly Dividend
- Institutional Plus 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 other than Central Government securities and treasury bills 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 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.

3. UNIT CAPITAL

	Quantity 2006	Quantity 2005	Amount 2006	Amount 2005
Units of Rs. 10 each fully paid up				
Regular Growth Plan				
Outstanding, beginning of year	28,931,138.810	–	289,311	–
Issued				
– new fund offer	–	84,851,230.000	–	848,512
– during the year	166,130,394.656	144,817,341.219	1,661,305	1,448,173
Redeemed during the year	(175,948,173.526)	(200,737,432.409)	(1,759,482)	(2,007,374)
Outstanding, end of year	19,113,359.940	28,931,138.810	191,134	289,311
Regular Weekly Dividend				
Issued during the year	38,395,529.873	–	383,955	–
Redeemed during the year	(21,792,952.591)	–	(217,930)	–
Outstanding, end of year	16,602,577.282	–	166,025	–
Regular Monthly Dividend				
Outstanding, beginning of year	69,775,810.193	–	697,758	–
Issued				
– new fund offer	–	104,453,000.000	–	1,044,530
– during the year	267,466,722.118	196,657,543.458	2,674,667	1,966,575
Redeemed during the year	(276,221,968.498)	(231,334,733.265)	(2,762,220)	(2,313,347)
Outstanding, end of year	61,020,563.813	69,775,810.193	610,205	697,758
Institutional Growth				
Outstanding, beginning of year	35,281,749.384	–	352,818	–
Issued				
– new fund offer	–	111,090,000.000	–	1,110,900
– during the year	771,734,366.917	423,349,042.338	7,717,344	4,233,491
Redeemed during the year	(783,217,131.203)	(499,157,292.954)	(7,832,171)	(4,991,573)
Outstanding, end of year	23,798,985.098	35,281,749.384	237,991	352,818
Institutional Daily Dividend				
Outstanding, beginning of year	127,837,686.683	–	1,278,377	–
Issued				
– new fund offer	–	60,400,000.000	–	604,000
– during the year	1,121,283,063.710	418,996,726.507	11,212,831	4,189,967
Redeemed during the year	(1,223,302,798.867)	(351,559,039.824)	(12,233,028)	(3,515,590)
Outstanding, end of year	25,817,951.526	127,837,686.683	258,180	1,278,377
Institutional Monthly Dividend				
Outstanding, beginning of year	24,729,078.130	–	247,291	–
Issued				
– new fund offer	–	26,160,000.000	–	261,600
– during the year	223,778,462.355	32,459,668.813	2,237,785	324,597
Redeemed during the year	(224,047,180.057)	(33,890,590.683)	(2,240,472)	(338,906)
Outstanding, end of year	24,460,360.428	24,729,078.130	244,604	247,291
Institutional Plus Growth				
Issued during the year	1,016,407,742.420	–	10,164,076	–
Redeemed during the year	(940,141,135.779)	–	(9,401,411)	–
Outstanding, end of year	76,266,606.641	–	762,665	–

	Quantity 2006	Quantity 2005	Amount 2006	Amount 2005
Institutional Plus Daily Dividend				
Issued during the year	405,177,881.400	–	4,051,779	–
Redeemed during the year	(405,177,881.400)	–	(4,051,779)	–
Outstanding, end of year	–	–	–	–
Total				
Outstanding at the beginning	286,555,463.200	–	2,865,555	–
Issued				
– new fund offer	–	386,954,230.000	–	3,869,542
– during the year	4,010,374,163.449	1,216,280,322.335	40,103,742	12,162,803
Redeemed during the year	(4,049,849,221.921)	(1,316,679,089.135)	(40,498,493)	(13,166,790)
Outstanding, end of year	247,080,404.728	286,555,463.200	2,470,804	2,865,555

4. RESERVES AND SURPLUS

	2006	2005
Unit premium reserve		
Balance, beginning of year	(60)	–
Net premium on issue/redemption of units	(35,350)	(16,031)
Equalisation, net	35,451	16,072
Transfer to revenue account	–	(101)
Balance, end of year	40	(60)
Retained surplus		
Balance, beginning of year	17,832	–
Surplus transferred from revenue account	38,946	17,832
Balance, end of year	56,778	17,832
Total reserves and surplus	56,819	17,772
The share of the plans in the reserves and surplus is as follows:		
– Regular Growth	14,810	7,536
– Regular Weekly Dividend	25	–
– Regular Monthly Dividend	141	209
– Institutional Growth	20,292	9,938
– Institutional Daily Dividend	–	–
– Institutional Monthly Dividend	70	89
– Institutional Plus Growth	21,481	–
	56,819	17,772

5. CURRENT LIABILITIES

Amount due to AMC for management fees	565	419
Trusteeship fee payable	83	112
Sundry creditors for units redeemed by investors		
– Lateral shift	4,987	–
Dividend payable on units	657	3,328
Other current liabilities	3,337	3,349
	9,629	7,208

6. INVESTMENTS

Privately placed debentures and bonds	1,328,538	1,472,088
Other debentures and bonds	–	450,000
Central government securities	–	10,719
Commercial paper	–	571,071
Certificates of deposit	813,885	190,544
	2,142,423	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	324	1,052
Central Government securities		
– appreciation	–	–
– depreciation	–	5

	2006	2005
(iii) The aggregate value of investments acquired and sold / redeemed during the year and these amounts as a percentage of average daily net assets are as follows:		
Purchases (excluding Collateralised lending & Fixed deposits)		
– amount	30,805,616	16,379,351
– as a percentage of average daily net assets	690.80	513.80
Sales / Redemptions (excluding Collateralised lending & Fixed deposits)		
– amount	33,784,896	13,685,713
– as a percentage of average daily net assets	714.44	429.30
(iv) The aggregate purchases made by the schemes during the current year and the fair value of such investments as at March 31, 2006 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, 2006 valued in good faith	1,328,537	1,922,088

7. OTHER CURRENT ASSETS

Balances with banks in current accounts	9,650	9,036
Sundry debtors for units issued to investors	13	500
Receivable from AMC	1,810	2,481
Collateralised lending	367,136	7,607
Inter-Scheme Receivable	15	–
Outstanding and accrued income	16,205	26,489
	394,829	46,113

2006 September 4, 2004
to March 31, 2005

8. INTEREST

Debentures and bonds	192,148	52,911
Central government securities	1,876	5,323
Money market instruments	54,485	33,165
Deposits	2,420	1,262
Collateralised lending	19,650	6,849
	270,579	99,510

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 year ended March 31, 2006, the Scheme has paid management fee at an average rate of 0.24 per cent (2005-0.19 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 (2005 - 0.01 per cent) of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum.

10. The AMC has borne Rs. 25.72 lakhs (2005 - 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 are provided below (previous years net assets have been annualised):

	2006	September 4, 2004 to March 31, 2005
Income		
– amount	270,579	99,519
– as a percentage of average daily net assets	6.07	5.73
Expenditure (excluding change in provision for net unrealised loss and realised loss on sale of investments)		
– amount	26,640	9,701
– as a percentage of average daily net assets	0.60	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	2006	2005
ABN AMRO Bank N.V.	Bank charges	111	138
	Commission paid for procuring unit capital	6,221	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

2006 2005

13. NET ASSET VALUE

Net asset value of each unit of Rs. 10 of the Scheme		
Regular Growth	Rs. 10.7749	Rs. 10.2605
Regular Monthly Dividend	Rs. 10.0023	Rs. 10.0030
Regular Weekly Dividend *	Rs. 10.0015	–
Institutional Growth	Rs. 10.8526	Rs. 10.2817
Institutional Daily Dividend	Rs. 10.0000	Rs. 10.0000
Institutional Monthly Dividend	Rs. 10.0029	Rs. 10.0036
Institutional Plus Growth *	Rs. 10.2817	–
Institutional Plus Daily Dividend **	–	–
Institutional Plus Weekly Dividend **	–	–
Institutional Plus Monthly Dividend **	–	–

*Plan launched during the year

**Plan launched and closed during the year

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 the prior period was from September 4, 2004 to March 31, 2005, the corresponding figures for the previous period are not comparable with those of the current year.

Further, previous period's figures have been regrouped where necessary to conform to this year's classification.

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, 2006 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2006, as well as the aggregate investments in each investment category.

Industry and Company Particulars	Quantity	Amount	Percentage to Net Assets	Percentage to Investment category
DEBENTURES AND BONDS				
Privately placed debentures and bonds				
Non Banking Finance	2,000,000	200,439	7.93	15.08
Global Trade Finance Pvt. Ltd. *	500,000	50,000	1.98	3.76
Rabo India Finance Pvt. Ltd. *	1,500,000	150,439	5.95	11.32
Finance (Asset Backed Securities)	92	708,199	28.01	53.31
IBS Trust *	27	275,805	10.91	20.76
Indian Retail ABS Trust *	40	387,525	15.33	29.17
Retail Pool Trust *	15	19,223	0.76	1.45
UBPP Series Trust *	10	25,646	1.01	1.93
Banks	1,700,000	170,172	6.73	12.81
ICICI Bank Ltd.*	1,000,000	100,172	3.96	7.54
Kotak Mahindra Bank Ltd. *	700,000	70,000	2.77	5.27
Finance	2,500,000	249,728	9.88	18.80
LIC Housing Finance Ltd.*	2,500,000	249,728	9.88	18.80
Total	6,200,092	1,328,538	52.55	100.00
CERTIFICATES OF DEPOSIT				
Banks				
Bharat Overseas Bank	126,000,000	122,631	4.85	15.07
Indian Bank Ltd.	300,000,000	299,606	11.85	36.81
Jammu & Kashmir Bank	400,000,000	391,648	15.51	48.12
	826,000,000	813,885	32.21	100.00
OTHER CURRENT ASSETS		394,829	15.62	
TOTAL ASSETS		2,537,252	100.38	
LESS: CURRENT LIABILITIES		9,629	0.38	
NET ASSETS		2,527,623	100.00	

* Non-traded / thinly traded investments

HISTORIAL PER UNIT STATISTICS

PER UNIT STATISTICS	as on 31.03.06	as on 31.03.05
(a) Net Asset Value, per unit		
Regular Growth	10.7749	10.2605
Regular Weekly Dividend	10.0015	
Regular Monthly Dividend	10.0023	10.0030
Institutional Growth	10.8526	10.2817
Institutional Daily Dividend	10.0000	10.0000
Institutional Monthly Dividend	10.0023	10.0036
Institutional Plus Growth	10.2817	
(b) Gross Income:		
i) Income other than profit on sale of investment, per unit	1.0951	0.3473
ii) profit on interscheme sale / transfer of investment, per unit	0.0000	–
iii) profit on sale of investment to third party, per unit	0.0000	0.0000
iv) transfer to Revenue Account from past year's reserve per unit	0.0000	0.0000
(c) Aggregate of expenses, write offs, amortisation and charges, per unit	0.1441	0.0410
(d) Net unrealised (appreciation) / depreciation in value of investments	(0.0023)	0.0031
(e) Net Income, per unit	0.9533	0.3032
(f) i) Highest repurchase price / NAV *		
Regular Growth	10.7733	10.2605
Regular Weekly Dividend	10.0083	
Regular Monthly Dividend	10.0508	10.0634
Institutional Growth	10.8332	10.2817
Institutional Daily Dividend	10.0009	10.0021
Institutional Monthly Dividend	10.0533	10.0669
Institutional Plus Growth	10.2799	
Institutional Plus Daily Dividend	10.0000	
ii) Highest resale price *		
Regular Growth	10.7733	10.2605
Regular Weekly Dividend	10.0084	
Regular Monthly Dividend	10.0508	10.0634
Institutional Growth	10.8508	10.2817
Institutional Daily Dividend	10.0009	10.0021
Institutional Monthly Dividend	10.0533	10.0669
Institutional Plus Growth	10.2799	
Institutional Plus Daily Dividend	10.0000	
iii) Lowest repurchase price / NAV*		
Regular Growth	10.2646	10.0298
Regular Weekly Dividend	10.0000	
Regular Monthly Dividend	10.0018	10.0022
Institutional Growth	10.2877	10.0315
Institutional Daily Dividend	10.0000	10.0000
Institutional Monthly Dividend	10.0028	10.0026
Institutional Plus Growth	10.0136	
Institutional Plus Daily Dividend	10.0000	
iv) Lowest resale price*		
Regular Growth	10.2646	10.0298
Regular Weekly Dividend	10.0000	
Regular Monthly Dividend	10.0018	10.0022
Institutional Growth	10.2877	10.0315
Institutional Daily Dividend	10.0000	10.0000
Institutional Monthly Dividend	10.0037	10.0026
Institutional Plus Growth	10.0000	
Institutional Plus Daily Dividend	10.0000	
v) Price Earning Ratio	NA	NA
vi) Ratio of Expenses to Average Net Assets(%)		
Regular Plan	0.95%	0.80%
Institutional Plan	0.42%	
Institutional Plus Plan	0.28%	0.42%
vii) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%)	6.08%	5.69%

AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND - ABN AMRO FIXED TERM PLAN - SERIES 1

1. We have audited the attached Balance Sheet of ABN AMRO MUTUAL FUND - ABN AMRO FIXED TERM PLAN - SERIES 1 ('the Scheme') as at March 31, 2006 and also the Revenue Account for the period from February 6, 2006 to March 31, 2006 ('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, 2006 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, 2006; 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, August 22, 2006

BALANCE SHEET

AS AT MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	2006
SOURCES OF FUNDS		
Unit capital	2(b) & 3	2,528,872
Reserves and surplus	2(b) & 4	21,466
Current liabilities	5	695
		2,551,033
APPLICATION OF FUNDS		
Investments	2(c), 6 & 15	1,534,222
Deposits with scheduled banks		1,000,000
Other current assets	7	16,811
		2,551,033

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: August 22, 2006

For and on behalf of
**ABN AMRO Trustee
(India) Private Limited**

Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of
**ABN AMRO Asset
Management (India) Limited**

Romesh Sobti
Chairman

Mahendra Jajoo
Fund Manager

REVENUE ACCOUNT

FOR THE PERIOD FROM FEBRUARY 06, 2006 TO MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	February 06, 2006 to March 31, 2006
INCOME		
Interest	2(d) & 8	25,963
Profit on sale/redemption of investments, net	2(d)	4
		25,967
EXPENSES AND LOSSES		
Provision for net unrealised loss in value of investments	2(c) & 6(ii)	3,050
Loss on inter-scheme transfer / sale of investments, net	2(d)	170
Management fee	9	480
Trusteeship fee	9	13
Custodian service charges		190
Registrar service charges		189
Commission to distributors		2,907
Publicity expenses		1
Audit fee		22
Other operating expenses		97
Expenses reimbursed by the AMC	10	(2,618)
		4,501
Surplus for the period		21,466
Surplus transferred to the balance sheet	4	21,466

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: August 22, 2006

For and on behalf of
**ABN AMRO Trustee
(India) Private Limited**

Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of
**ABN AMRO Asset
Management (India) Limited**

Romesh Sobti
Chairman

Mahendra Jajoo
Fund Manager

SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM FEBRUARY 06, 2006 TO MARCH 31, 2006

(All amounts in thousands of Rupees unless specified otherwise)

1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan - Series 1 ('the Scheme') was launched as an close ended fixed term income scheme with no assured returns on February 6, 2006 and the initial offer closed on February 8, 2006.

ABN AMRO Bank N.V. ('ABN AMRO') was the Sponsor for ABN AMRO Mutual Fund ('the Fund') since inception of the Fund. With effect from October 31, 2005, consequent to receipt of no objection letter from Securities and Exchange Board of India ('SEBI'), the controlling interest in ABN AMRO Asset Management (India) Limited and ABN AMRO Trustee (India) Private Limited was transferred from ABN AMRO Bank N.V. to ABN AMRO Asset Management (Asia) Limited ('AAAM Asia'), the new sponsor of the Fund.

In accordance with the 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 seek to achieve growth of capital through investments made in a basket of fixed income securities in line with the duration of the Scheme.

The Scheme offers its investors the following plans :

Growth

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.

(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 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.

3. UNIT CAPITAL

	Quantity 2006	Amount 2006
Units of Rs. 10 each fully paid up		
Growth		
Issued		
– new fund offer	252,627,159.947	2,526,272
Outstanding, end of period	252,627,159.947	2,526,272
Dividend		
Issued		
– new fund offer	260,000.000	2,600
Outstanding, end of period	260,000.000	2,600
Total		
Issued		
– new fund offer	252,887,159.947	2,528,872
Outstanding, end of period	252,887,159.947	2,528,872
		2006

4. RESERVES AND SURPLUS

Retained surplus	
Surplus transferred from revenue account	21,466
Balance, end of year	21,466
Total reserves and surplus	21,466
The share of the plans in the reserves and surplus is as follows:	
– Growth	21,444
– Dividend	22
	21,466

5. CURRENT LIABILITIES

Amount due to AMC for management fees	324
Trusteeship fee payable	12
Other current liabilities	359
	695

6. INVESTMENTS

Privately placed debentures and bonds	586,086
Commercial paper	224,731
Certificates of deposit	723,405
	1,534,222
(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	–
– depreciation	3,050
(iii) The aggregate value of investments acquired and sold / redeemed during the year and these amounts as a percentage of average daily net assets are as follows:	
Purchases (excluding Collateralised lending & Fixed deposits)	
– amount	2,897,371
– as a percentage of average daily net assets	114.06
Sales / Redemptions (excluding Collateralised lending & Fixed deposits)	
– amount	1,367,216
– as a percentage of average daily net assets	53.82
(iv) The aggregate purchases made by the schemes during the current year and the fair value of such investments as at March 31, 2006 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, 2006 valued in good faith	586,086

2006
7. OTHER CURRENT ASSETS

Balances with banks in current accounts	206
Receivable from AMC	218
Collateralised lending	445
Outstanding and accrued income	15,942
	16,811

**February 6, 2006
to March 31, 2006**
8. INTEREST

Debentures and bonds	6,419
Money market instruments	7,402
Deposits	10,959
Collateralised lending	1,183
	25,963

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 year ended March 31, 2006, the Scheme has paid management fee at an average rate of 0.15 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.

10. The AMC has borne Rs. 26.18 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/Offer document, chargeable to the Scheme.

**February 6, 2006
to March 31, 2006**
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	25,967
– as a percentage of average daily net assets	8.11
Expenditure (excluding change in provision for net unrealised loss and realised loss on sale of investments)	
– amount	1,281
– as a percentage of average daily net assets	0.40

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	2006
ABN AMRO Bank N.V.	Bank Charges	5
	Commission paid for procuring unit capital	219

2006
13. NET ASSET VALUE

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

Growth	Rs.10.0849
Dividend	Rs.10.0846

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, 2006 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2006, as well as the aggregate investments in each investment category.

Industry and Company Particulars	Quantity	Amount (Rs.)	Percentage to Net Assets	Percentage to Investment category
PRIVATELY PLACED DEBENTURES AND BONDS				
Non Banking Finance	3,000,000	297,630	11.67	50.78
Citifinancial Consumer Finance India Ltd.*	1,500,000	148,831	5.84	25.39
Mahindra & Mahindra Financial Services Ltd.*	1,500,000	148,799	5.83	25.39
Finance (Asset Backed Securities)	45	288,456	11.31	49.22
Indian Retail ABS Trust*	25	241,473	9.47	41.20
VE Trust *	20	46,983	1.84	8.02
	3,000,045	586,086	22.98	100.00

Industry and Company Particulars	Quantity	Amount (Rs.)	Percentage to Net Assets	Percentage to Investment category
COMMERCIAL PAPER				
Finance				
HDFC Ltd. *	2,300,000	224,731	8.81	100.00
Total	2,300,000	224,731	8.81	100.00
CERTIFICATES OF DEPOSIT				
Banks				
American Express Bank *	100,000,000	92,948	3.64	12.85
Bharat Overseas Bank *	12,000,000	11,679	0.46	1.61
ICICI Bank Ltd. *	250,000,000	235,298	9.23	32.53
ING Vysya Bank *	150,000,000	140,346	5.50	19.40
State Bank of Indore *	250,000,000	243,134	9.54	33.61
Total	762,000,000	723,405	28.37	100.00
DEPOSITS		1,000,000	39.21	
OTHER CURRENT ASSETS		16,811	0.66	
TOTAL ASSETS		2,551,033	100.03	
LESS: CURRENT LIABILITIES		695	0.03	
NET ASSETS		2,550,338	100.00	

* Non-traded / thinly traded investments

HISTORIAL PER UNIT STATISTICS

PER UNIT STATISTICS	as on 31.03.06
(a) Net Asset Value, per unit	
Growth	10.0849
Dividend	10.0846
(b) Gross Income:	
i) Income other than profit on sale of investment, per unit	0.1027
ii) profit on inter-scheme sale / transfer of investment, per unit	0.0000
iii) profit on sale of investment to third party, per unit	0.0000
iv) transfer to Revenue Account from past year's reserve, per unit	0.0000
(c) Aggregate of expenses, write offs, amortisation and charges, per unit	0.0057
(d) Net unrealised (appreciation) / depreciation in value of investments	0.0121
(e) Net Income, per unit	0.0849
(f) i) Highest traded price	
ii) Lowest traded price	
iii) Highest repurchase price / NAV *	
Growth	0.0000
Dividend	0.0000
iv) Highest resale price *	
Growth	10.0000
Dividend	10.0000
v) Lowest repurchase price / NAV*	
Growth	0.0000
Dividend	0.0000
vi) Lowest resale price*	
Growth	10.0000
Dividend	10.0000
vii) Price Earning Ratio	NA
viii) Ratio of Expenses to Average Net Assets (%)	
Regular Plan	0.40%
ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%)	7.32%

AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND - ABN AMRO FIXED TERM PLAN - SERIES 2 : QUARTERLY PLAN A

1. We have audited the attached Balance Sheet of ABN AMRO MUTUAL FUND - ABN AMRO FIXED TERM PLAN - SERIES 2 : QUARTERLY PLAN A ('the Scheme') as at March 31, 2006 and also the Revenue Account for the period from February 23, 2006 to March 31, 2006 ('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, 2006 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, 2006; 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, August 22, 2006

BALANCE SHEET

AS AT MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	2006
SOURCES OF FUNDS		
Unit capital	2(b) & 3	2,792,802
Reserves and surplus	2(b) & 4	6,041
Current liabilities	5	2,773
		2,801,616
APPLICATION OF FUNDS		
Investments	2(c), 6 & 14	1,722,983
Deposits with scheduled banks		1,000,000
Other current assets	7	78,633
		2,801,616

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: August 22, 2006

For and on behalf of
**ABN AMRO Trustee
(India) Private Limited**

Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of
**ABN AMRO Asset
Management (India) Limited**

Romesh Sobti
Chairman

Mahendra Jajoo
Fund Manager

REVENUE ACCOUNT

FOR THE PERIOD FROM FEBRUARY 23, 2006 TO MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	February 23, 2006 to March 31, 2006
INCOME		
Interest	2(d) & 8	19,001
		19,001
EXPENSES AND LOSSES		
Loss on sale / redemption of investments, net	2(d)	1
Management fee	9	237
Trusteeship fee	9	9
Custodian service charges		118
Registrar service charges		12
Commission to distributors		20
Audit fee		22
Other operating expenses		55
		474
Surplus for the period		18,527
Income distribution on capital account		(10,348)
Income-tax on distributed income		(2,302)
Surplus transferred to the balance sheet	4	5,877

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: August 22, 2006

For and on behalf of
**ABN AMRO Trustee
(India) Private Limited**

Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of
**ABN AMRO Asset
Management (India) Limited**

Romesh Sobti
Chairman

Mahendra Jajoo
Fund Manager

SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM FEBRUARY 23, 2006 TO MARCH 31, 2006

(All amounts in thousands of Rupees unless specified otherwise)

1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan - Series 2 : Quarterly Plan A ('the Scheme') was launched as an close ended fixed term income scheme comprising Quarterly Plan A, with no assured returns on February 23, 2006 and the initial offer closed on February 25, 2006.

ABN AMRO Bank N.V. ('ABN AMRO') was the Sponsor for ABN AMRO Mutual Fund ('the Fund') since inception of the Fund. With effect from October 31, 2005, consequent to receipt of no objection letter from Securities and Exchange Board of India ('SEBI'), the controlling interest in ABN AMRO Asset Management (India) Limited and ABN AMRO Trustee (India) Private Limited was transferred from ABN AMRO Bank N.V. to ABN AMRO Asset Management (Asia) Limited ('AAAM Asia'), the new sponsor of the Fund.

In accordance with the 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 and the plans launched thereafter would be to generate reasonable returns through investments made in the basket of fixed income securities in line with the duration of the respective plan(s) / series thereunder.

The Scheme offers its investors the following plans :

Growth

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.

(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 fixed income securities other than Central Government 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.

(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.

3. UNIT CAPITAL

	Quantity 2006	Amount 2006
Units of Rs. 10 each fully paid up		
Growth		
Issued		
- new fund offer	69,405,731.026	694,057
Outstanding, end of year	69,405,731.026	694,057
Dividend		
Issued		
- new fund offer	209,874,481.441	2,098,745
Outstanding, end of year	209,874,481.441	2,098,745
Total		
Issued		
- new fund offer	279,280,212.467	2,792,802
Outstanding, end of year	279,280,212.467	2,792,802

	2006
4. RESERVES AND SURPLUS	
Unit premium reserve	
Net premium on issue / redemption of units	2
Balance, end of period	2
Unrealised appreciation reserve	
Net unrealised appreciation in value of investments	162
Balance, end of period	162
Retained surplus	
Surplus transferred from revenue account	5,877
Balance, end of period	5,877
Total reserves and surplus	6,041
The share of the plans in the reserves and surplus is as follows:	
– Growth	4,657
– Dividend	1,384
	6,041
5. CURRENT LIABILITIES	
Amount due to AMC for management fees	237
Trusteeship fee payable	9
Other current liabilities	2,527
	2,773
6. INVESTMENTS	
Privately placed debentures and bonds	87,688
Commercial paper	98,910
Certificates of deposit	1,289,719
Bill-rediscounted	246,666
	1,722,983
(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	162
– depreciation	–
(iii) The aggregate value of investments acquired and sold / redeemed during the year and these amounts as a percentage of average daily net assets are as follows:	
Purchases (excluding Collateralised lending & Fixed deposits)	
– amount	2,895,028
– as a percentage of average daily net assets	103.58
Sales / Redemptions (excluding Collateralised lending & Fixed deposits)	
– amount	1,180,985
– as a percentage of average daily net assets	42.25
(iv) The aggregate purchases made by the schemes during the current year and the fair value of such investments as at March 31, 2006 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, 2006 valued in good faith	87,688
7. OTHER CURRENT ASSETS	
Balances with banks in current accounts	5,202
Collateralised lending	65,980
Outstanding and accrued income	7,451
	78,633
	February 23, 2006 to March 31, 2006
8. INTEREST	
Debentures and bonds	636
Money market instruments	7,302
Deposits	7,189
Collateralised lending	2,009
Others	1,865
	19,001

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, 2006, the Scheme has paid management fee at an average rate of 0.10 per cent (annualised). The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for computation of such fee at 0.10 per cent of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum.

February 23, 2006
to March 31, 2006

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	19,001
– as a percentage of average daily net assets	8.00
Expenditure (excluding change in provision for net unrealised loss and realised loss on sale of investments)	
– amount	473
– as a percentage of average daily net assets	0.20

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	2006
ABN AMRO Bank N.V.	Bank Charges	6
		2006

12. NET ASSET VALUE

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

Growth	Rs. 10.0671
Dividend	Rs. 10.0066

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 financials 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, 2006 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2006, as well as the aggregate investments in each investment category.

Industry and Company Particulars	Quantity	Amount (Rs.)	Percentage to Net Assets	Percentage to Investment category
PRIVATELY PLACED DEBENTURES AND BONDS				
Finance (Asset Backed Securities)				
Indian Loan Securitisation Trust*	10	87,688	3.13	100.00
	10	87,688	3.13	100.00
COMMERCIAL PAPER				
Telecom Service				
Reliance Telecom Ltd. *	1,000,000	98,910	3.53	100.00
Total	1,000,000	98,910	3.53	100.00
CERTIFICATES OF DEPOSIT				
Banks				
IDBI Ltd.	150,000,000	149,228	5.33	11.57
State Bank of Mysore	100,000,000	98,657	3.52	7.65
State Bank of Bikaner & Jaipur	250,000,000	249,301	8.91	19.33
State Bank of Indore	250,000,000	246,825	8.82	19.14
UCO Bank	100,000,000	99,474	3.55	7.71
UCO Bank	200,000,000	199,444	7.13	15.46
UTI Bank Ltd.	250,000,000	246,790	8.82	19.14
Total	1,300,000,000	1,289,719	46.08	100.00
BILLS RE-DISCOUNTED				
Banks				
HDFC Bank Ltd. (BRDS)	250,000,000	246,666	8.82	100.00
Total	250,000,000	246,666	8.82	100.00
DEPOSITS		1,000,000	35.73	
OTHER CURRENT ASSETS		78,633	2.81	
TOTAL ASSETS		2,801,616	100.10	
LESS: CURRENT LIABILITIES		2,773	0.10	
NET ASSETS		2,798,843	100.00	

* Non-traded / thinly traded investments

HISTORIAL PER UNIT STATISTICS

PER UNIT STATISTICS	as on 31.03.06
(a) Net Asset Value, per unit	
Growth	10.0671
Dividend	10.0066
(b) Gross Income:	
i) Income other than profit on sale of investment, per unit	0.0680
ii) profit on interscheme sale / transfer of investment, per unit	0.0000
iii) profit on sale of investment to third party, per unit	0.0000
iv) transfer to Revenue Account from past year's reserve per unit	0.0000
(c) Aggregate of expenses, write offs, amortisation and charges, per unit	0.0017
(d) Net unrealised (appreciation) / depreciation in value of investments	-
(e) Net Income, per unit	0.0663
(f) i) Highest traded price	
ii) Lowest traded price	
iii) Highest repurchase price / NAV *	
Growth	0.0000
Dividend	0.0000
iv) Highest resale price *	
Growth	10.0000
Dividend	10.0000
v) Lowest repurchase price / NAV*	
Growth	0.0000
Dividend	0.0000
vi) Lowest resale price*	
Growth	10.0000
Dividend	10.0000
vii) Price Earning Ratio	NA
viii) Ratio of Expenses to Average Net Assets (%)	
Regular Plan	0.20%
ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%)	8.27%

AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND - ABN AMRO FIXED TERM PLAN - SERIES 2 : 13 MONTHS PLAN

1. We have audited the attached Balance Sheet of ABN AMRO MUTUAL FUND - ABN AMRO FIXED TERM PLAN - SERIES 2 : 13 MONTHS PLAN ('the Scheme') as at March 31, 2006 and also the Revenue Account for the period from March 8, 2006 to March 31, 2006 ('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, 2006 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, 2006; 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, August 22, 2006

BALANCE SHEET

AS AT MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	2006
SOURCES OF FUNDS		
Unit capital	2(b) & 3	2,360,430
Reserves and surplus	2(b) & 4	9,374
Current liabilities	5	354
		2,370,158
APPLICATION OF FUNDS		
Investments	2(c), 6 & 15	2,182,994
Other current assets	7	187,164
		2,370,158

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: August 22, 2006

For and on behalf of

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

Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of

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

Romesh Sobti
Chairman

Mahendra Jajoo
Fund Manager

REVENUE ACCOUNT

FOR THE PERIOD FROM MARCH 08, 2006 TO MARCH 31, 2006

(All amounts in thousands of Rupees)

	Schedule	March 08, 2006 to March 31, 2006
INCOME		
Interest	2(d) & 8	8,699
		8,699
EXPENSES AND LOSSES		
Loss on sale/redemption of investments, net	2(d)	82
Management fee	9	123
Trusteeship fee	9	5
Custodian service charges		85
Registrar service charges		12
Publicity expenses		1
Audit fee		22
Other operating expenses		42
Expenses reimbursed by the AMC	10	(45)
		327
Surplus for the period		8,372
Surplus transferred to the balance sheet	4	8,372

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: August 22, 2006

For and on behalf of

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

Shariq Contractor
Director

Brijesh Mehra
Director

For and on behalf of

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

Romesh Sobti
Chairman

Mahendra Jajoo
Fund Manager

SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM MARCH 08, 2006 TO MARCH 31, 2006

(All amounts in thousands of Rupees unless specified otherwise)

1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan - Series 2 : 13 Months Plan ('the Scheme') was launched as an close ended fixed term income scheme with no assured returns on March 8, 2006 and the initial offer closed on March 10, 2006.

ABN AMRO Bank N.V. ('ABN AMRO') was the Sponsor for ABN AMRO Mutual Fund ('the Fund') since inception of the Fund. With effect from October 31, 2005, consequent to receipt of no objection letter from Securities and Exchange Board of India ('SEBI'), the controlling interest in ABN AMRO Asset Management (India) Limited and ABN AMRO Trustee (India) Private Limited was transferred from ABN AMRO Bank N.V. to ABN AMRO Asset Management (Asia) Limited ('AAAM Asia'), the new sponsor of the Fund.

In accordance with the 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 achieve growth of capital through investments made in a basket of fixed income securities in line with the duration of the Scheme.

The Scheme offers its investors the following plans :

Growth

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.

(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 fixed income securities other than Central Government 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.

3. UNIT CAPITAL

	Quantity 2006	Amount 2006
Units of Rs. 10 each fully paid up		
Growth		
Issued		
– new fund offer	233,325,504.612	2,333,255
Outstanding, end of period	233,325,504.612	2,333,255
Dividend		
Issued		
– new fund offer	2,717,500.000	27,175
Outstanding, end of period	2,717,500.000	27,175
Total		
Issued		
– new fund offer	236,043,004.612	2,360,430
Outstanding, end of period	236,043,004.612	2,360,430
		2006

4. RESERVES AND SURPLUS

Unrealised appreciation reserve	
Net unrealised appreciation in value of investments	1,002
Balance, end of period	1,002
Retained surplus	
Surplus transferred from revenue account	8,372
Balance, end of period	8,372
Total reserves and surplus	9,374
The share of the plans in the reserves and surplus is as follows:	
– Growth	9,266
– Dividend	108
	9,374

5. CURRENT LIABILITIES

Amount due to AMC for management fees	123
Trusteeship fee payable	5
Inter-Scheme Payable	63
Other current liabilities	163
	354

6. INVESTMENTS

Privately placed debentures and bonds	433,922
Other debentures and bonds	144,517
Certificates of deposit	1,604,555
	2,182,994
(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	143
– depreciation	–
Other debentures and bonds	
– appreciation	859
– depreciation	–
(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 Collateralised lending & Fixed deposits)	
– amount	3,869,665
– as a percentage of average daily net assets	163.56
Sales / Redemptions (excluding Collateralised lending & Fixed deposits)	
– amount	1,690,139
– as a percentage of average daily net assets	71.44

2006

- (iv) The aggregate purchases made by the schemes during the current year and the fair value of such investments as at March 31, 2006 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, 2006
valued in good faith

578,439
7. OTHER CURRENT ASSETS

Balances with banks in current accounts	5,201
Receivable from AMC	45
Collateralised lending	169,499
Outstanding and accrued income	12,419
	187,164

**March 8, 2006
to March 31, 2006**
8. INTEREST

Debentures and bonds	3,106
Money market instruments	2,549
Collateralised lending	3,044
	8,699

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, 2006, the Scheme has paid management fee at an average rate of 0.10 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.

10. The AMC has borne Rs. 0.45 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations / Offer Document, chargeable to the Scheme.

**March 8, 2006
to March 31, 2006**
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	8,699
– as a percentage of average daily net assets	7.06
Expenditure (excluding realised loss on sale of investments)	
– amount	245
– as a percentage of average daily net assets	0.20

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	2006
ABN AMRO Bank N.V.	Bank Charges	6

13. NET ASSET VALUE

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

Growth	Rs. 10.0397
Dividend	Rs. 10.0397

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, 2006 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2006, as well as the aggregate investments in each investment category.

Industry and Company Particulars	Quantity	Amount (Rs.)	Percentage to Net Assets	Percentage to Investment category
DEBENTURES & BONDS				
(a) Privately placed Debentures and Bonds				
Finance (Asset Backed Securities)				
BHPC Auto Securitisation Trust *	25	99,979	4.22	23.04
UBL Trust Series *	32	333,943	14.09	76.96
Total	57	433,922	18.31	100.00

Industry and Company Particulars	Quantity	Amount (Rs.)	Percentage to Net Assets	Percentage to Investment category
b) Others Debentures and Bonds				
Non Banking Finance				
Citifinancial Consumer Finance India Ltd.*	1,500,000	144,517	6.10	100.00
Total	1,500,000	144,517	6.10	100.00
CERTIFICATES OF DEPOSIT				
Banks				
Bharat Overseas Bank	86,000,000	83,701	3.53	5.22
HDFC Bank Ltd.	150,000,000	146,364	6.18	9.12
HDFC Bank Ltd.	100,000,000	95,652	4.04	5.96
ING Vysya Bank	50,000,000	49,269	2.08	3.07
Jammu & Kashmir Bank	100,000,000	98,993	4.18	6.17
Kotak Mahindra Bank Ltd.	260,000,000	254,575	10.74	15.87
State Bank of Bikaner & Jaipur	250,000,000	241,924	10.21	15.08
State Bank of Patiala	350,000,000	341,590	14.41	21.29
State Bank of Travancore	250,000,000	243,710	10.28	15.19
UTI Bank Ltd.	50,000,000	48,777	2.06	3.04
Total	1,646,000,000	1,604,555	67.71	100.00
OTHER CURRENT ASSETS		187,164	7.89	
TOTAL ASSETS		2,370,158	100.01	
LESS: CURRENT LIABILITIES		354	0.01	
NET ASSETS		2,369,804	100.00	

* Non-traded / thinly traded investments

HISTORIAL PER UNIT STATISTICS

PER UNIT STATISTICS	as on 31.03.06
(a) Net Asset Value, per unit	
Growth	10.0397
Dividend	10.0397
(b) Gross Income:	
i) Income other than profit on sale of investment, per unit	0.0369
ii) profit on interscheme sale / transfer of investment, per unit	0.0000
iii) profit on sale of investment to third party, per unit	0.0000
iv) transfer to Revenue Account from past year's reserve, per unit	0.0000
(c) Aggregate of expenses, write offs, amortisation and charges, per unit	0.0014
(d) Net unrealised (appreciation) / depreciation in value of investments	0.0000
(e) Net Income, per unit	0.0355
(f) i) Highest traded price	
ii) Lowest traded price	
iii) Highest repurchase price / NAV *	
Growth	0.0000
Dividend	0.0000
iv) Highest resale price *	
Growth	10.0000
Dividend	10.0000
v) Lowest repurchase price / NAV*	
Growth	0.0000
Dividend	0.0000
vi) Lowest resale price*	
Growth	10.0000
Dividend	10.0000
vii) Price Earning Ratio	NA
viii) Ratio of Expenses to Average Net Assets (%)	
Regular Plan	0.20%
ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%)	7.46%

ATTACHMENT I

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 financial year 2005-2006.

Name of Company	Scheme(s) in which the company has invested	Scheme(s) which have invested in securities of the mentioned company	Aggregate purchases in the Company for the period covered under regulation 25(11) (Rs. in lacs) (Note 1)	Market / Fair Value of Investments as at March 31, 2006 (Rs. in lacs)
Aditya Birla Nuvo Ltd.	AAFDf	AAOF	140.29	—
Allahabad Bank	AAFLF AAEF	AAEF AAMIP AACF AAOF AADYF	82.00 7.38 2,465.58 172.20 1,127.95	— — — — 257.94
Bank of Baroda	AACF	AADYF AAEF	17.98 25.39	— —
Bank of India	AACF AAFRF	AAEF AAMIP AACF AAOF AATAP	1,230.21 552.16 500.00 1,284.89 62.32	472.90 — — 452.73 —
Bharti Tele-Ventures Limited	AACF AAFRF AAFDf	AAEF AAMIP AAOF	2,688.29 69.74 734.44	— — —
Finolex Industries Limited	AAMIP	AADYF	445.22	260.38
Grasim Industries Ltd.	AAFDf	AAEF AAMIP AAOF	3,034.99 50.14 1,404.12	982.76 59.81 697.11
Gujarat Ambuja Cements Ltd.	AACF	AAEF AAMIP AAOF AADYF AATAP	1,560.63 57.27 902.05 199.97 398.39	— — — 175.61 —
HCL Technologies Ltd.	AALTRF AAFTP-1	AAEF AAOF AADYF	1,995.32 1,390.52 2,032.67	523.05 559.12 632.00
HDFC Bank Ltd.	AALTRF AAFRF AACF	AACF AAFRF AALTRF AATAP AAFTP-2 : QA AAFTP-2 : TM	17,278.88 5,024.43 1,500.00 494.41 2,448.01 —	4,728.20 — — — 3,401.74 1,463.41
Hero Honda Motors Ltd.	AALTRF AAFRF AACF AAFTP-2 : QA	AAEF AAMIP AADYF	540.47 13.55 3,029.58	— — 636.95
Hindustan Lever Limited	AACF AAFTP-1 AAFTP-2 : QA AAFTP-2 : TM	AAEF AAMIP AAOF AADYF	99.65 48.94 49.59 308.01	— 59.84 322.59 —
Hindustan Zinc Limited	AAFTP-1	AAMIP AAOF AATAP	49.82 693.64 484.95	— — —
ICICI Bank Ltd.	AAFRF	AAEF AAMIP AACF AAFRF AAOF AATAP AAFTP-1 AALTRF	2,569.58 45.10 41,637.47 5,529.06 1,883.36 649.41 4,748.09 —	— — 1,502.57 — — — 2,327.63 1,001.72
Infosys Technologies Limited	AACF	AAEF AAMIP AAOF AATAP	3,976.31 47.48 2,275.85 397.41	710.02 — 596.34 —

Name of Company	Scheme(s) in which the company has invested	Scheme(s) which have invested in securities of the mentioned company	Aggregate purchases in the Company for the period covered under regulation 25(11) (Rs. in lacs) (Note 1)	Market / Fair Value of Investments as at March 31, 2006 (Rs. in lacs)
IDFC	AACF AAFRF AALTRF	AAEF AAFDf AAMIP AACF AAFRF AAOF AAFDf AAMIP AACF	122.14 2,445.87 38.67 8,654.14 496.34 164.55 251.00 251.00 14,924.30	— — — — — — — — —
ITC Ltd.	AACF AAFRF	AAEF AAMIP AAOF AATAP	3,374.07 75.14 1,574.35 378.22	643.60 65.38 — —
Larsen & Toubro Ltd.	AAEF AAOF	AAEF AAMIP AACF AAOF AATAP	2,957.83 29.42 2,500.00 1,304.44 271.15	— — — — —
Mahindra & Mahindra Ltd.	AAFDf	AAEF AFDf AAMIP AACF AAFRF AAOF AADYf AALTRF AATAP AAFTP-1	2,123.95 2,009.74 20.00 15,263.28 5,701.60 1,153.92 2,000.00 1,000.00 468.36 1,500.00	593.62 — 46.72 — — 635.40 — — — —
Maruti Udyog Limited	AAFTP-2 : TM	AAEF AAMIP AAOF AATAP	4,024.59 108.53 1,323.51 400.91	656.06 27.10 663.59 —
Reliance Industries Ltd.	AACF AAFRF AAFDf	AAEF AAMIP AACF AAOF AATAP	5,190.46 101.35 1,036.97 3,430.24 409.23	668.09 — — 677.03 —
Sterlite Industries (India) Ltd.	AACF AAFRF AALTRF	AAEF AAFDf AAMIP AACF AAFRF AAOF AAFTP-1	1,330.23 2,000.00 14.81 14,100.00 7,100.00 1,900.00 —	— — — — — — —
Syndicate Bank	AAFRF	AAEF AAMIP AAOF AADYf AATAP	621.86 47.34 906.44 614.24 491.10	494.00 — 519.15 291.74 —
Wipro Limited	AAFTP-2 : QA AACF	AAEF AAOF	820.02 677.43	620.43 517.44

The above investments were made as per the investment objectives of the respective Scheme(s).

Note 1: Excludes inter-scheme transfers / sale

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
AADYf	ABN AMRO DIVIDEND YIELD FUND
AALTRF	ABN AMRO LONG TERM FLOATING RATE FUND
AATAP	ABN AMRO TAX ADVANTAGE PLAN (ELSS)
AAFTP-1	ABN AMRO FIXED TERM PLAN - SERIES 1
AAFTP-2 : QA	ABN AMRO FIXED TERM PLAN - SERIES 2 : QUARTERLY PLAN A
AAFTP-2 : TM	ABN AMRO FIXED TERM PLAN - SERIES 2 : 13 MONTHS PLAN

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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 financial year 2004-2005.

Name of 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 AAOF	1,711.72 198.38	— 197.96
Gujarat Ambuja Cements Ltd.	AACF	AAEF AAOF	696.90 198.08	— 196.25
Hero Honda Motors Ltd.	AAFRF AACF	AAEF AAMIP	540.47 13.55	— —
HDFC	AACF	AACF AAFRF	2,475.21 —	480.72 2,000.00
ICICI Securities Limited	AACF AAFRF	AACF AAFRF	500.00 2,000.00	— —
IDBI	AACF	AACF AAFRF	7,500.00 2,443.19	— —
IDFC	AACF	AAEF AAFRF AAFDf AAMIP AACF	— 496.34 2,445.87 — 8,654.14	494.70 2,992.95 920.15 158.30 4,338.54
ITC Ltd.	AAFRF AACF	AAEF AAMIP AAOF	2,613.08 25.80 460.29	— — 469.72
Jubilant Organosys Ltd.	AACF	AAEF	466.35	445.54
Larsen & Toubro Ltd.	AAFRF	AAEF AAOF AAMIP	2,555.50 307.63 29.42	529.74 309.27 14.99
L&T Finance Ltd.	AAFRF	AACF	1,000.00	—
Raymond Ltd.	AACF	AAFDf AACF AAFRF	1,500.00 7,000.00 3,500.00	— — —
Sterlite Industries Ltd.	AACF AAFRF	AAEF AAMIP AACF AAFRF	1,310.54 14.81 4,400.00 3,600.00	615.42 14.27 — —
Union Bank of India	AACF	AAEF	678.90	393.19
UTI Bank Limited	AAFRF AACF	AAFRF AACF	975.83 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

Investment Objective:

ABN AMRO Equity Fund: 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. **ABN AMRO Opportunities Fund :** The investment objective is to generate long-term capital growth from an actively managed portfolio of equity and equity related securities. The Scheme will aim to identify attractive investment opportunities in companies across all ranges of market-capitalization viz. large, medium and small-capitalization and across all sizes in terms of turnover, balance sheet size etc. The Scheme has the flexibility to actively shift portfolio concentration between different market capitalization buckets. The Scheme also retains the flexibility to hold from time to time relatively more concentrated investments in a few sectors than plain diversified equity funds. **ABN AMRO Dividend Yield Fund:** To generate long term capital growth from an actively managed portfolio of equity and equity related securities, primarily being high dividend yield stocks. High dividend yield stocks are defined as stocks of companies that have a dividend yield in excess of the dividend yield of the BSE Sensitive Index (BSE Sensex), at the time of investment. Statutory Details: Sponsor: ABN AMRO Asset Management (Asia) Ltd. **ABN AMRO Tax Advantage Plan (ELSS):** 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 along with income tax rebate, as may be prevalent from time to time. However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee / indicate any returns.

Statutory Details:

Sponsor: ABN AMRO Asset Management (Asia) Ltd. **Trustees:** ABN AMRO Trustee (India) Private Limited. **Investment Manager / AMC:** ABN AMRO Asset Management (India) Limited. ABN AMRO Mutual Fund (the Fund) was set up as a Trust under the Indian Trusts Act, 1882 by ABN AMRO Bank N.V. in 2004 acting as a Settlor and consequent to the change in controlling interest of the AMC, the Sponsor would act as the Settlor w.e.f. October 31, 2005. ABN AMRO Trustee (India) Private Limited, a company incorporated under the Companies Act, 1956 with a limited liability, is the Trustee to the Fund. ABN AMRO Asset Management (India) Limited, a company incorporated under the Companies Act, 1956 with a limited liability, has been appointed as the Investment Manager to the Fund. 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 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 Schemes 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 Equity Fund, ABN AMRO Opportunities Fund, ABN AMRO Dividend Yield Fund and ABN AMRO Tax Advantage Plan (ELSS) 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 advice or offer to sale / purchase any of the Schemes of ABN AMRO Mutual Fund. Investment decisions made by the AMC 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 AMC offices / Investor Service Centres / Distributors/AMC web- site: <http://www.assetmanagement.abnamro.co.in/>.



Names & Investment Objectives:

ABN AMRO Flexi Debt Fund: 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** (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 Long Term Floating Rate Fund:** The primary objective of the Scheme is to provide income consistent with the prudent risk from a portfolio comprising of floating rate debt instruments, fixed rate debt instruments, money market instruments and derivatives. However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme do not guarantee / indicate any returns. **ABN AMRO Fixed Tem Plan - Series 1:** The investment objective of the scheme is to seek to achieve growth of capital through investments made in a basket of fixed income securities in line with the duration of the scheme. The Scheme does not guarantee / indicate any returns. **ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan A:** The investment objective of the scheme is to seek to achieve growth of capital through investments made in a basket of fixed income securities in line with the duration of the scheme. The Scheme does not guarantee / indicate any returns. **ABN AMRO Fixed Term Plan - Series 2: 13 Months Plan:** The investment objective of the scheme is to seek to achieve growth of capital through investments made in a basket of fixed income securities in line with the duration of the scheme. The Scheme does not guarantee / indicate any returns. **ABN AMRO Floating Rate Fund:** 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. **ABN AMRO Cash Fund:** 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.

Statutory Details:

Sponsor: ABN AMRO Asset Management (Asia) Ltd. **Trustees:** ABN AMRO Trustee (India) Private Limited. **Investment Manager / AMC:** ABN AMRO Asset Management (India) Limited. ABN AMRO Mutual Fund (the Fund) was set up as a Trust under the Indian Trusts Act, 1882 by ABN AMRO Bank N.V. in 2004 acting as a Settlor and consequent to the change in controlling interest of the AMC, the Sponsor would act as the Settlor w.e.f. October 31, 2005. ABN AMRO Trustee (India) Private Limited, a company incorporated under the Companies Act, 1956 with a limited liability, is the Trustee to the Fund. ABN AMRO Asset Management (India) Limited, a company incorporated under the Companies Act, 1956 with a limited liability, has been appointed as the Investment Manager to the Fund. 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 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 Schemes 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 (Monthly income is not assured and is subject to availability of distributable surplus.), ABN AMRO Flexi Debt Fund, ABN AMRO Long Term Floating Rate Fund, ABN AMRO Fixed Term Plan - Series 1, ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan A, ABN AMRO Fixed Term Plan - Series 2: 13 Months Plan, 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 AMC 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 AMC offices / Investor Service Centres / Distributors/AMC web- site: www.assetmanagement.abnamro.co.in.

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