## TRUSTEE REPORT

Dear Sir / Madam,

ABN AMRO Mutual Fund (the "Fund") commenced its operations in the month of August 2004. The Fund manages 29 Schemes as on March 31, 2007 with Assets under Management of Rs.5191.91 Crores, which have increased from Rs.2769.27 Crores as on March 31, 2006 showing an increase of 87%. It gives us pleasure in presenting the Third Annual Report of the Schemes of the Fund for the year ended March 31, 2007.

**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, biased 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 well-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 Managers the recent tightening measures by Central Bank have led to moderation in credit growth, stabilisation in asset prices and softening of the inflation. Recent turbulence of sub prime market in US has led to significant volatility in Global market including moderation in the market, valuation parameters. Current economic indicator suggests a slow down in US economy going forward. Market participants now expect FED to cut interest rates before the end of the year. Accordingly interest rates are expected to be stable with downward biases in the immediate future.

**DIRECTORS OF THE ABN AMRO ASSET MANAGEMENT (INDIA) LIMITED:**

| | |
|---|---|
| **Mr. Romesh Sobti** | Associate Director |
| **Mr. Arne Lindman** | Associate Director |
| **Mr. Nikhil Johri** | Associate Director |
| **Mr. Rajan Ray** | Independent Directors |
| **Mr. Arun Nanda** | Independent Director |
| **Mr. Ninad Karpe** | Independent Director |

**DIRECTORS OF THE ABN AMRO TRUSTEE (INDIA) PRIVATE LIMITED:**

| | |
|---|---|
| **Mr. Pradip Nayak** | Independent Director |
| **Mr. Pradyumna Naware** | Independent Director |
| **Mr. Shariq Contractor** | Independent Director |
| **Mr. Gururajan Sethu** | Independent Director |
| **Mr. Kalpathi Sridhar** | Associate Director |
| **Mr. A. Dhananjaya*** | Associate Director |

* Appointed as an Associate Director w.e.f. July 31, 2007.

**Risk Management System:**

SEBI vide its circular dated September 30, 2002, has mandated the establishment of a full- fledged risk- management framework for mutual funds in India. In the opinion of the Trustees and to the best of their knowledge, the management system in ABN AMRO Mutual Fund is adequate.

**PERFORMANCE OF THE SCHEMES AS ON MARCH 31, 2007**

**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.

| | Compounded Annual Growth Rate (%) Since Inception | Compounded Annual Growth Rate (%) Last 1 Year |
|---|---|---|
| AAEF - Growth Option | 44.31 | 5.22 |
| S & P CNX Nifty | 37.12 | 12.31 |

Period: September 23, 2004 - March 30, 2007. 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 since inception. Outperforming the benchmark Index by 7%. Last year's performance of the benchmark has been concentrated to the top 5-10 shares, being underweight on those has negatively impacted our relative performance to some extent.

**INVESTMENT IN FOREIGN SECURITIES BY MUTUAL FUNDS**

No Scheme has invested in foreign securities yet.

In term of SEBI's letter dated December 8, 2006 having reference No.IMD/81816/06 and subsequent updation, prevailing limits of foreign investments by ABN AMRO Mutual Fund is as follows:

(1) ADRs / GDRs / Foreign Securities - 10% of the net assets managed as on March 31, 2007 i.e. Rs. 519.19 Crores.

(2) Overseas ETFs - US $50 million.

**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 28, 2007

## 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, 2007 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. 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.
   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 Ninth Schedule 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, 2007; and
      b) in the case of the revenue account, of the surplus for the year ended on that date.
      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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | 2006 |
|---|---|---|---|
| **SOURCES OF FUNDS** | | | |
| Unit capital (Including initial capital) | 2(b) & 3 | **889,640** | 1,183,587 |
| Reserves and surplus | 2(b) & 4 | **541,892** | 1,129,163 |
| Current liabilities | 5 | **399,221** | 124,849 |
| | | **1,830,753** | 2,437,599 |
| **APPLICATION OF FUNDS** | | | |
| Investments | 2(c), 6 & 16 | **1,491,956** | 2,264,881 |
| Other current assets | 7 | **338,797** | 172,718 |
| | | **1,830,753** | 2,437,599 |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee (India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Prateek Agrawal**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | AUGUST 1, 2005 TO MARCH 31,2006 |
|---|---|---|---|
| **INCOME** | | | |
| Dividend | 2(d) | **30,926** | 24,627 |
| Interest | 2(d) & 8 | **6,845** | 3,719 |
| Profit on sale/redemption of investments, net | 2(d) | **890,228** | 966,769 |
| | | **927,999** | 995,115 |
| **EXPENSES AND LOSSES** | | | |
| Change in provision for net unrealised loss in value of investments | 2(c) & 6(ii) | **-** | (1) |
| Loss on inter-scheme transfer/sale of investments, net | 2(d) | **5,734** | 7 |
| Management fee | 9 | **25,640** | 24,144 |
| Trusteeship fee | 9 | **89** | 85 |
| Custodian service charges | | **1,725** | 1,591 |
| Registrar service charges | | **3,896** | 5,132 |
| Commission to distributors | | **16,230** | 13,887 |
| Publicity expenses | | **2,418** | 2,031 |
| Audit fee | | **230** | 337 |
| Other operating expenses | | **4,338** | 3,993 |
| | | **60,300** | 51,206 |
| Surplus for the year | | **867,699** | 943909 |
| Equalisation Debit | 2(e) | **(95,120)** | (77,851) |
| Transfer from unit premium reserve | | **933,540** | |
| Income distribution on capital account | | **(672,739)** | (471,738) |
| | | **1,033,380** | 394,320 |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee (India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Prateek Agrawal**
*Fund Manager*

## CASH FLOW STATEMENT

FOR THE YEAR FROM APRIL 2006 TO MARCH 2007

(All amounts in thousands of Rupees)

| | | | **2007** | 2006 |
|---|---|---|---|---|
| **A.** | **Cash flow from Operating Activity** | | | |
| | Surplus for the period | | **867,699** | 943,909 |
| | Adjustments for:- | | | |
| | Investments (at cost) made, net | | **(37,656)** | 107,104 |
| | Other current assets receivable | | **(842)** | 2,918 |
| | Current liabilities incurred | | **(57,138)** | (3,674) |
| | Change in provision for net unrealised loss in value of investments | | - | (1) |
| | **Net cash used in operations** | **(A )** | **772,063** | 1,050,256 |
| **B** | **Cash flow from Financing Activities** | | | |
| | Proceeds from issuance of unit capital, net | | **(293,847)** | (409,453) |
| | Unit premium received/(paid) thereon, net | | **(162,378)** | (230,270) |
| | Adjustments for:- | | | |
| | Sundry creditors for units redeemed by investors | | **356,124** | (9,157) |
| | Sundry debtors for units issued to investors | | **5,301** | 11,302 |
| | Dividend paid during the period | | **(672,739)** | (471,732) |
| | Loan taken for redemption | | | 60,000 |
| | **Net cash generated from financing activities** | **( B )** | **(767,540)** | (1,049,310) |
| | **Net Cash and cash equivalents** | **(A+B)** | **4,523** | **946** |
| | Cash and cash equivalents, beginning of the period | | **7,042** | 6,096 |
| | Cash and cash equivalents, end of the period | | **11,567** | 7,042 |
| | **Components of cash and cash equivalents** | | | |
| | Balances with banks in current accounts | | **4,734** | 7,042 |
| | Collateralised Lending | | **6,732** | - |
| | | | **11,465** | 7,042 |

For **S.R. Batliboi & Co.**
**Chartered Accountants**
**Per Viren H. Mehta**
*Partner*
Membership No. 048749
*Mumbai*
Date: August 28, 2007

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

**ABN AMRO Asset Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Prateek Agrawal**
*Fund Manager*

# SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

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

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

The Scheme offers its investors the 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 Bombay Stock Exchange Limited 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**

| | **Quantity 2007** | Quantity 2006 | **(Rs. in 000's) Amount 2007** | **(Rs. in 000's)** Amount 2006 |
|---|---|---|---|---|
| Initial Capital | | | | |
| Units of Rs 10 each fully paid up | | | | |
| **Growth Plan** | | | | |
| Outstanding, beginning of year | **28,286,676.505** | 59,034,048.180 | **282,866** | 590,340 |
| Issued during the year | **23,423,979.888** | 35,564,098.056 | **234,240** | 355,641 |
| Redeemed during the year | **(33,645,940.561)** | (66,311,469.731) | **(336,459)** | (663,115) |
| Outstanding, end of year | **18,064,715.832** | 28,286,676.505 | **180,647** | 282,866 |
| **Dividend Plan** | | | | |
| Outstanding, beginning of year | **90,062,068.950** | 100,259,986.532 | **900,621** | 1,002,600 |
| Issued during the year | **134,335,435.428** | 155,399,479.700 | **1,343,354** | 1,553,995 |
| Redeemed during the year | **(153,498,224.461)** | (165,597,397.282) | **(1,534,982)** | (1,655,974) |
| Outstanding, end of year | **70,899,279.917** | 90,062,068.950 | **708,993** | 900,621 |
| **Total** | | | | |
| Initial Capital | | | | 100 |
| Outstanding, beginning of year | **118,348,745.455** | 159,294,034.712 | **1,183,487** | 1,592,940 |
| Issued during the year | **157,759,415.316** | 190,963,577.756 | **1,577,594** | 1,909,636 |
| Redeemed during the year | **(187,144,165.022)** | (231,908,867.013) | **(1,871,441)** | (2,319,089) |
| Outstanding, end of year | **88,963,995.749** | 118,348,745.455 | **889,640** | 1,183,587 |

| 4. RESERVES AND SURPLUS | (Rs. in 000's) | (Rs. in 000's) |
|---|---|---|
| | **Amount 2007** | Amount 2006 |
| **Unit premium reserve** | | |
| Balance, beginning of year | **(321,006)** | (168,587) |
| Net premium on issue/redemption of units | **(162,378)** | (230,270) |
| Equalisation, net | **95,120** | 77,851 |
| Transfer to revenue account | **(933,540)** | |
| Balance, end of year | **(1,321,804)** | (321,006) |
| **Unrealised appreciation reserve** | | |
| Balance, beginning of year | **649,215** | 275,380 |
| Change in unrealised appreciation in value of investments | **(619,853)** | 373,834 |
| Balance, end of year | **29,362** | 649,215 |
| **Retained surplus** | | |
| Balance, beginning of year | **800,954** | 406,634 |
| Surplus transferred from revenue account | **1,033,380** | 394,320 |
| Balance, end of year | **1,834,334** | 800,954 |
| Total reserves and surplus | **541,892** | 1,129,163 |
| **The share of the plans in the reserves and surplus is as follows:** | | |
| - Growth Plan | **274,230** | 393,946 |
| - Dividend Plan | **267,662** | 735,217 |
| | **541,892** | 1,129,163 |

| 5. CURRENT LIABILITIES | | |
|---|---|---|
| Amount due to AMC for management fees | **1,584** | 2,459 |
| Trusteeship fee payable | **44** | 45 |
| Sundry creditors for units redeemed by investors | | |
| - Lateral shifts | **7,771** | 1,819 |
| - Others | **377,127** | 26,955 |
| Load pending utilisation | **-** | 1,458 |
| Contract for purchase of investments | **-** | 24,614 |
| Loan from Bank | **-** | 60,000 |
| Dividend payable on units | **(158)** | 6 |
| Other current liabilities | **12,853** | 7,493 |
| | **399,221** | 124,849 |

| 6. INVESTMENTS | | |
|---|---|---|
| Central government securities | **1,358,096** | 2,264,881 |
| Commercial paper | **39,633** | - |
| Certificate of Deposits | **94,227** | - |
| | **1,491,956** | 2,264,881 |

(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 | **84,535** | 670,063 |
| - depreciation | **55,173** | 20,848 |

(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 | **9,050,212** | 5,248,398 |

**6. INVESTMENTS** *(Contd.)*

| | **(Rs. in 000's)** | (Rs. in 000's) |
|---|---|---|
| | **Amount 2007** | Amount 2006 |
| - as a percentage of average daily net assets | **391.13** | 242.48 |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | | |
| - amount | **10,089,337** | 6,445,381 |
| - as a percentage of average daily net assets | **436.03** | 297.78 |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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**

| | | |
|---|---|---|
| Sundry debtors for units issued to investors | | |
| - Lateral shifts | **927** | 1,302 |
| - Others | **764** | 5,690 |
| Balances with banks in current accounts | **4,734** | 7,042 |
| Receivable from AMC | **9** | 15 |
| Contracts for sale of investments | **324,782** | 158,669 |
| Collateralised Lending | **6,732** | - |
| Outstanding and accrued income & Dividend receivable | **849** | - |
| | **338,797** | 172,718 |

**8. INTEREST**

| | | |
|---|---|---|
| Debentures and bonds | **1,305** | 164 |
| Money market instruments | **1,958** | 582 |
| Collateralised Lending | **3,582** | 2,973 |
| | **6,845** | **3,719** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) under an agreement with the AMC, which provides for computation of such fee at an annual rate of 1.25 per cent of the Scheme's average daily net assets up to Rs 1 billion and at an annual rate of 1 per cent of the average daily net assets in excess of that amount (2005-06 — 1.25 per cent of the Scheme's average daily net assets up to Rs 1 billion and at an annual rate of 1 per cent of the average daily net assets in excess of that amount), after excluding the net asset value of the AMC's investment in the Scheme and the net asset value of the investments made in other schemes, if any.

The Scheme pays fees for Trusteeship services under an agreement with the Trustee, which provides for computation of such fee at 0.01 per cent of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum. (2005-06 : 0.01 per cent of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum)

**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:

| | | |
|---|---|---|
| *Income* | | |
| - amount | **927,999** | 995,115 |
| - as a percentage of average daily net assets | **40.11** | 45.97 |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | | |
| - amount | **54,565** | 51,200 |
| - as a percentage of average daily net assets | **2.36** | 2.37 |

**11. RELATED PARTY TRANSACTIONS**

The Scheme has entered into transactions with certain 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 |
| ABN AMRO BANK N.V. | 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**

1 ABN AMRO CASH FUND
2 ABN AMRO FLOATING RATE FUND
3 ABN AMRO MONTHLY INCOME PLAN
4 ABN AMRO FLEXI DEBT FUND
5 ABN AMRO EQUITY FUND
6 ABN AMRO OPPORTUNITIES FUND
7 ABN AMRO DIVIDEND YIELD FUND
8 ABN AMRO LONG TERM FLOATING RATE FUND
9 ABN AMRO TAX ADVANTAGE PLAN
10 ABN AMRO FIXED TERM PLAN - SERIES 1
11 ABN AMRO FIXED TERM PLAN SERIES 2 QUARTERLY PLAN A
12 ABN AMRO FIXED TERM PLAN SERIES 2 (13 MONTHS) PLAN
13 ABN AMRO FUTURE LEADERS FUND
14 ABN AMRO FIXED TERM PLAN - SERIES 2 QUARTERLY PLAN B
15 ABN AMRO FIXED TERM PLAN - SERIES 2 QUARTERLY PLAN C
16 ABN AMRO FIXED TERM PLAN - SERIES 2 QUARTERLY PLAN D
17 ABN AMRO FIXED TERM PLAN - SERIES 2 QUARTERLY PLAN E
18 ABN AMRO FIXED TERM PLAN - SERIES 2 HALF YEARLY PLAN A
19 ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN A
20 ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN B
21 ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN C
22 ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN D
23 ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN E
24 ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN F
25 ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN G
26 ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN H
27 ABN AMRO FIXED TERM PLAN - SERIES 3: YEARLY PLAN A
28 ABN AMRO FIXED TERM PLAN - SERIES 4: QUARTERLY PLAN A
29 ABN AMRO FIXED TERM PLAN - SERIES 4: QUARTERLY PLAN B
30 ABN AMRO FIXED TERM PLAN - SERIES 4: QUARTERLY PLAN C
31 ABN AMRO FIXED TERM PLAN - SERIES 4: QUARTERLY PLAN D
32 ABN AMRO FIXED TERM PLAN - SERIES 4: QUARTERLY PLAN E
33 ABN AMRO FIXED TERM PLAN - SERIES 4: SIXTEEN MONTHS PLAN
34 ABN AMRO FIXED TERM PLAN - SERIES 4: SEVENTEEN MONTHS PLAN
35 ABN AMRO FIXED TERM PLAN - SERIES 4: HALF YEARLY PLAN A
36 ABN AMRO FIXED TERM PLAN- SERIES 5: THIRTEEN MONTHS PLAN
37 ABN AMRO FIXED TERM PLAN- SERIES 5: FOURTEEN MONTHS PLAN
38 ABN AMRO FIXED TERM PLAN - SERIES 6: QUARTERLY PLAN B
39 ABN AMRO FIXED TERM PLAN - SERIES 6: QUARTERLY PLAN C
40 ABN AMRO DUAL ADVANTAGE FUND PLAN A SERIES I
41 ABN AMRO DUAL ADVANTAGE FUND PLAN B SERIES 1
42 ABN AMRO MULTI MANAGER FUND
43 ABN AMRO MULTI MANAGER FUND-SERIES 2A
44 ABN AMRO MULTI MANAGER FUND-SERIES 2B
45 ABN AMRO MULTI MANAGER FUND SERIES 3

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

Year ended March 2007

| Associate | Nature of transactions | Year ended March 2007 | Balance as at March 31, 2007 | Year ended March 2006 | Balance as at March 31, 2006 |
|---|---|---|---|---|---|
| AACF | Purchase of investments | 1,008,037 | - | 291,613 | - |
| | Sale of investments | 236,943 | - | 236,435 | - |
| AAFDF | Purchase of investments | - | - | 86,952 | - |
| | Sale of investments | 151,204 | - | - | - |
| AAFTP-1 | Purchase of investments | - | - | - | - |
| | Sale of investments | 162,710 | - | - | - |
| AAFTPS2 | Purchase of investments | 255,465 | - | - | - |
| | Sale of investments | 221,649 | - | - | - |
| AAFT-YP | Purchase of investments | 228,811 | - | - | - |
| | Sale of investments | 187,399 | - | - | - |

| Associate | Nature of transactions | Year ended March 2007 | Balance as at March 31, 2007 | Year ended March 2006 | Balance as at March 31, 2006 |
|---|---|---|---|---|---|
| AALTFRF | Purchase of investments | 24,852 | - | - | - |
| | Sale of investments | 128,603 | - | - | - |
| Schemes under | Purchase of investments | 109,391 | - | 331,611 | - |
| common control | Sale of investments | 134,660 | - | 172,531 | - |
| ABN AMRO Trustee | | | | | |
| (India) Private Limited | Fees for trusteeship services | 89 | 44 | 85 | 45 |
| ABN AMRO Asset | Fees for investment | | | | |
| Management (India) Ltd | management services | 25,640 | 1,584 | 24,144 | 2,459 |
| ABN AMRO Bank N.V. | Bank charges | 41 | - | 91 | 28 |
| | Commission paid for procuring | 16,194 | 959 | 27,497 | 4,224 |
| | unit capital Collateralised lending | - | | 403,631 | |
| | (first leg)Interest on cllateralised lending | - | | 101 | |
| | Borrowings by the scheme | - | | 130,000 | 60,000 |
| | Interest on Borrwoing born by scheme | - | | 55 | |
| ABN AMRO Asia Equities (India) Ltd. | Brokerage | 3,204 | - | 1,801 | - |

**12. SEGMENT REPORTING**

The Scheme operates in one segment only viz. to primarily generate attractive returns from a diverse and activelymanaged portfoilio of equity and equity related instruments.

**13. NET ASSET VALUE**

| Net asset value of each unit of Rs 10 of the Scheme | **2007** | 2006 |
|---|---|---|
| Growth Plan | Rs. 25.18 | Rs. 23.93 |
| Dividend Plan | Rs. 13.78 | Rs. 18.16 |

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**

Prior year amounts have been reclassified & regrouped wherever applicable, to conform to current year's presentation.

**15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **EQUITY SHARES** | | | | |
| **AUTO** | **85,325** | **68,379** | **4.78** | **5.04** |
| Maruti Udyog Ltd. | 45,000 | 36,909 | 2.58 | 2.72 |
| Mahindra & Mahindra Ltd. | 40,325 | 31,470 | 2.20 | 2.32 |
| **BANKS** | **281,449** | **78,351** | **5.48** | **5.77** |
| Bank of India | 236,049 | 39,609 | 2.77 | 2.92 |
| ICICI Bank Ltd. | 45,400 | 38,742 | 2.71 | 2.85 |
| **CEMENT** | **559,100** | **105,487** | **7.36** | **7.76** |
| Century Textile & Industries Ltd. | 85,600 | 46,699 | 3.26 | 3.44 |
| Gujarat Ambuja Cements Ltd. | 323,900 | 34,560 | 2.41 | 2.54 |
| India Cements Ltd. | 149,600 | 24,228 | 1.69 | 1.78 |
| **CONSTRUCTION** | **211,090** | **81,787** | **5.71** | **6.02** |
| Unitech Ltd. | 211,090 | 81,787 | 5.71 | 6.02 |
| **DIVERSIFIED** | **420,373** | **113,881** | **7.95** | **8.38** |
| Larsen & Toubro Ltd. | 48,900 | 79,223 | 5.53 | 5.83 |
| DCM Shriram Consolidated Ltd. | 371,473 | 34,658 | 2.42 | 2.55 |
| **FERROUS METALS** | **504,300** | **91,445** | **6.39** | **6.74** |
| Steel Authority of India Ltd. | 403,500 | 46,120 | 3.22 | 3.40 |
| Tata Steel Ltd. | 100,800 | 45,325 | 3.17 | 3.34 |

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **FINANCE** | **769,949** | **69,899** | **4.88** | **5.14** |
| Infrastructure Development Finance | 505,200 | 42,286 | 2.95 | 3.11 |
| Power Finance Corporation Ltd. | 264,749 | 27,613 | 1.93 | 2.03 |
| **HOTELS** | **230,467** | **33,637** | **2.35** | **2.48** |
| Indian Hotels Co. Ltd. | 230,467 | 33,637 | 2.35 | 2.48 |
| **INDUSTRIAL CAPITAL GOODS** | **145,252** | **103,470** | **7.23** | **7.62** |
| Bharat Electronics Ltd. | 25,700 | 38,653 | 2.70 | 2.84 |
| Elecon Engineering Company Ltd. | 93,952 | 36,895 | 2.58 | 2.72 |
| Siemens Ltd. | 25,600 | 27,922 | 1.95 | 2.06 |
| **MEDIA & ENTERTAINMENT** | **276,119** | **131,679** | **9.19** | **9.70** |
| NDTV Ltd. | 189,900 | 59,049 | 4.12 | 4.35 |
| Television Eighteen India Ltd. | 64,000 | 38,982 | 2.72 | 2.87 |
| Sun TV Ltd. | 22,219 | 33,648 | 2.35 | 2.48 |
| **PETROLEUM PRODUCTS** | **53,500** | **73,311** | **5.12** | **5.40** |
| Reliance Industries Ltd. | 53,500 | 73,311 | 5.12 | 5.40 |
| **SOFTWARE** | **567,971** | **307,208** | **21.47** | **22.62** |
| Tata Consultancy Services Ltd. | 53,560 | 66,085 | 4.62 | 4.86 |
| Northgate Technologies Ltd. | 64,236 | 56,030 | 3.91 | 4.13 |
| Satyam Computer Services Ltd. | 104,000 | 48,916 | 3.42 | 3.60 |
| Infosys Technologies Ltd. | 18,000 | 36,336 | 2.54 | 2.68 |
| Tanla Solutions Ltd. | 103,769 | 36,174 | 2.53 | 2.66 |
| Aptech Ltd. | 157,950 | 34,480 | 2.41 | 2.54 |
| NIIT Technologies Ltd. | 66,456 | 29,187 | 2.04 | 2.15 |
| **TELECOM-SERVICES** | **157,600** | **99,562** | **6.96** | **7.33** |
| Bharti Airtel Limited | 100,000 | 76,390 | 5.34 | 5.62 |
| Videsh Sanchar Nigam Ltd. | 57,600 | 23,172 | 1.62 | 1.71 |
| **TOTAL** | **4,262,495** | **1,358,096** | **94.87** | **100.00** |
| **CERTIFICATE OF DEPOSITS** | | | | |
| **BANKS** | **1,007,000** | **94,227** | **6.58** | **100.00** |
| ICICI Bank Ltd.* | 1,007,000 | 94,227 | 6.58 | 100.00 |
| **TOTAL** | **1,007,000** | **94,227** | **6.58** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **FINANCE** | **400,000** | **39,633** | **2.77** | **100.00** |
| Reliance Capital Ltd.* | 400,000 | 39,633 | 2.77 | 100.00 |
| **TOTAL** | **400,000** | **39,633** | **2.77** | **100.00** |
| **OTHER CURRENT ASSETS** | | **338,797** | **23.67** | |
| **TOTAL ASSETS** | | **1,830,753** | **127.89** | |
| **LESS: CURRENT LIABILITIES** | | **399,221** | **27.89** | |
| **NET ASSETS** | | **1,431,532** | **100.00** | |

* Non traded / thinly traded investments

## 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 2006-2007.

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| ALLAHABAD BANK | AAEF | AAEF | 1,064.00 | - |
| | | AAMIP | 72.77 | - |
| | | AACF | 3,965.58 | - |
| | | AAFTP4-QPA | 1,965.96 | - |
| | | AAFLF | 1,811.84 | - |
| | | AATAP | 499.22 | - |
| | | AADYF | 1,578.82 | - |
| | | AAOF | 702.74 | - |
| | | AAFRF | 1,000.00 | - |
| BAJAJ AUTO LTD. | AAFTP2-QPB | AATAP | 1,072.06 | - |
| | | AADYF | 180.12 | - |
| | | AAOF | 859.80 | - |
| | | AAMIP | 48.60 | - |
| | | AAEF | 1,548.87 | - |
| BANK OF BARODA | AACF | AAOF | 249.99 | 213.33 |
| | | AADYF | 297.67 | - |
| BANK OF INDIA | AAFRF | AATAP | 769.51 | - |
| | | AAFLF | 1,686.81 | - |
| | | AADYF | 256.30 | - |
| | | AAOF | 1,399.19 | - |
| | | AACF | 500.00 | - |
| | | AAMIP | 581.48 | - |
| | | AAEF | 1,640.79 | 396.09 |
| BHARTI TELE VENTURES LTD. | AAFLF | AAEF | 1,628.16 | 763.90 |
| | AALTFRF | AAOF | 734.44 | - |
| | AACF | AATAP | 140.13 | 139.79 |
| | | AAMIP | 42.59 | - |
| CUMMINS INDIA LTD. | AAFTP3-QPF | AAFLF | 1,155.81 | - |
| | | AADYF | 109.96 | 104.60 |
| GLAXOSMITHKLINE PHARMACEUTICALS LTD. | AAFDF | AADYF | 171.31 | - |
| GRASIM INDUSTRIES LTD. | AAFTP2-QPC | AAEF | 1,947.69 | - |
| | AALTFRF | AAOF | 1,405.44 | - |
| | AAFTP3-QPA | AAFLF | 1,368.40 | - |
| | AAFTP3-QPE | AAFTP1 | 3,500.00 | - |
| | | AATAP | 996.54 | - |
| | | AAFRF | 1,900.00 | - |
| | | AAFDF | 3,400.00 | - |
| | | AAMIP | 110.07 | - |
| | | AACF | 3,000.00 | - |
| GREAT EASTERN SHIPPING CO. LTD. | AAFTP2-QPE | AAEF | 681.52 | - |
| | | AATAP | 544.29 | - |
| | | AADYF | 2,436.03 | - |
| | | AAMIP | 89.82 | - |
| HCL TECHNOLOGIES LTD. | AAFTP3-YP | AAOF | 1,295.26 | - |
| | | AAFLF | 1,042.52 | - |
| | | AATAP | 330.96 | - |
| | | AADYF | 2,370.97 | 95.58 |

| Company Name | | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|---|
| | | AAEF | 85.63 | - | |
| K LTD. | AACF | AALTFR | 1,500.00 | - | |
| | AAFRF | AAFTP5-14MP | 1,000.00 | 1,000.00 | |
| | | AAFTP2-QPA | 2,448.01 | - | |
| | | AATAP | 494.41 | - | |
| | | AAFTP4-QPC | 9,771.18 | 9,951.69 | |
| | | AAFTP3-QPF | 4,908.03 | - | |
| | | AAFTP3-QPE | 4,908.15 | - | |
| | | AAFRF | 3,690.82 | - | |
| | | AAFDF | 468.18 | - | |
| | | AACF | 27,423.10 | - | |
| NDA MOTORS LTD. | AAFTP2-QPH | AADYF | 3,097.16 | - | |
| | AAFTP2-QPB | | - | - | |
| | AAFTP2-QPC | | - | - | |
| | AAFTP2-QPE | | - | - | |
| | AAFTP3-QPA | | - | - | |
| | AAFTP3-QPE | | - | - | |
| | AAFTP3-QPF | | - | - | |
| | AAFTP3-QPG | | - | - | |
| | AAFTP4-HYA | | - | - | |
| | AADAF-PLAN A | | - | - | |
| D INDUSTRIES LTD. | AAFTP2-QPH | AAEF | 1,369.73 | - | |
| | AAFTP2-QPB | AAOF | 1,119.94 | - | |
| | AAFTP2-QPE | AAFLF | 233.31 | - | |
| | AALTFRF | AATAP | 252.75 | - | |
| | AAFTP3-QPE | AADYF | 96.93 | - | |
| | AAFTP3-QPF | AAMIP | 193.85 | - | |
| | AAFTP3-QPG | | - | - | |
| | AAFDF | | - | - | |
| | AAFTP6-QPB | | - | - | |
| TMT | AAFRF | AAMIP | 62.75 | - | |
| | AACF | AAOF | 1,140.66 | 196.94 | |
| | AAFTP5-13MP | AATAP | 649.01 | 366.66 | |
| | | AAFLF | 2,024.85 | 646.04 | |
| AN LEVER LTD. | AAFTP2-QPH | AAEF | 612.91 | - | |
| | AAFTP2-QPB | AAOF | 49.59 | - | |
| | AACF | AADYF | 496.41 | 89.36 | |
| | AAFTP3-YP | AAFRF | - | - | |
| | AAFTP3-QPB | AAMIP | 48.94 | - | |
| | AAFTP3-QPD | | - | - | |
| | AAFTP3-QPE | | - | - | |
| | AAFTP3-QPG | | - | - | |
| | AAFTP4-QPA | | - | - | |
| | AAFTP5-13MP | | - | - | |
| AN ZINC LTD. | AAFDF | AAEF | 951.20 | - | |
| | AALTFRF | AAOF | 1,469.12 | - | |
| | AACF | AAFLF | 1,192.11 | - | |
| | AAFTP3-QPA | AATAP | 846.35 | - | |
| | AAFTP3-YP | AAMIP | 120.69 | - | |
| | AAFTP3-QPD | | - | - | |
| | AAFTP3-QPE | | - | - | |
| | AAFTP3-QPG | | - | - | |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| IDFC | AACF | AAEF | 857.26 | 422.85 |
| | | AAFDF | 2,400.00 | - |
| | | AAOF | 746.21 | 464.70 |
| | | AAFTP4-16M | 900.00 | - |
| | | AAFTP4-17MP | 1,700.00 | - |
| | | AAFTPS2-13A | 507.50 | - |
| | | AATAP | 249.63 | 193.77 |
| | | AAMIP | 38.67 | - |
| IFCI LTD. | AAFRF | AAFLF | 999.87 | 758.18 |
| IPCL | AAFTP3-QPD | AAOF | 287.07 | - |
| | AAFTP3-QPE | AADYF | 239.77 | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-HYA | | - | - |
| | AAFTP3-QPG | | - | - |
| ITC LTD. | AAFRF | AAEF | 2,376.34 | - |
| | AAFTP2-QPH | AAOF | 1,114.07 | - |
| | AAFTP2-QPE | AATAP | 966.13 | - |
| | AAFTP3-YP | AAMIP | 49.35 | - |
| | AAFTP3-QPC | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP3-QPH | | - | - |
| | AAFTP4-QPA | | - | - |
| JINDAL STAINLESS LTD | AACF | AAFDF | 490.82 | - |
| LARSEN & TOUBRO LTD. | AAEF | AATAP | 1,260.66 | 583.24 |
| | AACF | AAOF | 1,564.70 | 549.21 |
| | AAFTP3-QPE | AACF | 2,500.00 | - |
| | | AAMIP | 49.67 | - |
| | | AAEF | 1,644.89 | 792.23 |
| MAHINDRA & MAHINDRA LTD. | AAFDF | AAEF | 1,210.53 | 314.70 |
| | AAFTP2-QPB | AAFRF | 5,701.60 | 300.03 |
| | AALTFRF | AAFLF | 5,000.00 | - |
| | | AAFTP1 | 1,500.00 | 1,199.48 |
| | | AATAP | 978.73 | - |
| | | AALTFR | 2,100.00 | - |
| | | AADYF | 2,172.07 | - |
| | | AAOF | 960.68 | - |
| | | AAFTP3-QPC | 998.66 | - |
| | | AAFTP3-YP | 700.00 | - |
| | | AAFTP4-17MP | 1,500.00 | 195.53 |
| | | AAFTP3-QPG | 3,200.00 | - |
| | | AACF | 19,763.28 | 2,502.41 |
| | | AAMIP | 80.19 | - |
| | | AAMIP | - | 500.67 |
| | | ABN-DAF-BS1 | - | 48.88 |
| | | ABN-DAF | - | 1,222.04 |
| MARUTI UDYOG LIMITED | AAFRF | AAEF | 3,132.46 | 369.09 |
| | AAFTP3-QPB | AAOF | 1,813.35 | - |
| | AAFTP3-QPC | AATAP | 704.65 | - |
| | AAFTP2-QPH | AAMIP | 155.22 | - |
| | AAFTP4-YP | | | |
| | AAFTP5-13MP | | | |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| MOTOR INDUSTRIES CO. LTD. | AAFTP3-QPC | AAEF | 657.74 | - |
| | AAFTP4-YP | | | |
| | AAFTP5-13MP | | | |
| RAYMOND LTD. | AAFTP2-QPH | AALTFR | 2,000.00 | - |
| | AACF | AAFTPS2-13A | 1,000.00 | - |
| | AAFTP3-QPF | AAFTP3-QPD | 300.00 | - |
| | | AAFDF | 1,500.00 | - |
| | | AACF | 12,500.00 | - |
| | | AAFRF | 4,000.00 | - |
| RELIANCE INDUSTRIES LTD. | AACF | AAEF | 5,487.05 | 733.11 |
| | AAFRF | AATAP | 1,651.06 | 248.71 |
| | | AAOF | 4,254.61 | - |
| | | AACF | 1,036.97 | - |
| | | AAMIP | 71.33 | - |
| STATE BANK OF BIKANER & JAIPUR | AACF | AAFDF | 1,500.00 | 200.00 |
| | AAFRF | AACF | 17,843.81 | - |
| | | AALTFR | 197.13 | - |
| | | AAFTP2-QPE | 1,489.82 | - |
| | | AAFTP6-QPB | 975.00 | 977.93 |
| | | AAFRF | 5,813.88 | - |
| | | AAMIP | - | 800.00 |
| STATE BANK OF HYDERABAD | AALTFRF | AAFTP2-QPC | 10,000.00 | - |
| | | AAFTP6-QPB | 858.27 | 860.85 |
| | | AAFTP4-16M | 117.04 | 117.39 |
| STATE BANK OF INDORE | AAFRF | AACF | 2,361.85 | - |
| | | AAFTP2-QPA | 2,451.82 | - |
| | | AAFTP3-QPG | 969.75 | - |
| | | AAFTP4-17MP | 1,939.50 | - |
| | | AAFTP4-QPB | 2,446.32 | - |
| STERLITE INDUSTRIES LTD. | AACF | AAEF | 2,672.25 | - |
| | AALTFRF | AACF | 13,900.00 | - |
| | | AAFRF | 6,700.00 | - |
| | | AAMIP | 1,000.00 | - |
| | | AAFDF | 5,200.00 | - |
| | | AAOF | 3,144.63 | - |
| | | AAFTP2-QPC | 4,200.00 | - |
| | | AAFLF | 4,725.63 | - |
| | | AAFTPS2-13A | 2,100.00 | - |
| | | AAFTP1 | 800.00 | - |
| | | AATAP | 1,400.93 | - |
| | | AAFTP4-17MP | 200.00 | - |
| | | AAFTP3-QPE | 3,200.00 | - |
| | | AAFTP3-QPB | 100.00 | - |
| | | AAFTP3-YP | 1,400.00 | - |
| | | AAFTP3-QPA | 800.00 | - |
| TATA CONSULTANCY LTD. | AALTFRF | AAEF | 2,819.31 | 660.85 |
| | AAFTP2-QPC | AAMIP | 24.56 | - |
| | AAFTP2-QPB | AAOF | 1,379.44 | - |
| | | AAFLF | 600.21 | - |
| | | AATAP | 499.64 | - |
| TECH MAHINDRA | AAFTP3-QPC | AAEF | 869.84 | - |
| | | AAMIP | 67.05 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| | | AAOF | 415.52 | - |
| | | AADYF | 7.59 | - |
| | | AATAP | 13.16 | - |
| | | AAFLF | 54.13 | - |
| ULTRATECH CEMCO LTD. | AAFTP2-QPH | AAOF | 96.53 | - |
| | AAFTP3-QPA | AAMIP | 48.27 | - |
| | AALTFRF | AAEF | 96.53 | - |
| | | AAFLF | 834.77 | - |
| UNION BANK OF INDIA | AAFRF | AAEF | 216.78 | - |
| | | AAFDF | 980.55 | - |
| | | AAMIP | 2,455.25 | - |
| | | AAOF | 30.28 | - |
| | | AALTFR | 7,989.46 | - |
| | | AAFTPS2-13A | 980.55 | - |
| | | AAFTP3-QPD | 980.55 | - |
| | | AAFTP3-QPE | 1,274.72 | - |
| | | AAFTP4-17MP | 4,902.77 | - |
| | | AAFTP4-QPD | 1,999.14 | - |
| | | AAFTP5-13MP | 903.34 | 904.14 |
| VIDESH SANCHAR NIGAM LTD. | AAFTP2-QPH | AAEF | 329.74 | 231.72 |
| | AAFTP2-QPB | | | |
| | AAFTP2-QPC | | | |
| | AALTFRF | | | |
| | AAFTP3-QPA | | | |
| | AAFTP3-QPB | | | |
| | AAFTP3-QPG | | | |
| | AAFTP4-YP | | | |
| WIPRO LTD. | AAFTP2-QPB | AAEF | 1,316.85 | - |
| | AAFTP2-QPC | AAMIP | 25.05 | - |
| | AAFTP2-QPE | AAOF | 1,108.22 | - |
| | AAFTP3-QPB | AADYF | 151.06 | - |
| | AAFTP3-QPC | AATAP | 463.37 | - |
| | AAFTP3-QPD | AAFLF | 1,456.46 | - |
| | AAFTP3-QPF | | | |
| | AAFTP3-QPG | | | |
| | AAFTP2-QPH | | | |
| | AAFTP4-QPA | | | |
| | AAFTP4-HYA | | | |
| | AAFTP6-QPB | | | |

**AACF** – ABN AMRO Cash Fund, **AAFRF** – ABN AMRO Floating Rate Fund, **AAFDF** – ABN AMRO Flexi Debt Fund, **AAEF** – ABN AMRO Equity Fund, **AAMIP** – ABN AMRO Monthly Income Plan, **AAOF** – ABN AMRO Opportunities Fund, **AADYF** – ABN AMRO Dividend Yield Fund, **AALTFRF** – ABN AMRO Long Term Floating Rate Fund, **AATAP** – ABN AMRO Tax Advantage Plan (ELSS), **AAFTP-1** – ABN AMRO Fixed Term Plan Series - 1, **AAFTP-2-13M** – ABN AMRO Fixed Term Plan Series 2-13 Months Plan, **AAMMF** – ABN AMRO Multi Manager Fund, **AAFLF** – ABN AMRO Future Leaders Fund, **AAFTP-3-YPA** – ABN AMRO Fixed Term Plan - Series 3: Yearly Plan A, **AADAF-B-S1** – ABN AMRO Dual Advantage Fund Plan B Series 1, **AAFTP-S4-17M** – ABN AMRO Fixed Term Plan - Series 4: Seventeen Months Plan, **AAFTP-4-QPC** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan C, **AAFTP-4-16M** – ABN AMRO Fixed Term Plan - Series 4: Sixteen Months Plan, **AAFTP-4-QPD** – ABN AMRO Fixed Term Plan – Series 4: Quarterly Plan D**, AAFTP-4-HYPA** – ABN AMRO Fixed Term Plan – Series 4: Half Yearly Plan A, **AAFTP-4-QPE** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan E, **AAMMF-2A** – ABN AMRO Multi Manager Fund - Series 2A, **AAMMF-3** – ABN AMRO Multi Manager Fund - Series 3, **AAMMF-2B** – ABN AMRO Multi Manager Fund - Series 2B**, AAFTP-5-13M,** ABN AMRO Fixed Term Plan – Series 5: Thirteen Months Plan, **AAFTP-6-QPB** – ABN AMRO Fixed Term Plan – Series 6: Quarterly Plan B, **AAFTP-2-QPE** – ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan E, **AAFTP-2-HYP** – ABN AMRO Fixed Term Plan - Series 2: Half Yearly Plan A, **AAFTP3-QPA** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan A, **AAFTP-3-QPB** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan B, **AAFTP-3-QPC** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan C**, AAFTP-3-QPD** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan D, **AAFTP-3-QPE-** ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan E, **AAFTP-3-QPF** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan F**, AAFTP-3-QPG** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan G, **AAFTP-3-QPH** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan H, **AAFTP-4-QPA** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan A, **AAFTP-4-QPB** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan B, **AADAF** – ABN AMRO Dual Advantage Fund - Plan A - Series 1.

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | as on 31.03.07 | as on 31.03.06 | as on 31.03.05 |
|---|---|---|---|
| (a) Net Asset Value, per unit | | | |
| Growth | **25.18** | 23.93 | 13.21 |
| Dividend | **13.78** | 18.16 | 13.23 |
| (b) Gross Income: | | | |
| i) Income other than profit on sale of investment,per unit | **0.42** | 0.24 | 0.17 |
| ii) profit on interscheme sale/transfer of investment,per unit | **(0.06)** | 0.00 | 0.00 |
| iii) profit on sale of investment to third party,per unit | **10.01** | 8.17 | 2.99 |
| iv) Transfer to Revenue Account from past year's reserve per unit | | | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.61** | 0.43 | 0.19 |
| (d) Net unrealised depreciation in value of investments | **0.00** | 0.00 | 0.00 |
| (e) Net Income, per unit | **9.76** | 7.98 | 2.96 |
| (f) i) Highest traded price | | | |
| ii) Lowest traded price | | | |
| iii) Highest repurchase price/NAV * | | | |
| Growth | **28.26** | 23.93 | 14.04 |
| Dividend | **21.37** | 20.46 | 14.06 |
| iv) Highest resale price * | | | |
| Growth | **28.90** | 24.47 | 14.36 |
| Dividend | **21.85** | 20.92 | 14.37 |
| v) Lowest repurchase price/NAV* | | | |
| Growth | **16.89** | 12.40 | 10.30 |
| Dividend | **12.61** | 10.75 | 10.30 |
| vi) Lowest resale price* | | | |
| Growth | **10.23** | 11.29 | 10.53 |
| Dividend | **12.77** | 11.17 | 10.53 |
| vii) Price Earning Ratio | **NA** | NA | NA |
| viii) Ratio of Expenses to Average Net Assets(%) | | | |
| Regular Plan | **2.36%** | 2.37% | 2.35% |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **13.07%** | 45.97% | 38.28% |

## TRUSTEE REPORT

Dear Sir / Madam,

ABN AMRO Mutual Fund (the "Fund") commenced its operations in the month of August 2004. The Fund manages 29 Schemes as on March 31, 2007 with Assets under Management of Rs.5191.91 Crores, which have increased from Rs.2769.27 Crores as on March 31, 2006 showing an increase of 87%. It gives us pleasure in presenting the Third Annual Report of the Schemes of the Fund for the year ended March 31, 2007.

### 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, biased 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 well-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 Managers the recent tightening measures by Central Bank have led to moderation in credit growth, stabilisation in asset prices and softening of the inflation. Recent turbulence of sub prime market in US has led to significant volatility in Global market including moderation in the market, valuation parameters. Current economic indicator suggests a slow down in US economy going forward. Market participants now expect FED to cut interest rates before the end of the year. Accordingly interest rates are expected to be stable with downward biases in the immediate future.

### DIRECTORS OF THE ABN AMRO ASSET MANAGEMENT (INDIA) LIMITED:

| | |
|---|---|
| **Mr. Romesh Sobti** | Associate Director |
| **Mr. Arne Lindman** | Associate Director |
| **Mr. Nikhil Johri** | Associate Director |
| **Mr. Rajan Ray** | Independent Directors |
| **Mr. Arun Nanda** | Independent Director |
| **Mr. Ninad Karpe** | Independent Director |

### DIRECTORS OF THE ABN AMRO TRUSTEE (INDIA) PRIVATE LIMITED:

| | |
|---|---|
| **Mr. Pradip Nayak** | Independent Director |
| **Mr. Pradyumna Naware** | Independent Director |
| **Mr. Shariq Contractor** | Independent Director |
| **Mr. Gururajan Sethu** | Independent Director |
| **Mr. Kalpathi Sridhar** | Associate Director |
| **Mr. A. Dhananjaya*** | Associate Director |

* Appointed as an Associate Director w.e.f. July 31, 2007.

**Risk Management System:**

SEBI vide its circular dated September 30, 2002, has mandated the establishment of a full- fledged risk- management framework for mutual funds in India. In the opinion of the Trustees and to the best of their knowledge, the management system in ABN AMRO Mutual Fund is adequate.

### PERFORMANCE OF THE SCHEMES AS ON MARCH 31, 2007

**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 or 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.

| | Compounded Annual Growth Rate (%) Since Inception | Compounded Annual Growth Rate (%) Last 1 Year |
|---|---|---|
| AAOF - Growth Option | 40.90 | 8.57 |
| BSE 200 | 36.90 | 10.20 |

Period: April 15, 2005 - March 30, 2007. 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 4%. Last year's performance of the benchmark has been concentrated to the top 5-10 shares, being underweight on those has negatively impacted our relative performance to some extent.

**INVESTMENT IN FOREIGN SECURITIES BY MUTUAL FUNDS**

No Scheme has invested in foreign securities yet.

In term of SEBI's letter dated December 8, 2006 having reference No.IMD/81816/06 and subsequent updation, prevailing limits of foreign investments by ABN AMRO Mutual Fund is as follows:

(1) ADRs / GDRs / Foreign Securities - 10% of the net assets managed as on March 31, 2007 i.e. Rs. 519.19 Crores.

(2) Overseas ETFs - US $50 million.

**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 28, 2007

## 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, 2007 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 Ninth Schedule 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, 2007 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, 2007;

      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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | 2006 |
|---|---|---|---|
| **SOURCES OF FUNDS** | | | |
| Unit capital | 2(b) & 3 | **847,577** | 1,399,697 |
| Reserves and surplus | 2(b) & 4 | **667,915** | 864,401 |
| Current liabilities | 5 | **23,328** | 72,784 |
| | | **1,538,820** | **2,336,882** |
| **APPLICATION OF FUNDS** | | | |
| Investments | 2(c),6 & 16 | **1,508,113** | 2,153,393 |
| Other current assets | 7 | **19,145** | 125,015 |
| Deferred revenue expenditure | 2(g) & 9 | **11,562** | 58,474 |
| | | **1,538,820** | 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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**Prateek Agrawal**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | MARCH 9, 2005 TO MARCH 31,2006 |
|---|---|---|---|
| **INCOME** | | | |
| Dividend | 2(d) | **20,209** | 35,930 |
| Interest | 2(d) & 8 | **3,035** | 7,054 |
| Profit on sale/redemption of investments, net | 2(d) | **687,512** | 920,966 |
| Other income | | **1** | 5 |
| | | **710,757** | 963,955 |
| **EXPENSES AND LOSSES** | | | |
| Loss on inter-scheme transfer/sale of investments, net | 2(d) | **533** | 132 |
| Management fee | 10 | **17,990** | 27,620 |
| Trusteeship fee | 10 | **61** | 91 |
| Custodian service charges | | **1,136** | 1,733 |
| Registrar service charges | | **2,671** | 6,707 |
| Commission to distributors | | **9,212** | 10,001 |
| Publicity expenses | | **2,563** | 7,668 |
| Audit fee | | **230** | 297 |
| Deferred revenue expenditure amortised | 2(g) & 9 | **46,912** | 24,924 |
| Other operating expenses | | **3,489** | 5,022 |
| | | **84,797** | 84,195 |
| Surplus for the year | | **625,960** | 879,760 |
| Equalisation Debit | 2(e) | **(94,809)** | (25,467) |
| Transfer from unit premium reserve | | **512,197** | |
| Income distribution on capital account | | **-** | (300,264) |
| Surplus transferred to the balance sheet | 4 | **1,043,348** | **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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**Prateek Agrawal**
*Fund Manager*

## CASH FLOW STATEMENT

FOR THE YEAR APRIL 2006 TO MARCH 2007

(All amounts in thousands of Rupees)

| | | 2007 | 2006 |
|---|---|---|---|
| **A.** | **Cash flow from Operating Activity** | | |
| | Surplus for the period | **625,960** | 879,760 |
| | Adjustments for:- | | |
| | Deferred revenue expenditure amortised in current period | **46,912** | 24,924 |
| | New Fund Offer expenses incurred during the period | **-** | (83,397) |
| | Investments (at cost) made, net | **85,518** | (1,588,997) |
| | Other current assets receivable | **(771)** | - |
| | Current liabilities incurred | **(2,671)** | 13,075 |
| | **Net cash used in operations** **(A )** | **754,947** | (754,635) |
| **B** | **Cash flow from Financing Activities** | | |
| | Proceeds from issuance of unit capital, net | **(552,120)** | 1,399,697 |
| | Unit premium received/(paid) thereon, net | **(226,225)** | (311,765) |
| | Adjustments for:- | | |
| | Sundry creditors for units redeemed by investors | **(6,060)** | 14,595 |
| | Sundry debtors for units issued to investors | **120** | (4,455) |
| | Dividend and tax thereon paid during the period | - | (300,062) |
| | **Net cash generated from financing activities** **( B )** | **(784,285)** | 798,010 |
| | **Net Cash and cash equivalents** **(A+B)** | **(29,338)** | 43,375 |
| | Cash and cash equivalents, beginning of the period | **43,375** | |
| | Cash and cash equivalents, end of the period | **14,037** | 43,375 |
| | **Components of cash and cash equivalents** | | |
| | Balances with banks in current accounts | **4,394** | 43,375 |
| | Collaterised Lending | **9,645** | - |
| | | **14,039** | 43,375 |

For **S.R. Batliboi & Co.**
**Chartered Accountants**
**Per Viren H. Mehta**
*Partner*
Membership No. 048749
*Mumbai*
Date: August 28, 2007

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

**ABN AMRO Asset Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Prateek Agrawal**
*Fund Manager*

# SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

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

The investment objective 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 or 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

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 Bombay Stock Exchange Limited 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 loating 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 year 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 accerelated amortisation of NFO expenses based on net redemptions in proportion to net assets of the scheme.

**3. UNIT CAPITAL**

| | **Quantity 2007** | Quantity 2006 | **(Rs. in 000's) Amount 2007** | **(Rs. in 000's)** Amount 2006 |
|---|---|---|---|---|
| Units of Rs 10 each fully paid up | | | | |
| **Growth Plan** | | | | |
| Outstanding, beginning of year | **36,690,272.913** | - | **366,903** | - |
| Issued | | | | |
| -new fund offer | **-** | 136,208,782.911 | **-** | 1,362,088 |
| -during the year | **34,637,432.627** | 24,974,184.151 | **346,374** | 249,742 |
| Redeemed during the year | **(39,141,520.592)** | (124,492,694.149) | **(391,415)** | (1,244,927) |
| Outstanding, end of year | **32,186,184.948** | 36,690,272.913 | **321,862** | 366,903 |
| **Dividend Plan** | | | | |
| Outstanding, beginning of year | **103,279,407.245** | - | **1,032,794** | - |
| Issued | | | | |
| -new fund offer | **-** | 280,782,303.307 | **-** | 2,807,823 |
| -during the year | **31,366,329.266** | 83,467,800.796 | **313,663** | 834,678 |
| Redeemed during the year | **(82,074,205.028)** | (260,970,696.858) | **(820,742)** | (2,609,707) |
| Outstanding, end of year | **52,571,531.483** | 103,279,407.245 | **525,715** | 1,032,794 |
| **Total** | | | | |
| Outstanding, beginning of year | **139,969,680.158** | | **1,399,697** | |
| Issued | | | | |
| -new fund offer | **-** | 416,991,086.218 | **-** | 4,169,911 |
| -during the year | **66,003,761.893** | 108,441,984.947 | **660,037** | 1,084,420 |
| Redeemed during the year | **(121,215,725.620)** | (385,463,391.007) | **(1,212,157)** | (3,854,634) |
| Outstanding, end of year | **84,757,716.431** | 139,969,680.158 | **847,577** | 1,399,697 |

| 4. RESERVES AND SURPLUS | (Rs. in 000's) | (Rs. in 000's) |
|---|---|---|
| | **Amount 2007** | Amount 2006 |
| **Unit premium reserve** | | |
| Balance, beginning of year | **(286,298)** | - |
| Net premium on issue/redemption of units | **(226,225)** | (311,765) |
| Equalisation, net | **94,809** | 25,467 |
| Transfer to revenue account | **(512,197)** | |
| Balance, end of year | **(929,911)** | (286,298) |
| **Unrealised appreciation reserve** | | |
| Balance, beginning of year | **596,670** | - |
| Change in unrealised appreciation in value of investments | **(596,221)** | 596,670 |
| Balance, end of year | **449** | 596,670 |
| **Retained surplus** | | |
| Balance, beginning of year | **554,029** | - |
| Surplus transferred from revenue account | **1,043,348** | 554,029 |
| Balance, end of year | **1,597,377** | 554,029 |
| Total reserves and surplus | **667,915** | 864,401 |
| **The share of the plans in the reserves and surplus is as follows:** | | |
| Growth Plan | **308,094** | 294,585 |
| Dividend Plan | **359,821** | 569,816 |
| | **667,915** | 864,401 |

| 5. CURRENT LIABILITIES | | |
|---|---|---|
| Amount due to AMC for management fees | **1,391** | 2,364 |
| Trusteeship fee payable | **25** | 45 |
| Sundry creditors for units redeemed by investors | | |
| - Lateral shifts | **6,608** | 11,397 |
| - Others | **1,928** | 3,199 |
| Load pending utilisation | **5,643** | 3,728 |
| Contract for purchase of investments | **4,188** | 44,911 |
| Dividend payable on units | **-** | 202 |
| Brokerage payable on distribution of units | **1,898** | - |
| Other current liabilities | **1,647** | 6,938 |
| | **23,328** | **72,784** |

| 6. INVESTMENTS | | |
|---|---|---|
| Equity shares | **1,453,618** | 2,153,393 |
| Commercial paper | **54,495** | - |
| | **1,508,113** | **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:

| 6. INVESTMENTS *(Contd.)* | **(Rs. in 000's)** | (Rs. in 000's) |
|---|---|---|
| | **Amount 2007** | Amount 2006 |
| Equity shares | | |
| - appreciation | **127,490** | 607,398 |
| - depreciation | **127,042** | 10,728 |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | | |
| - amount | **2,127,137** | 7,617,757 |
| - as a percentage of average daily net assets | **379.07** | 258.83 |

(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 | **4,337,323** | 10,358,430 |
| - as a percentage of average daily net assets | **280.02** | 395.02 |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | | |
| - amount | **5,073,441** | 10,526,468 |
| - as a percentage of average daily net assets | **327.54** | 401.43 |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations 1996 and the fair value of such investments as at March 31, 2007 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(Excluding Commercial Paper) as on March 31, 2007 valued in good faith | **19,694** | - |

| 7. OTHER CURRENT ASSETS | | |
|---|---|---|
| Sundry debtors for units issued to investors | | |
| - Lateral shifts | **3,979** | 2,213 |
| - Others | **356** | 2,242 |
| Balances with banks in current accounts | **4,394** | 43,375 |
| Receivable from AMC | **100** | |
| Contracts for sale of investments | **-** | 77,185 |
| Collaterised Lending | **9,645** | - |
| Outstanding and accrued income & Dividend receivable | 671 | - |
| | **19,145** | **125,015** |

| 8. INTEREST | | |
|---|---|---|
| Debentures and bonds | **482** | 843 |
| Central government securities | **-** | 1 |
| Money market instruments | **427** | 1,516 |
| Collateralised Lending | **2,126** | 4,694 |
| | **3,035** | **7,054** |

| 9. DEFERRED REVENUE EXPENDITURE | | |
|---|---|---|
| Opening Balance | **58,474** | - |
| Incurred during the period (2% of initial funds raised) | **-** | 83,398 |
| Less: Amortised during the year | **(46,912)** | (24,924) |
| Closing Balance | **11,562** | 58,474 |

| | **(Rs. in 000's)** | (Rs. in 000's) |
|---|---|---|

| | Amount 2007 | Amount 2006 |
|---|---|---|

**10. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) under an agreement with the AMC, which provides for computation of such fee at an annual rate of 1.25 per cent of the Scheme's average daily net assets up to Rs 1 billion and at an annual rate of 1 per cent of the average daily net assets in excess of that amount (2005-06 — 1.25 per cent of the Scheme's average daily net assets up to Rs 1 billion and at an annual rate of 1 per cent of the average daily net assets in excess of that amount), after excluding the net asset value of the AMC's investment in the Scheme and the net asset value of the investments made in other schemes, if any.

The Scheme pays fees for Trusteeship services under an agreement with the Trustee, which provides for computation of such fee at 0.01 per cent of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum. (2005-06 : 0.01 per cent of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum)

**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 | 710,757 | 963,955 |
| - as a percentage of average daily net assets | 45.89 | 38.23 |
| Expenditure (Excluding deferred revenue expenditure amortised,loss & interschemeloss on sale of investments,if any) | | |
| - amount | 37,352 | 59,139 |
| - as a percentage of average daily net assets | 2.41 | 2.35 |

**12. RELATED PARTY TRANSACTIONS**

The Scheme has entered into transactions with certain 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 |
| ABN AMRO BANK N.V. | 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**

1. ABN AMRO CASH FUND
2. ABN AMRO FLOATING RATE FUND
3. ABN AMRO MONTHLY INCOME PLAN
4. ABN AMRO FLEXI DEBT FUND
5. ABN AMRO EQUITY FUND
6. ABN AMRO OPPORTUNITIES FUND
7. ABN AMRO DIVIDEND YIELD FUND
8. ABN AMRO LONG TERM FLOATING RATE FUND
9. ABN AMRO TAX ADVANTAGE PLAN
10. ABN AMRO FIXED TERM PLAN - SERIES 1
11. ABN AMRO FIXED TERM PLAN SERIES 2 QUARTERLY PLAN A
12. ABN AMRO FIXED TERM PLAN SERIES 2 (13 MONTHS) PLAN
13. ABN AMRO FUTURE LEADERS FUND
14. ABN AMRO FIXED TERM PLAN - SERIES 2 QUARTERLY PLAN B
15. ABN AMRO FIXED TERM PLAN - SERIES 2 QUARTERLY PLAN C
16. ABN AMRO FIXED TERM PLAN - SERIES 2 QUARTERLY PLAN D
17. ABN AMRO FIXED TERM PLAN - SERIES 2 QUARTERLY PLAN E
18. ABN AMRO FIXED TERM PLAN - SERIES 2 HALF YEARLY PLAN A
19. ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN A
20. ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN B
21. ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN C
22. ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN D
23. ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN E
24. ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN F
25. ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN G

26. ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN H
27. ABN AMRO FIXED TERM PLAN - SERIES 3: YEARLY PLAN A
28. ABN AMRO FIXED TERM PLAN - SERIES 4: QUARTERLY PLAN A
29. ABN AMRO FIXED TERM PLAN - SERIES 4: QUARTERLY PLAN B
30. ABN AMRO FIXED TERM PLAN - SERIES 4: QUARTERLY PLAN C
31. ABN AMRO FIXED TERM PLAN - SERIES 4: QUARTERLY PLAN D
32. ABN AMRO FIXED TERM PLAN - SERIES 4: QUARTERLY PLAN E
33. ABN AMRO FIXED TERM PLAN - SERIES 4: SIXTEEN MONTHS PLAN
34. ABN AMRO FIXED TERM PLAN - SERIES 4: SEVENTEEN MONTHS PLAN
35. ABN AMRO FIXED TERM PLAN - SERIES 4: HALF YEARLY PLAN A
36. ABN AMRO FIXED TERM PLAN- SERIES 5: THIRTEEN MONTHS PLAN
37. ABN AMRO FIXED TERM PLAN- SERIES 5: FOURTEEN MONTHS PLAN
38. ABN AMRO FIXED TERM PLAN - SERIES 6: QUARTERLY PLAN B
39. ABN AMRO FIXED TERM PLAN - SERIES 6: QUARTERLY PLAN C
40. ABN AMRO DUAL ADVANTAGE FUND PLAN A SERIES I
41. ABN AMRO DUAL ADVANTAGE FUND PLAN B SERIES 1
42. ABN AMRO MULTI MANAGER FUND
43. ABN AMRO MULTI MANAGER FUND-SERIES 2A
44. ABN AMRO MULTI MANAGER FUND-SERIES 2B
45. ABN AMRO MULTI MANAGER FUND SERIES 3

**(ii) Transactions covered by Regulation 25(8) of the SEBI Regulation with the Sponsors**

| Associate | Nature of transactions | Year ended March 2007 | Balance as at March 31, 2007 | Year ended March 2006 | Balance as at March 31, 2006 |
|---|---|---|---|---|---|
| ABN AMRO Cash Fund | Purchase of investments | **190,019** | | 1,210,806 | |
| | Sale of investments | **44,603** | | 1,077,877 | |
| ABN AMRO Floatin Rate Fund | Purchase of investments | **29,805** | | 569,761 | |
| | Sale of investments | **50,057** | | 574,612 | |
| ABN AMRO Fixed Term Plan - Series 1 | Purchase of investments | **-** | | - | |
| | Sale of investments | **88,712** | | - | |
| ABN AMRO Fixed Term Plan Series 2 (13 Months) Plan | Purchase of investments | **36,858** | | - | |
| | Sale of investments | **-** | | - | |
| ABN AMRO Long Term Floating Rate Fund | Purchase of investments | **-** | | - | |
| | Sale of investments | **57,087** | | 146 | |
| ABN AMRO Tax Adavantage Plan | Purchase of investments | **49,091** | | - | |
| | Sale of investments | - | | - | |
| Other Schemes under common control | Purchase of investments | **-** | | 94,246 | |
| | Sale of investments | **10,311** | | 22,363 | |
| ABN AMRO Trustee (India) Limited | Fees for trusteeship services | **61** | 25 | 91 | 45 |
| ABN AMRO Asset Management (India) Limited | Investment Management Charges | **17,990** | 1,391 | 27,620 | 2,364 |
| ABN AMRO Bank N.V. | Bank Charges | **35** | - | 304 | 13 |
| Marketing & Distribution Expenses | | **-** | - | 2,446 | - |
| Commission paid for procuring unit capital | | **11,285** | 1,224 | 100,596 | 3,526 |
| Collateralised lending (first leg) | | - | - | 2,541,345 | - |
| Interest on collateralised lending | | - | - | 466 | - |
| ABN AMRO Asia Equities (India) Limited | Brokerage | **1,796** | - | 1,647 | - |

**13. SEGMENT REPORTING**

The Scheme operates in one segment only viz. to primarily generate attractive returns from a diverse and actively

**14. NET ASSET VALUE**

As the prior period was from August 1, 2005 to March 31, 2006, the corresponding figures for the previous period are not comparable with those of the current year. Further, prior period's amounts have been reclassified and regrouped, wherever applicable, to conform to current year's presentation.

| Net asset value of each unit of Rs 10 of the Scheme | 2007 | 2006 |
|---|---|---|
| Growth Plan | **Rs. 19.572** | Rs. 18.030 |
| Dividend Plan | **Rs. 16.844** | Rs. 15.520 |

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

**15. PRIOR PERIOD COMPARATIVES**

As the prior period was from March 09, 2005 to March 31, 2006, the corresponding figures for the previous period are not comparable with those of the current year. Further, prior period's amounts have been reclassified and regrouped, wherever applicable, to conform to current year's presentation.

**16. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity (Rs.in '000) | Amount | Percentage to (Net Assets) | Percentage to Investment category |
|---|---|---|---|---|
| **EQUITY SHARES** | | | | |
| **AUTO ANCILLARIES** | **25,500** | **6,684** | **0.44** | **0.46** |
| Federal Mogul Goetze Ltd. | 25,500 | 6,684 | 0.44 | 0.46 |
| **BANK** | **927,950** | **66,954** | **4.42** | **4.61** |
| IDBI Bank Ltd. | 303,750 | 23,571 | 1.56 | 1.62 |
| Indusind Bank Ltd. | 525,000 | 22,050 | 1.45 | 1.52 |
| Bank of Baroda | 99,200 | 21,333 | 1.41 | 1.47 |
| **CEMENT** | **92,800** | **50,627** | **3.34** | **3.48** |
| Century Textile & Industries Ltd. | 92,800 | 50,627 | 3.34 | 3.48 |
| **CONSTRUCTION** | **314,196** | **103,713** | **6.85** | **7.13** |
| Unitech Ltd. | 186,593 | 72,296 | 4.77 | 4.96 |
| DS Kulkarni Developers Ltd. | 92,506 | 24,796 | 1.64 | 1.71 |
| JMC Projects India Ltd. | 35,097 | 6,621 | 0.44 | 0.46 |
| **CONSUMER NON DURABLES** | **393,301** | **76,120** | **5.02** | **5.24** |
| Crew B O S Products Ltd. | 150,000 | 31,343 | 2.07 | 2.16 |
| GlaxoSmithkline Consumer Healthcare Ltd. | 43,301 | 23,337 | 1.54 | 1.61 |
| KRBL Ltd. | 200,000 | 21,440 | 1.41 | 1.47 |
| **DIVERSIFIED** | **319,105** | **81,531** | **5.38** | **5.61** |
| Larsen & Toubro Ltd. | 33,900 | 54,921 | 3.62 | 3.78 |
| DCM Shriram Consolidated Ltd. | 285,205 | 26,610 | 1.76 | 1.83 |
| **FERROUS METALS** | **314,300** | **35,924** | **2.37** | **2.47** |
| Steel Authority of India Ltd. | 314,300 | 35,924 | 2.37 | 2.47 |
| **FERTILISERS** | **2,445,000** | **33,130** | **2.19** | **2.28** |
| Nagarjuna Fertilizers & Chemicals Ltd. | 2,445,000 | 33,130 | 2.19 | 2.28 |
| **FINANCE** | **1,070,304** | **133,311** | **8.80** | **9.17** |
| Infrastructure Development Finance | 555,200 | 46,470 | 3.07 | 3.20 |
| Indiabulls Financial Services Ltd. | 105,700 | 44,140 | 2.91 | 3.04 |
| Power Finance Corporation Ltd. | 409,404 | 42,701 | 2.82 | 2.93 |
| **HOTELS** | **411,500** | **22,982** | **1.52** | **1.58** |
| Hotel Leela Venture Ltd. | 411,500 | 22,982 | 1.52 | 1.58 |

**16. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE** *(Contd.)*

| Industry and Company Particulars | Quantity (Rs.in '000) | Amount | Percentage to (Net Assets) | Percentage to Investment category |
|---|---|---|---|---|
| **INDUSTRIAL CAPITAL GOODS** | **404,130** | **204,787** | **13.52** | **14.09** |
| Elecon Engineering Company Ltd. | 160,835 | 63,160 | 4.17 | 4.35 |
| Bharat Electronics Ltd. | 36,800 | 55,347 | 3.65 | 3.80 |
| Bharat Earth Movers Ltd. | 32,975 | 35,702 | 2.36 | 2.46 |
| Crompton Greaves Ltd. | 155,620 | 31,054 | 2.05 | 2.14 |
| Siemens Ltd. | 17,900 | 19,524 | 1.29 | 1.34 |
| **INDUSTRIAL PRODUCTS** | **114,700** | **24,104** | **1.59** | **1.66** |
| Sintex Industries Ltd. | 114,700 | 24,104 | 1.59 | 1.66 |
| **MEDIA & ENTERTAINMENT** | **346,831** | **131,829** | **8.69** | **9.07** |
| NDTV Ltd. | 197,100 | 61,288 | 4.04 | 4.22 |
| Television Eighteen India Ltd. | 60,000 | 36,546 | 2.41 | 2.51 |
| Jagran Prakashan Ltd. | 89,731 | 33,995 | 2.24 | 2.34 |
| **NON - FERROUS METALS** | **72,155** | **16,026** | **1.06** | **1.10** |
| Binani Industries Ltd. | 72,155 | 16,026 | 1.06 | 1.10 |
| **OIL** | **34,317** | **31,403** | **2.07** | **2.16** |
| Gulf Oil Corporation Ltd. | 34,317 | 31,403 | 2.07 | 2.16 |
| **PHARMACEUTICALS** | **171,316** | **66,126** | **4.36** | **4.55** |
| Lupin Ltd. | 56,000 | 33,947 | 2.24 | 2.34 |
| SMS Pharmaceuticals Ltd. | 115,316 | 32,179 | 2.12 | 2.21 |
| **POWER** | **191,649** | **32,647** | **2.15** | **2.25** |
| Jyoti Structures Ltd. | 191,649 | 32,647 | 2.15 | 2.25 |
| **SOFTWARE** | **831,113** | **335,719** | **22.15** | **23.09** |
| Northgate Technologies Ltd. | 68,432 | 59,689 | 3.93 | 4.10 |
| NIIT Technologies Ltd. | 123,388 | 54,192 | 3.58 | 3.72 |
| Aptech Ltd. | 237,824 | 51,917 | 3.43 | 3.57 |
| Mphasis Ltd. | 156,000 | 44,109 | 2.91 | 3.03 |
| Educomp Solutions Ltd. | 40,100 | 38,031 | 2.51 | 2.62 |
| Tanla Solutions Ltd. | 103,431 | 36,056 | 2.38 | 2.48 |
| Satyam Computer Services Ltd. | 68,100 | 32,031 | 2.11 | 2.21 |
| Hinduja TMT Ltd.* *** | 16,919 | 9,847 | 0.65 | 0.68 |
| HTMT Global Solutions Ltd.*** | 16,919 | 9,847 | 0.65 | 0.68 |
| **TOTAL** | **8,480,167** | **1,453,618** | **95.92** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **FINANCE** | **550,000** | **54,495** | **3.60** | **100.00** |
| Reliance Capital Ltd.* | 550,000 | 54,495 | 3.60 | 100.00 |
| **TOTAL** | 550,000 | 54,495 | 3.60 | 100.00 |
| **OTHER CURRENT ASSETS** | | 19,145 | 1.26 | |
| **DEFERRED REVENUE EXPENDITURE** | | 11,562 | 0.76 | |
| **TOTAL ASSETS** | | 1,538,820 | 101.54 | |
| **LESS: CURRENT LIABILITIES** | | 23,328 | 1.54 | |
| **NET ASSETS** | | 1,515,492 | 100.00 | |

* Non traded / thinly traded investments

***Awaiting listing on Stock Exchange

## 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 2006-2007.

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| ALLAHABAD BANK | AAEF | AAEF | 1,064.00 | - |
| | | AAMIP | 72.77 | - |
| | | AACF | 3,965.58 | - |
| | | AAFTP4-QPA | 1,965.96 | - |
| | | AAFLF | 1,811.84 | - |
| | | AATAP | 499.22 | - |
| | | AADYF | 1,578.82 | - |
| | | AAOF | 702.74 | - |
| | | AAFRF | 1,000.00 | - |
| BAJAJ AUTO LTD. | AAFTP2-QPB | AATAP | 1,072.06 | - |
| | | AADYF | 180.12 | - |
| | | AAOF | 859.80 | - |
| | | AAMIP | 48.60 | - |
| | | AAEF | 1,548.87 | - |
| BANK OF BARODA | AACF | AAOF | 249.99 | 213.33 |
| | | AADYF | 297.67 | - |
| BANK OF INDIA | AAFRF | AATAP | 769.51 | - |
| | | AAFLF | 1,686.81 | - |
| | | AADYF | 256.30 | - |
| | | AAOF | 1,399.19 | - |
| | | AACF | 500.00 | - |
| | | AAMIP | 581.48 | - |
| | | AAEF | 1,640.79 | 396.09 |
| BHARTI TELE VENTURES LTD. | AAFLF | AAEF | 1,628.16 | 763.90 |
| | AALTFRF | AAOF | 734.44 | - |
| | AACF | AATAP | 140.13 | 139.79 |
| | | AAMIP | 42.59 | - |
| CUMMINS INDIA LTD. | AAFTP3-QPF | AAFLF | 1,155.81 | - |
| | | AADYF | 109.96 | 104.60 |
| GLAXOSMITHKLINE PHARMACEUTICALS LTD. | AAFDF | AADYF | 171.31 | - |
| GRASIM INDUSTRIES LTD. | AAFTP2-QPC | AAEF | 1,947.69 | - |
| | AALTFRF | AAOF | 1,405.44 | - |
| | AAFTP3-QPA | AAFLF | 1,368.40 | - |
| | AAFTP3-QPE | AAFTP1 | 3,500.00 | - |
| | | AATAP | 996.54 | - |
| | | AAFRF | 1,900.00 | - |
| | | AAFDF | 3,400.00 | - |
| | | AAMIP | 110.07 | - |
| | | AACF | 3,000.00 | - |
| GREAT EASTERN SHIPPING CO. LTD. | AAFTP2-QPE | AAEF | 681.52 | - |
| | | AATAP | 544.29 | - |
| | | AADYF | 2,436.03 | - |
| | | AAMIP | 89.82 | - |
| HCL TECHNOLOGIES LTD. | AAFTP3-YP | AAOF | 1,295.26 | - |
| | | AAFLF | 1,042.52 | - |
| | | AATAP | 330.96 | - |
| | | AADYF | 2,370.97 | 95.58 |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| | | AAEF | 85.63 | - |
| HDFC BANK LTD. | AACF | AALTFR | 1,500.00 | - |
| | AAFRF | AAFTP5-14MP | 1,000.00 | 1,000.00 |
| | | AAFTP2-QPA | 2,448.01 | - |
| | | AATAP | 494.41 | - |
| | | AAFTP4-QPC | 9,771.18 | 9,951.69 |
| | | AAFTP3-QPF | 4,908.03 | - |
| | | AAFTP3-QPE | 4,908.15 | - |
| | | AAFRF | 3,690.82 | - |
| | | AAFDF | 468.18 | - |
| | | AACF | 27,423.10 | - |
| HERO HONDA MOTORS LTD. | AAFTP2-QPH | AADYF | 3,097.16 | - |
| | AAFTP2-QPB | | - | - |
| | AAFTP2-QPC | | - | - |
| | AAFTP2-QPE | | - | - |
| | AAFTP3-QPA | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPF | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-HYA | | - | - |
| | AADAF-PLAN A | | - | - |
| HINDALCO INDUSTRIES LTD. | AAFTP2-QPH | AAEF | 1,369.73 | - |
| | AAFTP2-QPB | AAOF | 1,119.94 | - |
| | AAFTP2-QPE | AAFLF | 233.31 | - |
| | AALTFRF | AATAP | 252.75 | - |
| | AAFTP3-QPE | AADYF | 96.93 | - |
| | AAFTP3-QPF | AAMIP | 193.85 | - |
| | AAFTP3-QPG | | - | - |
| | AAFDF | | - | - |
| | AAFTP6-QPB | | - | - |
| HINDUJA TMT | AAFRF | AAMIP | 62.75 | - |
| | AACF | AAOF | 1,140.66 | 196.94 |
| | AAFTP5-13MP | AATAP | 649.01 | 366.66 |
| | | AAFLF | 2,024.85 | 646.04 |
| HINDUSTAN LEVER LTD. | AAFTP2-QPH | AAEF | 612.91 | - |
| | AAFTP2-QPB | AAOF | 49.59 | - |
| | AACF | AADYF | 496.41 | 89.36 |
| | AAFTP3-YP | AAFRF | - | - |
| | AAFTP3-QPB | AAMIP | 48.94 | - |
| | AAFTP3-QPD | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-QPA | | - | - |
| | AAFTP5-13MP | | - | - |
| HINDUSTAN ZINC LTD. | AAFDF | AAEF | 951.20 | - |
| | AALTFRF | AAOF | 1,469.12 | - |
| | AACF | AAFLF | 1,192.11 | - |
| | AAFTP3-QPA | AATAP | 846.35 | - |
| | AAFTP3-YP | AAMIP | 120.69 | - |
| | AAFTP3-QPD | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPG | | - | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| IDFC | AACF | AAEF | 857.26 | 422.85 |
| | | AAFDF | 2,400.00 | - |
| | | AAOF | 746.21 | 464.70 |
| | | AAFTP4-16M | 900.00 | - |
| | | AAFTP4-17MP | 1,700.00 | - |
| | | AAFTPS2-13A | 507.50 | - |
| | | AATAP | 249.63 | 193.77 |
| | | AAMIP | 38.67 | - |
| IFCI LTD. | AAFRF | AAFLF | 999.87 | 758.18 |
| IPCL | AAFTP3-QPD | AAOF | 287.07 | - |
| | AAFTP3-QPE | AADYF | 239.77 | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-HYA | | - | - |
| | AAFTP3-QPG | | - | - |
| ITC LTD. | AAFRF | AAEF | 2,376.34 | - |
| | AAFTP2-QPH | AAOF | 1,114.07 | - |
| | AAFTP2-QPE | AATAP | 966.13 | - |
| | AAFTP3-YP | AAMIP | 49.35 | - |
| | AAFTP3-QPC | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP3-QPH | | - | - |
| | AAFTP4-QPA | | - | - |
| JINDAL STAINLESS LTD. | AACF | AAFDF | 490.82 | - |
| LARSEN & TOUBRO LTD. | AAEF | AATAP | 1,260.66 | 583.24 |
| | AACF | AAOF | 1,564.70 | 549.21 |
| | AAFTP3-QPE | AACF | 2,500.00 | - |
| | | AAMIP | 49.67 | - |
| | | AAEF | 1,644.89 | 792.23 |
| MAHINDRA & MAHINDRA LTD. | AAFDF | AAEF | 1,210.53 | 314.70 |
| | AAFTP2-QPB | AAFRF | 5,701.60 | 300.03 |
| | AALTFRF | AAFLF | 5,000.00 | - |
| | | AAFTP1 | 1,500.00 | 1,199.48 |
| | | AATAP | 978.73 | - |
| | | AALTFR | 2,100.00 | - |
| | | AADYF | 2,172.07 | - |
| | | AAOF | 960.68 | - |
| | | AAFTP3-QPC | 998.66 | - |
| | | AAFTP3-YP | 700.00 | - |
| | | AAFTP4-17MP | 1,500.00 | 195.53 |
| | | AAFTP3-QPG | 3,200.00 | - |
| | | AACF | 19,763.28 | 2,502.41 |
| | | AAMIP | 80.19 | - |
| | | AAMIP | - | 500.67 |
| | | ABN-DAF-BS1 | - | 48.88 |
| | | ABN-DAF | - | 1,222.04 |
| MARUTI UDYOG LIMITED | AAFRF | AAEF | 3,132.46 | 369.09 |
| | AAFTP3-QPB | AAOF | 1,813.35 | - |
| | AAFTP3-QPC | AATAP | 704.65 | - |
| | AAFTP2-QPH | AAMIP | 155.22 | - |
| | AAFTP4-YP | | | |
| | AAFTP5-13MP | | | |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| MOTOR INDUSTRIES CO. LTD. | AAFTP3-QPC | AAEF | 657.74 | - |
| | AAFTP4-YP | | | |
| | AAFTP5-13MP | | | |
| RAYMOND LTD. | AAFTP2-QPH | AALTFR | 2,000.00 | - |
| | AACF | AAFTPS2-13A | 1,000.00 | - |
| | AAFTP3-QPF | AAFTP3-QPD | 300.00 | - |
| | | AAFDF | 1,500.00 | - |
| | | AACF | 12,500.00 | - |
| | | AAFRF | 4,000.00 | - |
| RELIANCE INDUSTRIES LTD. | AACF | AAEF | 5,487.05 | 733.11 |
| | AAFRF | AATAP | 1,651.06 | 248.71 |
| | | AAOF | 4,254.61 | - |
| | | AACF | 1,036.97 | - |
| | | AAMIP | 71.33 | - |
| STATE BANK OF BIKANER & JAIPUR | AACF | AAFDF | 1,500.00 | 200.00 |
| | AAFRF | AACF | 17,843.81 | - |
| | | AALTFR | 197.13 | - |
| | | AAFTP2-QPE | 1,489.82 | - |
| | | AAFTP6-QPB | 975.00 | 977.93 |
| | | AAFRF | 5,813.88 | - |
| | | AAMIP | - | 800.00 |
| STATE BANK OF HYDERABAD | AALTFRF | AAFTP2-QPC | 10,000.00 | - |
| | | AAFTP6-QPB | 858.27 | 860.85 |
| | | AAFTP4-16M | 117.04 | 117.39 |
| STATE BANK OF INDORE | AAFRF | AACF | 2,361.85 | - |
| | | AAFTP2-QPA | 2,451.82 | - |
| | | AAFTP3-QPG | 969.75 | - |
| | | AAFTP4-17MP | 1,939.50 | - |
| | | AAFTP4-QPB | 2,446.32 | - |
| STERLITE INDUSTRIES LTD. | AACF | AAEF | 2,672.25 | - |
| | AALTFRF | AACF | 13,900.00 | - |
| | | AAFRF | 6,700.00 | - |
| | | AAMIP | 1,000.00 | - |
| | | AAFDF | 5,200.00 | - |
| | | AAOF | 3,144.63 | - |
| | | AAFTP2-QPC | 4,200.00 | - |
| | | AAFLF | 4,725.63 | - |
| | | AAFTPS2-13A | 2,100.00 | - |
| | | AAFTP1 | 800.00 | - |
| | | AATAP | 1,400.93 | - |
| | | AAFTP4-17MP | 200.00 | - |
| | | AAFTP3-QPE | 3,200.00 | - |
| | | AAFTP3-QPB | 100.00 | - |
| | | AAFTP3-YP | 1,400.00 | - |
| | | AAFTP3-QPA | 800.00 | - |
| TATA CONSULTANCY LTD. | AALTFRF | AAEF | 2,819.31 | 660.85 |
| | AAFTP2-QPC | AAMIP | 24.56 | - |
| | AAFTP2-QPB | AAOF | 1,379.44 | - |
| | | AAFLF | 600.21 | - |
| | | AATAP | 499.64 | - |
| TECH MAHINDRA | AAFTP3-QPC | AAEF | 869.84 | - |
| | | AAMIP | 67.05 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| | | AAOF | 415.52 | - |
| | | AADYF | 7.59 | - |
| | | AATAP | 13.16 | - |
| | | AAFLF | 54.13 | - |
| ULTRATECH CEMCO LTD. | AAFTP2-QPH | AAOF | 96.53 | - |
| | AAFTP3-QPA | AAMIP | 48.27 | - |
| | AALTFRF | AAEF | 96.53 | - |
| | | AAFLF | 834.77 | - |
| UNION BANK OF INDIA | AAFRF | AAEF | 216.78 | - |
| | | AAFDF | 980.55 | - |
| | | AAMIP | 2,455.25 | - |
| | | AAOF | 30.28 | - |
| | | AALTFR | 7,989.46 | - |
| | | AAFTPS2-13A | 980.55 | - |
| | | AAFTP3-QPD | 980.55 | - |
| | | AAFTP3-QPE | 1,274.72 | - |
| | | AAFTP4-17MP | 4,902.77 | - |
| | | AAFTP4-QPD | 1,999.14 | - |
| | | AAFTP5-13MP | 903.34 | 904.14 |
| VIDESH SANCHAR NIGAM LTD. | AAFTP2-QPH | AAEF | 329.74 | 231.72 |
| | AAFTP2-QPB | | | |
| | AAFTP2-QPC | | | |
| | AALTFRF | | | |
| | AAFTP3-QPA | | | |
| | AAFTP3-QPB | | | |
| | AAFTP3-QPG | | | |
| | AAFTP4-YP | | | |
| WIPRO LTD. | AAFTP2-QPB | AAEF | 1,316.85 | - |
| | AAFTP2-QPC | AAMIP | 25.05 | - |
| | AAFTP2-QPE | AAOF | 1,108.22 | - |
| | AAFTP3-QPB | AADYF | 151.06 | - |
| | AAFTP3-QPC | AATAP | 463.37 | - |
| | AAFTP3-QPD | AAFLF | 1,456.46 | - |
| | AAFTP3-QPF | | | |
| | AAFTP3-QPG | | | |
| | AAFTP2-QPH | | | |
| | AAFTP4-QPA | | | |
| | AAFTP4-HYA | | | |
| | AAFTP6-QPB | | | |

**AACF** – ABN AMRO Cash Fund, **AAFRF** – ABN AMRO Floating Rate Fund, **AAFDF** – ABN AMRO Flexi Debt Fund, **AAEF** – ABN AMRO Equity Fund, **AAMIP** – ABN AMRO Monthly Income Plan, **AAOF** – ABN AMRO Opportunities Fund, **AADYF** – ABN AMRO Dividend Yield Fund, **AALTFRF** – ABN AMRO Long Term Floating Rate Fund, **AATAP** – ABN AMRO Tax Advantage Plan (ELSS), **AAFTP-1** – ABN AMRO Fixed Term Plan Series - 1, **AAFTP-2-13M** – ABN AMRO Fixed Term Plan Series 2-13 Months Plan, **AAMMF** – ABN AMRO Multi Manager Fund, **AAFLF** – ABN AMRO Future Leaders Fund, **AAFTP-3-YPA** – ABN AMRO Fixed Term Plan - Series 3: Yearly Plan A, **AADAF-B-S1** – ABN AMRO Dual Advantage Fund Plan B Series 1, **AAFTP-S4-17M** – ABN AMRO Fixed Term Plan - Series 4: Seventeen Months Plan, **AAFTP-4-QPC** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan C, **AAFTP-4-16M** – ABN AMRO Fixed Term Plan - Series 4: Sixteen Months Plan, **AAFTP-4-QPD** – ABN AMRO Fixed Term Plan – Series 4: Quarterly Plan D**, AAFTP-4-HYPA** – ABN AMRO Fixed Term Plan – Series 4: Half Yearly Plan A, **AAFTP-4-QPE** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan E, **AAMMF-2A** – ABN AMRO Multi Manager Fund - Series 2A, **AAMMF-3** – ABN AMRO Multi Manager Fund - Series 3, **AAMMF-2B** – ABN AMRO Multi Manager Fund - Series 2B**, AAFTP-5-13M,** ABN AMRO Fixed Term Plan – Series 5: Thirteen Months Plan, **AAFTP-6-QPB** – ABN AMRO Fixed Term Plan – Series 6: Quarterly Plan B, **AAFTP-2-QPE** – ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan E, **AAFTP-2-HYP** – ABN AMRO Fixed Term Plan - Series 2: Half Yearly Plan A, **AAFTP3-QPA** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan A, **AAFTP-3-QPB** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan B, **AAFTP-3-QPC** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan C**, AAFTP-3-QPD** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan D, **AAFTP-3-QPE-** ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan E, **AAFTP-3-QPF** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan F**, AAFTP-3-QPG** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan G, **AAFTP-3-QPH** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan H, **AAFTP-4-QPA** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan A, **AAFTP-4-QPB** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan B, **AADAF** – ABN AMRO Dual Advantage Fund - Plan A - Series 1.

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | **as on 31.03.07** | as on 31.03.06 |
|---|---|---|
| (a) Net Asset Value, per unit | | |
| Growth | **19.572** | **18.030** |
| Dividend | **16.844** | **15.520** |
| (b) Gross Income: | | |
| i) Income other than profit on sale of investment,per unit | **0.274** | 0.307 |
| ii) Profit on interscheme sale/transfer of investment,per unit | **(0.006)** | 0.000 |
| iii) Profit on sale of investment to third party,per unit | **8.112** | 6.580 |
| iv) Transfer to Revenue Account from past year's reserve per unit | **0.000** | 0.000 |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.994** | 0.602 |
| (d) Net unrealised depreciation in value of investments | **0.000** | 0.000 |
| (e) Net Income, per unit | **7.386** | 6.285 |
| (f) i ) Highest traded price | | |
| ii ) Lowest traded price | | |
| iii) Highest repurchase price/NAV * | | |
| Growth | **22.193** | 18.029 |
| Dividend | **19.100** | 17.899 |
| iv) Highest resale price * | | |
| Growth | **22.692** | 18.435 |
| Dividend | **19.530** | 18.302 |
| v) Lowest repurchase price/NAV* | | |
| Growth | **13.139** | 9.427 |
| Dividend | **11.308** | 9.427 |
| vi) Lowest resale price* | | |
| Growth | **13.435** | 9.639 |
| Dividend | **11.562** | 9.639 |
| vii) Price Earning Ratio | **NA** | NA |
| viii) Ratio of Expenses to Average Net Assets(%) | | |
| Regular Plan | **2.41%** | 2.35% |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **7.36%** | 38.36% |

**Investment Objective:** 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 marketcapitalization viz. large, medium and small-capitalization and across all sizes in terms or 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. **Load Structure: Entry Load:** In respect of each Subscription / Switch In of Units for an amount less than Rs. 5 crores in value, entry load of 2.25% is payable. In respect of each Subscription / Switch In of Units for an amount equal to Rs. 5 crores or more in value, entry load payable would be Nil. **Exit Load:** Nil. **CDSC:** In respect of each Subscription / Switch - In of Units for an amount less than Rs. 5 crores in value, CDSC of 1% is payable if the Units are redeemed / switched - out within 6 months from the date of such Subscription / Switch - In. In respect of each Subscription / Switch - In of Units for an amount equal to Rs. 5 crores or more in value, CDSC payable would be Nil. **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 Scheme. **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. The names of the Schemes 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.

## TRUSTEE REPORT

Dear Sir / Madam,

ABN AMRO Mutual Fund (the "Fund") commenced its operations in the month of August 2004. The Fund manages 29 Schemes as on March 31, 2007 with Assets under Management of Rs.5191.91 Crores, which have increased from Rs.2769.27 Crores as on March 31, 2006 showing an increase of 87%. It gives us pleasure in presenting the Third Annual Report of the Schemes of the Fund for the year ended March 31, 2007.

### 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, biased 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 well-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 Managers the recent tightening measures by Central Bank have led to moderation in credit growth, stabilisation in asset prices and softening of the inflation. Recent turbulence of sub prime market in US has led to significant volatility in Global market including moderation in the market, valuation parameters. Current economic indicator suggests a slow down in US economy going forward. Market participants now expect FED to cut interest rates before the end of the year. Accordingly interest rates are expected to be stable with downward biases in the immediate future.

### DIRECTORS OF THE ABN AMRO ASSET MANAGEMENT (INDIA) LIMITED:

| | |
|---|---|
| **Mr. Romesh Sobti** | Associate Director |
| **Mr. Arne Lindman** | Associate Director |
| **Mr. Nikhil Johri** | Associate Director |
| **Mr. Rajan Ray** | Independent Directors |
| **Mr. Arun Nanda** | Independent Director |
| **Mr. Ninad Karpe** | Independent Director |

### DIRECTORS OF THE ABN AMRO TRUSTEE (INDIA) PRIVATE LIMITED:

| | |
|---|---|
| **Mr. Pradip Nayak** | Independent Director |
| **Mr. Pradyumna Naware** | Independent Director |
| **Mr. Shariq Contractor** | Independent Director |
| **Mr. Gururajan Sethu** | Independent Director |
| **Mr. Kalpathi Sridhar** | Associate Director |
| **Mr. A. Dhananjaya*** | Associate Director |

* Appointed as an Associate Director w.e.f. July 31, 2007.

**Risk Management System:**

SEBI vide its circular dated September 30, 2002, has mandated the establishment of a full- fledged risk- management framework for mutual funds in India. In the opinion of the Trustees and to the best of their knowledge, the management system in ABN AMRO Mutual Fund is adequate.

### PERFORMANCE OF THE SCHEMES AS ON MARCH 31, 2007

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

ABN AMRO Dividend Yield Fund - an Open ended Scheme was launched on August 1, 2005. Since the launch, the fund had seen consistent outflows with AUMs dropping by 90% of initial subscription of Rs 436.13 crore. In the above background, the Board of Directors of ABN AMRO

Trustee (India) Private Limited in its meeting held on January 31, 2007 discussed the above, and approved change of the definition of "High Dividend Yield Stocks" by amending the fundamental attribute of the Scheme as "stocks of companies that have a dividend yield in excess of 0.5% w.e.f May 9, 2007.

The investment objective is to generate long term capital growth from an actively managed portfolio of equity and equity related securities, primarily being high dividend yield stocks.

| | Compounded Annual Growth Rate (%) Since Inception | Compounded Annual Growth Rate (%) Last 1 Year |
|---|---|---|
| AADYF - Growth Option | - 1.99 | - 17.66 |
| BSE Sensitive Index | 34.48 | 15.89 |

Period: September 15, 2005 - March 30, 2007. 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.

**INVESTMENT IN FOREIGN SECURITIES BY MUTUAL FUNDS**

No Scheme has invested in foreign securities yet.

In term of SEBI's letter dated December 8, 2006 having reference No.IMD/81816/06 and subsequent updation, prevailing limits of foreign investments by ABN AMRO Mutual Fund is as follows:

(1) ADRs / GDRs / Foreign Securities - 10% of the net assets managed as on March 31, 2007 i.e. Rs. 519.19 Crores.

(2) Overseas ETFs - US $50 million.

**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 28, 2007

## 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, 2007 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 Ninth Schedule 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | 2006 |
|---|---|---|---|
| **SOURCES OF FUNDS** | | | |
| Unit capital | 2(b) & 3 | **206,833** | 1,141,199 |
| Reserves and surplus | 2(b) & 4 | **(6,260)** | 202,848 |
| Current liabilities | 5 | **12,777** | 183,317 |
| | | **213,350** | 1,527,364 |
| **APPLICATION OF FUNDS** | | | |
| Investments | 2(c),6 & 15 | **197,085** | 1,295,509 |
| Other current assets | 7 | **14,812** | 175,442 |
| Deferred revenue expenditure | 2(e) & 9 | **1,453** | 56,413 |
| | | **213,350** | 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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**Pradeep Kumar**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | AUGUST 1, 2005 TO MARCH 31,2006 |
|---|---|---|---|
| **INCOME** | | | |
| Dividend | 2(d) | **15,313** | 29,622 |
| Interest | 2(d) & 8 | **894** | 18,400 |
| Profit on sale/redemption of investments, net | 2(d) | **134,106** | 301,673 |
| | | **150,313** | **349,695** |
| **EXPENSES AND LOSSES** | | | |
| Provision for net unrealised loss in value of investments | 2(c) & 6(ii) | **7,792** | - |
| Loss on inter-scheme transfer/sale of investments, net | 2(d) | **137** | 332 |
| Management fee | 10 | **6,984** | 17,308 |
| Trusteeship fee | 10 | **23** | 144 |
| Custodian service charges | | **474** | 1,191 |
| Registrar service charges | | **986** | 4,016 |
| Commission to distributors | | **2,426** | 5,257 |
| Publicity expenses | | **1,287** | 6,198 |
| Audit fee | | **230** | 258 |
| Deferred revenue expenditure amortised | 2(e) & 9 | **54,960** | 29,670 |
| Other operating expenses | | **1,589** | 2,836 |
| | | **76,888** | **67,210** |
| Surplus for the year | | **73,425** | 282,485 |
| Equalisation debit | 2(f) | **39,783** | (22,923) |
| Surplus transferred to the balance sheet | 4 | **113,208** | **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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**Pradeep Kumar**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

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

The primary objective of the Scheme is to generate 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

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 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 Bombay Stock Exchange Limited 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 accerelated amortisation of NFO expenses based on net redemptions in proportion to net assets of the scheme.

(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 2007** | Quantity 2006 | **(Rs. in 000's) Amount 2007** | **(Rs. in 000's)** Amount 2006 |
|---|---|---|---|---|
| Units of Rs 10 each fully paid up | | | | |
| **Growth Plan** | | | | |
| Outstanding, beginning of year | **29,717,429.239** | **-** | **297,174** | **-** |
| Issued | | | | |
| -New fund offer | **-** | 126,560,369.203 | **-** | 1,265,603 |
| -During the year | **369,021.869** | 5,407,481.143 | **3,690** | 54,075 |
| Redeemed during the year | **(23,853,451.735)** | (102,250,421.107) | **(238,534)** | (1,022,504) |
| Outstanding, end of year | **6,232,999.373** | 29,717,429.239 | **62,330** | 297,174 |
| **Dividend Plan** | | | | |
| Outstanding, beginning of year | **84,402,492.634** | **-** | **844,025** | **-** |
| Issued | | | | |
| -New fund offer | **-** | 303,856,475.150 | **-** | 3,038,565 |
| -During the year | **747,221.596** | 19,797,625.726 | **7,472** | 197,976 |
| Redeemed during the year | **(70,699,438.656)** | (239,251,608.242) | **(706,994)** | (2,392,516) |
| Outstanding, end of year | **14,450,275.574** | 84,402,492.634 | **144,503** | 844,025 |
| **Total** | | | | |
| Outstanding, beginning of year | **114,119,921.873** | - | **1,141,199** | - |
| Issued | | | | |
| -New fund offer | **-** | 430,416,844.353 | **-** | 4,304,168 |
| -During the year | **1,116,243.465** | 25,205,106.869 | **11,162** | 252,051 |
| Redeemed during the year | **(94,552,890.391)** | (341,502,029.349) | **(945,528)** | (3,415,020) |
| Outstanding, end of year | **20,683,274.947** | 114,119,921.873 | **206,833** | 1,141,199 |

| 4. RESERVES AND SURPLUS | (Rs. in 000's) | (Rs. in 000's) |
|---|---|---|
| | **Amount 2007** | Amount 2006 |
| **Unit premium reserve** | | |
| Opening balance | **(257,718)** | - |
| Net premium on issue/redemption of units | **(81,529)** | (280,641) |
| Equalisation, net | **(39,783)** | 22,923 |
| Balance, end of year | **(379,030)** | (257,718) |
| **Unrealised appreciation reserve** | | |
| Opening balance | **201,004** | |
| Change in unrealised appreciation in value of investments | **(201,004)** | 201,004 |
| Balance, end of year | **-** | 201,004 |
| **Retained surplus** | | |
| Opening balance | **259,562** | |
| Surplus transferred from revenue account | **113,208** | 259,562 |
| Balance, end of year | **372,770** | 259,562 |
| Total reserves and surplus | **(6,260)** | 202,848 |
| **The share of the plans in the reserves and surplus is as follows:** | | |
| Growth Plan | **(1,910)** | 52,791 |
| Dividend Plan | **(4,350)** | 150,057 |
| | **(6,260)** | 202,848 |

| 5. CURRENT LIABILITIES | | |
|---|---|---|
| Amount due to AMC for management fees | **198** | 1,652 |
| - Others | **-** | 1 |
| Trusteeship fee payable | **6** | 54 |
| Sundry creditors for units redeemed by investors | | |
| - Lateral shifts | **51** | 22,598 |
| - Others | **246** | 141,248 |
| Load pending utilisation | **2,665** | 3,191 |
| Contract for purchase of investments | **8,822** | 8,977 |
| Brokerage payable on distribution of units | **285** | - |
| Other current liabilities | **504** | 5,596 |
| | **12,777** | 183,317 |

| 6. INVESTMENTS | | |
|---|---|---|
| Equity shares | **197,085** | 1,295,509 |
| | **197,085** | 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 | **8,010** | 244,595 |
| - depreciation | **15,802** | 43,589 |

**6. INVESTMENTS** *(Contd.)*

(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 | **1,103,522** | 8,412,034 |
| - as a percentage of average daily net assets | **196.66** | 285.81 |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | | |
| - amount | **2,127,137** | 7,617,757 |
| - as a percentage of average daily net assets | **379.07** | 258.83 |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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**

| | | |
|---|---|---|
| Sundry debtors for units issued to investors | | |
| - Lateral shifts | **13** | 11 |
| - Others | **16** | 165 |
| Balances with banks in current accounts | **3,267** | 9,063 |
| Contracts for sale of investments | **8,760** | 165,952 |
| Collateralised Lending | **2,752** | - |
| Outstanding and accrued income & Dividend receivable | **4** | 251 |
| | **14,812** | 175,442 |

**8. INTEREST**

| | | |
|---|---|---|
| Debentures and bonds | **35** | 2,525 |
| Money market instruments | **55** | 1,454 |
| Collateralised Lending | **804** | 14,421 |
| | **894** | 18,400 |

**9. DEFERRED REVENUE EXPENDITURE**

| | | |
|---|---|---|
| Opening balance | **56,413** | **-** |
| Incurred during the period (2% of initial funds raised) | | 86,083 |
| Less: Amortised during the year | **(54,960)** | (29,670) |
| Closing Balance | **1,453** | 56,413 |

**10. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) under an agreement with the AMC, which provides for computation of such fee at an annual rate of 1.25 per cent of the Scheme's average daily net assets up to Rs 1 billion and at an annual rate of 1 per cent of the average daily net assets in excess of that amount (2005-06 — 1.25 per cent of the Scheme's average daily net assets up to Rs 1 billion and at an annual rate of 1 per cent of the average daily net assets in excess of that amount), after excluding the net asset value of the AMC's investment in the Scheme and the net asset value of the investments made in other schemes, if any.

The Scheme pays fees for Trusteeship services under an agreement with the Trustee, which provides for computation of such fee at 0.01 per cent of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum. (2005-06 : 0.01 per cent of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum)

**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 | **150,313** | 349,695 |

**11. INCOME AND EXPENDITURE** *(Contd.)* **(Rs. in 000's)** (Rs. in 000's)

| | Amount 2007 | Amount 2006 |
|---|---|---|
| - as a percentage of average daily net assets | **26.79** | 21.90 |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | | |
| - amount | **13,999** | 37,208 |
| - as a percentage of average daily net assets | **2.49** | 2.33 |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) | 2006 (Rs.in '000) |
|---|---|---|---|
| ABN AMRO Bank N.V | Bank charges | **24** | 294 |
| | Marketing & Distribution expenses | **-** | 2,343 |
| | Commission paid for procuring unit capital | **2,252** | 78,024 |
| ABN AMRO Asia Equities (India) Ltd | Brokerage | **110** | 868 |

**13. NET ASSET VALUE**

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

| | | |
|---|---|---|
| Growth Plan | **Rs. 9.694** | Rs. 11.780 |
| Dividend Plan | **Rs. 9.699** | Rs. 11.780 |

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 August 1, 2005 to March 31, 2006, the corresponding figures for the previous period are not comparable with those of the current year. Further, prior period's amounts have been reclassified and regrouped, wherever applicable, to conform to current year's presentation.

**15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **EQUITY SHARES** | | | | |
| **BANK** | **21,100** | **10,006** | **4.99** | **5.08** |
| Punjab National Bank Ltd. | 21,100 | 10,006 | 4.99 | 5.08 |
| **CEMENT** | **56,000** | **5,975** | **2.98** | **3.03** |
| Gujarat Ambuja Cements Ltd. | 56,000 | 5,975 | 2.98 | 3.03 |
| **FERTILISERS** | **134,428** | **11,379** | **5.67** | **5.77** |
| Deepak Fertilisers & Petrochemicals Corp. Ltd. | 134,428 | 11,379 | 5.67 | 5.77 |
| **CONSUMER NON DURABLES** | **33,556** | **18,085** | **9.02** | **9.18** |
| GlaxoSmithkline Consumer Healthcare Ltd. | 33,556 | 18,085 | 9.02 | 9.18 |
| **DIVERSIFIED** | **43,550** | **8,936** | **4.46** | **4.53** |
| Hindustan Lever Ltd. | 43,550 | 8,936 | 4.46 | 4.53 |
| **FERROUS METALS** | **85,500** | **9,773** | **4.87** | **4.96** |
| Steel Authority of India Ltd. | 85,500 | 9,773 | 4.87 | 4.96 |
| **FINANCE** | **101,935** | **10,632** | **5.30** | **5.39** |
| Power Finance Corporation Ltd. | 101,935 | 10,632 | 5.30 | 5.39 |

**15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION** *(Contd.)*

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **INDUSTRIAL CAPITAL GOODS** | **31,737** | **10,141** | **5.06** | **5.15** |
| Genus Overseas Electronics Ltd. | 28,000 | 7,188 | 3.59 | 3.65 |
| Texmaco Ltd. | 3,737 | 2,953 | 1.47 | 1.50 |
| **INDUSTRIAL PRODUCTS** | **39,500** | **10,460** | **5.21** | **5.31** |
| Cummins India Ltd. | 39,500 | 10,460 | 5.21 | 5.31 |
| **MEDIA & ENTERTAINMENT** | **13,200** | **8,040** | **4.01** | **4.08** |
| Television Eighteen India Ltd. | 13,200 | 8,040 | 4.01 | 4.08 |
| **MINERALS/MINING** | **4,350** | **7,410** | **3.69** | **3.76** |
| Sesa Goa Ltd. | 4,350 | 7,410 | 3.69 | 3.76 |
| **PETROLEUM PRODUCTS** | **114,200** | **26,201** | **13.06** | **13.29** |
| Castrol India Ltd. | 79,200 | 16,704 | 8.33 | 8.48 |
| Hindustan Petroleum Corporation Ltd. | 20,000 | 4,956 | 2.47 | 2.51 |
| Bharat Petroleum Corp Ltd. | 15,000 | 4,541 | 2.26 | 2.30 |
| **PHARMACEUTICALS** | **23,225** | **6,481** | **3.23** | **3.29** |
| SMS Pharmaceuticals Ltd. | 23,225 | 6,481 | 3.23 | 3.29 |
| **POWER** | **37,500** | **5,634** | **2.81** | **2.86** |
| National Thermal Power Corporation Ltd. | 37,500 | 5,634 | 2.81 | 2.86 |
| **SOFTWARE** | **135,858** | **47,932** | **23.90** | **24.32** |
| NIIT Technologies Ltd. | 43,600 | 19,148 | 9.54 | 9.71 |
| Aptech Ltd. | 51,000 | 11,133 | 5.55 | 5.65 |
| HCL Technologies Ltd. | 32,800 | 9,558 | 4.77 | 4.85 |
| Nucleus Software Exports Ltd. | 8,458 | 8,093 | 4.04 | 4.11 |
| **TOTAL** | **875,639** | **197,085** | **98.26** | **100.00** |
| **DEPOSITS** | | **-** | **-** | |
| **OTHER CURRENT ASSETS** | | **14,812** | **7.38** | |
| **DEFERRED REVENUE EXPENDITURE** | | **1,453** | **0.72** | |
| **TOTAL ASSETS** | | **213,350** | **106.36** | |
| **LESS: CURRENT LIABILITIES** | | **12,777** | **6.36** | |
| **NET ASSETS** | | **200,573** | **100.00** | |

## 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 2006-2007.

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| ALLAHABAD BANK | AAEF | AAEF | 1,064.00 | - |
| | | AAMIP | 72.77 | - |
| | | AACF | 3,965.58 | - |
| | | AAFTP4-QPA | 1,965.96 | - |
| | | AAFLF | 1,811.84 | - |
| | | AATAP | 499.22 | - |
| | | AADYF | 1,578.82 | - |
| | | AAOF | 702.74 | - |
| | | AAFRF | 1,000.00 | - |
| BAJAJ AUTO LTD. | AAFTP2-QPB | AATAP | 1,072.06 | - |
| | | AADYF | 180.12 | - |
| | | AAOF | 859.80 | - |
| | | AAMIP | 48.60 | - |
| | | AAEF | 1,548.87 | - |
| BANK OF BARODA | AACF | AAOF | 249.99 | 213.33 |
| | | AADYF | 297.67 | - |
| BANK OF INDIA | AAFRF | AATAP | 769.51 | - |
| | | AAFLF | 1,686.81 | - |
| | | AADYF | 256.30 | - |
| | | AAOF | 1,399.19 | - |
| | | AACF | 500.00 | - |
| | | AAMIP | 581.48 | - |
| | | AAEF | 1,640.79 | 396.09 |
| BHARTI TELE VENTURES LTD. | AAFLF | AAEF | 1,628.16 | 763.90 |
| | AALTFRF | AAOF | 734.44 | - |
| | AACF | AATAP | 140.13 | 139.79 |
| | | AAMIP | 42.59 | - |
| CUMMINS INDIA LTD. | AAFTP3-QPF | AAFLF | 1,155.81 | - |
| | | AADYF | 109.96 | 104.60 |
| GLAXOSMITHKLINE PHARMACEUTICALS LTD. | AAFDF | AADYF | 171.31 | - |
| GRASIM INDUSTRIES LTD. | AAFTP2-QPC | AAEF | 1,947.69 | - |
| | AALTFRF | AAOF | 1,405.44 | - |
| | AAFTP3-QPA | AAFLF | 1,368.40 | - |
| | AAFTP3-QPE | AAFTP1 | 3,500.00 | - |
| | | AATAP | 996.54 | - |
| | | AAFRF | 1,900.00 | - |
| | | AAFDF | 3,400.00 | - |
| | | AAMIP | 110.07 | - |
| | | AACF | 3,000.00 | - |
| GREAT EASTERN SHIPPING CO. LTD. | AAFTP2-QPE | AAEF | 681.52 | - |
| | | AATAP | 544.29 | - |
| | | AADYF | 2,436.03 | - |
| | | AAMIP | 89.82 | - |
| HCL TECHNOLOGIES LTD. | AAFTP3-YP | AAOF | 1,295.26 | - |
| | | AAFLF | 1,042.52 | - |
| | | AATAP | 330.96 | - |
| | | AADYF | 2,370.97 | 95.58 |
| | | AAEF | 85.63 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| HDFC BANK LTD. | AACF | AALTFR | 1,500.00 | - |
| | AAFRF | AAFTP5-14MP | 1,000.00 | 1,000.00 |
| | | AAFTP2-QPA | 2,448.01 | - |
| | | AATAP | 494.41 | - |
| | | AAFTP4-QPC | 9,771.18 | 9,951.69 |
| | | AAFTP3-QPF | 4,908.03 | - |
| | | AAFTP3-QPE | 4,908.15 | - |
| | | AAFRF | 3,690.82 | - |
| | | AAFDF | 468.18 | - |
| | | AACF | 27,423.10 | - |
| HERO HONDA MOTORS LTD. | AAFTP2-QPH | AADYF | 3,097.16 | - |
| | AAFTP2-QPB | | - | - |
| | AAFTP2-QPC | | - | - |
| | AAFTP2-QPE | | - | - |
| | AAFTP3-QPA | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPF | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-HYA | | - | - |
| | AADAF-PLAN A | | - | - |
| HINDALCO INDUSTRIES LTD. | AAFTP2-QPH | AAEF | 1,369.73 | - |
| | AAFTP2-QPB | AAOF | 1,119.94 | - |
| | AAFTP2-QPE | AAFLF | 233.31 | - |
| | AALTFRF | AATAP | 252.75 | - |
| | AAFTP3-QPE | AADYF | 96.93 | - |
| | AAFTP3-QPF | AAMIP | 193.85 | - |
| | AAFTP3-QPG | | - | - |
| | AAFDF | | - | - |
| | AAFTP6-QPB | | - | - |
| HINDUJA TMT | AAFRF | AAMIP | 62.75 | - |
| | AACF | AAOF | 1,140.66 | 196.94 |
| | AAFTP5-13MP | AATAP | 649.01 | 366.66 |
| | | AAFLF | 2,024.85 | 646.04 |
| HINDUSTAN LEVER LTD. | AAFTP2-QPH | AAEF | 612.91 | - |
| | AAFTP2-QPB | AAOF | 49.59 | - |
| | AACF | AADYF | 496.41 | 89.36 |
| | AAFTP3-YP | AAFRF | - | - |
| | AAFTP3-QPB | AAMIP | 48.94 | - |
| | AAFTP3-QPD | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-QPA | | - | - |
| | AAFTP5-13MP | | - | - |
| HINDUSTAN ZINC LTD. | AAFDF | AAEF | 951.20 | - |
| | AALTFRF | AAOF | 1,469.12 | - |
| | AACF | AAFLF | 1,192.11 | - |
| | AAFTP3-QPA | AATAP | 846.35 | - |
| | AAFTP3-YP | AAMIP | 120.69 | - |
| | AAFTP3-QPD | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPG | | - | - |
| IDFC | AACF | AAEF | 857.26 | 422.85 |
| | | AAFDF | 2,400.00 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| | | AAOF | 746.21 | 464.70 |
| | | AAFTP4-16M | 900.00 | - |
| | | AAFTP4-17MP | 1,700.00 | - |
| | | AAFTPS2-13A | 507.50 | - |
| | | AATAP | 249.63 | 193.77 |
| | | AAMIP | 38.67 | - |
| IFCI LTD. | AAFRF | AAFLF | 999.87 | 758.18 |
| IPCL | AAFTP3-QPD | AAOF | 287.07 | - |
| | AAFTP3-QPE | AADYF | 239.77 | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-HYA | | - | - |
| | AAFTP3-QPG | | - | - |
| ITC LTD. | AAFRF | AAEF | 2,376.34 | - |
| | AAFTP2-QPH | AAOF | 1,114.07 | - |
| | AAFTP2-QPE | AATAP | 966.13 | - |
| | AAFTP3-YP | AAMIP | 49.35 | - |
| | AAFTP3-QPC | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP3-QPH | | - | - |
| | AAFTP4-QPA | | - | - |
| JINDAL STAINLESS LTD | AACF | AAFDF | 490.82 | - |
| LARSEN & TOUBRO LTD. | AAEF | AATAP | 1,260.66 | 583.24 |
| | AACF | AAOF | 1,564.70 | 549.21 |
| | AAFTP3-QPE | AACF | 2,500.00 | - |
| | | AAMIP | 49.67 | - |
| | | AAEF | 1,644.89 | 792.23 |
| MAHINDRA & MAHINDRA LTD. | AAFDF | AAEF | 1,210.53 | 314.70 |
| | AAFTP2-QPB | AAFRF | 5,701.60 | 300.03 |
| | AALTFRF | AAFLF | 5,000.00 | - |
| | | AAFTP1 | 1,500.00 | 1,199.48 |
| | | AATAP | 978.73 | - |
| | | AALTFR | 2,100.00 | - |
| | | AADYF | 2,172.07 | - |
| | | AAOF | 960.68 | - |
| | | AAFTP3-QPC | 998.66 | - |
| | | AAFTP3-YP | 700.00 | - |
| | | AAFTP4-17MP | 1,500.00 | 195.53 |
| | | AAFTP3-QPG | 3,200.00 | - |
| | | AACF | 19,763.28 | 2,502.41 |
| | | AAMIP | 80.19 | - |
| | | AAMIP | - | 500.67 |
| | | ABN-DAF-BS1 | - | 48.88 |
| | | ABN-DAF | - | 1,222.04 |
| MARUTI UDYOG LIMITED | AAFRF | AAEF | 3,132.46 | 369.09 |
| | AAFTP3-QPB | AAOF | 1,813.35 | - |
| | AAFTP3-QPC | AATAP | 704.65 | - |
| | AAFTP2-QPH | AAMIP | 155.22 | - |
| | AAFTP4-YP | | | |
| | AAFTP5-13MP | | | |
| MOTOR INDUSTRIES CO. LTD. | AAFTP3-QPC | AAEF | 657.74 | - |
| | AAFTP4-YP | | | |
| | AAFTP5-13MP | | | |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| RAYMOND LTD. | AAFTP2-QPH | AALTFR | 2,000.00 | - |
| | AACF | AAFTPS2-13A | 1,000.00 | - |
| | AAFTP3-QPF | AAFTP3-QPD | 300.00 | - |
| | | AAFDF | 1,500.00 | - |
| | | AACF | 12,500.00 | - |
| | | AAFRF | 4,000.00 | - |
| RELIANCE INDUSTRIES LTD. | AACF | AAEF | 5,487.05 | 733.11 |
| | AAFRF | AATAP | 1,651.06 | 248.71 |
| | | AAOF | 4,254.61 | - |
| | | AACF | 1,036.97 | - |
| | | AAMIP | 71.33 | - |
| STATE BANK OF BIKANER & JAIPUR | AACF | AAFDF | 1,500.00 | 200.00 |
| | AAFRF | AACF | 17,843.81 | - |
| | | AALTFR | 197.13 | - |
| | | AAFTP2-QPE | 1,489.82 | - |
| | | AAFTP6-QPB | 975.00 | 977.93 |
| | | AAFRF | 5,813.88 | - |
| | | AAMIP | - | 800.00 |
| STATE BANK OF HYDERABAD | AALTFRF | AAFTP2-QPC | 10,000.00 | - |
| | | AAFTP6-QPB | 858.27 | 860.85 |
| | | AAFTP4-16M | 117.04 | 117.39 |
| STATE BANK OF INDORE | AAFRF | AACF | 2,361.85 | - |
| | | AAFTP2-QPA | 2,451.82 | - |
| | | AAFTP3-QPG | 969.75 | - |
| | | AAFTP4-17MP | 1,939.50 | - |
| | | AAFTP4-QPB | 2,446.32 | - |
| STERLITE INDUSTRIES LTD. | AACF | AAEF | 2,672.25 | - |
| | AALTFRF | AACF | 13,900.00 | - |
| | | AAFRF | 6,700.00 | - |
| | | AAMIP | 1,000.00 | - |
| | | AAFDF | 5,200.00 | - |
| | | AAOF | 3,144.63 | - |
| | | AAFTP2-QPC | 4,200.00 | - |
| | | AAFLF | 4,725.63 | - |
| | | AAFTPS2-13A | 2,100.00 | - |
| | | AAFTP1 | 800.00 | - |
| | | AATAP | 1,400.93 | - |
| | | AAFTP4-17MP | 200.00 | - |
| | | AAFTP3-QPE | 3,200.00 | - |
| | | AAFTP3-QPB | 100.00 | - |
| | | AAFTP3-YP | 1,400.00 | - |
| | | AAFTP3-QPA | 800.00 | - |
| TATA CONSULTANCY LTD. | AALTFRF | AAEF | 2,819.31 | 660.85 |
| | AAFTP2-QPC | AAMIP | 24.56 | - |
| | AAFTP2-QPB | AAOF | 1,379.44 | - |
| | | AAFLF | 600.21 | - |
| | | AATAP | 499.64 | - |
| TECH MAHINDRA | AAFTP3-QPC | AAEF | 869.84 | - |
| | | AAMIP | 67.05 | - |
| | | AAOF | 415.52 | - |
| | | AADYF | 7.59 | - |
| | | AATAP | 13.16 | - |
| | | AAFLF | 54.13 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| ULTRATECH CEMCO LTD. | AAFTP2-QPH | AAOF | 96.53 | - |
| | AAFTP3-QPA | AAMIP | 48.27 | - |
| | AALTFRF | AAEF | 96.53 | - |
| | | AAFLF | 834.77 | - |
| UNION BANK OF INDIA | AAFRF | AAEF | 216.78 | - |
| | | AAFDF | 980.55 | - |
| | | AAMIP | 2,455.25 | - |
| | | AAOF | 30.28 | - |
| | | AALTFR | 7,989.46 | - |
| | | AAFTPS2-13A | 980.55 | - |
| | | AAFTP3-QPD | 980.55 | - |
| | | AAFTP3-QPE | 1,274.72 | - |
| | | AAFTP4-17MP | 4,902.77 | - |
| | | AAFTP4-QPD | 1,999.14 | - |
| | | AAFTP5-13MP | 903.34 | 904.14 |
| VIDESH SANCHAR NIGAM LTD. | AAFTP2-QPH | AAEF | 329.74 | 231.72 |
| | AAFTP2-QPB | | | |
| | AAFTP2-QPC | | | |
| | AALTFRF | | | |
| | AAFTP3-QPA | | | |
| | AAFTP3-QPB | | | |
| | AAFTP3-QPG | | | |
| | AAFTP4-YP | | | |
| WIPRO LTD. | AAFTP2-QPB | AAEF | 1,316.85 | - |
| | AAFTP2-QPC | AAMIP | 25.05 | - |
| | AAFTP2-QPE | AAOF | 1,108.22 | - |
| | AAFTP3-QPB | AADYF | 151.06 | - |
| | AAFTP3-QPC | AATAP | 463.37 | - |
| | AAFTP3-QPD | AAFLF | 1,456.46 | - |
| | AAFTP3-QPF | | | |
| | AAFTP3-QPG | | | |
| | AAFTP2-QPH | | | |
| | AAFTP4-QPA | | | |
| | AAFTP4-HYA | | | |
| | AAFTP6-QPB | | | |

**AACF** – ABN AMRO Cash Fund, **AAFRF** – ABN AMRO Floating Rate Fund, **AAFDF** – ABN AMRO Flexi Debt Fund, **AAEF** – ABN AMRO Equity Fund, **AAMIP** – ABN AMRO Monthly Income Plan, **AAOF** – ABN AMRO Opportunities Fund, **AADYF** – ABN AMRO Dividend Yield Fund, **AALTFRF** – ABN AMRO Long Term Floating Rate Fund, **AATAP** – ABN AMRO Tax Advantage Plan (ELSS), **AAFTP-1** – ABN AMRO Fixed Term Plan Series - 1, **AAFTP-2-13M** – ABN AMRO Fixed Term Plan Series 2-13 Months Plan, **AAMMF** – ABN AMRO Multi Manager Fund, **AAFLF** – ABN AMRO Future Leaders Fund, **AAFTP-3-YPA** – ABN AMRO Fixed Term Plan - Series 3: Yearly Plan A, **AADAF-B-S1** – ABN AMRO Dual Advantage Fund Plan B Series 1, **AAFTP-S4-17M** – ABN AMRO Fixed Term Plan - Series 4: Seventeen Months Plan, **AAFTP-4-QPC** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan C, **AAFTP-4-16M** – ABN AMRO Fixed Term Plan - Series 4: Sixteen Months Plan, **AAFTP-4-QPD** – ABN AMRO Fixed Term Plan – Series 4: Quarterly Plan D**, AAFTP-4-HYPA** – ABN AMRO Fixed Term Plan – Series 4: Half Yearly Plan A, **AAFTP-4-QPE** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan E, **AAMMF-2A** – ABN AMRO Multi Manager Fund - Series 2A, **AAMMF-3** – ABN AMRO Multi Manager Fund - Series 3, **AAMMF-2B** – ABN AMRO Multi Manager Fund - Series 2B**, AAFTP-5-13M,** ABN AMRO Fixed Term Plan – Series 5: Thirteen Months Plan, **AAFTP-6-QPB** – ABN AMRO Fixed Term Plan – Series 6: Quarterly Plan B, **AAFTP-2-QPE** – ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan E, **AAFTP-2-HYP** – ABN AMRO Fixed Term Plan - Series 2: Half Yearly Plan A, **AAFTP3-QPA** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan A, **AAFTP-3-QPB** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan B, **AAFTP-3-QPC** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan C**, AAFTP-3-QPD** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan D, **AAFTP-3-QPE-** ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan E, **AAFTP-3-QPF** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan F**, AAFTP-3-QPG** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan G, **AAFTP-3-QPH** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan H, **AAFTP-4-QPA** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan A, **AAFTP-4-QPB** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan B, **AADAF** – ABN AMRO Dual Advantage Fund - Plan A - Series 1.

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | as on 31.03.07 | as on 31.03.06 |
|---|---|---|
| (a) Net Asset Value, per unit | | |
| Growth | **9.694** | 11.780 |
| Dividend | **9.699** | 11.780 |
| (b) Gross Income: | | |
| i) Income other than profit on sale of investment,per unit | **0.784** | 0.421 |
| ii) profit on interscheme sale/transfer of investment,per unit | **(0.007)** | 0.000 |
| iii) profit on sale of investment to third party,per unit | **6.484** | 2.644 |
| iv) transfer to Revenue Account from past year's reserve per unit | | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **3.334** | 0.589 |
| (d) Net unrealised depreciation in value of investments | **0.377** | 0.000 |
| (e) Net Income, per unit | **3.550** | 2.475 |
| (f) i) Highest traded price | | |
| ii) Lowest traded price | | |
| iii) Highest repurchase price/NAV * | | |
| Growth | **12.596** | 11.776 |
| Dividend | **12.598** | 11.778 |
| iv) Highest resale price * | | |
| Growth | **12.879** | 12.041 |
| Dividend | **12.881** | 12.043 |
| v) Lowest repurchase price/NAV* | | |
| Growth | **8.225** | 9.312 |
| Dividend | **8.225** | 9.312 |
| vi) Lowest resale price* | | |
| Growth | **8.605** | 9.522 |
| Dividend | **8.410** | 9.522 |
| vii) Price Earning Ratio | **NA** | NA |
| viii) Ratio of Expenses to Average Net Assets(%) | | |
| Regular Plan | **2.49%** | 2.33% |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **-10.45%** | 22.01% |

**Investment Objective:** 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 0.50%, at the time of investment. **Load Structure: Entry Load:** In respect of each Subscription / Switch In of Units for an amount less than Rs. 5 crores in value, entry load of 2.25% is payable. In respect of each Subscription / Switch In of Units for an amount equal to Rs. 5 crores or more in value, entry load payable would be Nil. **Exit Load:** Nil. **CDSC:** In respect of each Subscription / Switch - In of Units for an amount less than Rs. 5 crores in value, CDSC of 1% is payable if the Units are redeemed / switched - out within 6 months from the date of such Subscription / Switch - In. In respect of each Subscription / Switch - In of Units for an amount equal to Rs. 5 crores or more in value, CDSC payable would be Nil. **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 Scheme. **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. The names of the Schemes 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.

## TRUSTEE REPORT

Dear Sir / Madam,

ABN AMRO Mutual Fund (the "Fund") commenced its operations in the month of August 2004. The Fund manages 29 Schemes as on March 31, 2007 with Assets under Management of Rs.5191.91 Crores, which have increased from Rs.2769.27 Crores as on March 31, 2006 showing an increase of 87%. It gives us pleasure in presenting the Third Annual Report of the Schemes of the Fund for the year ended March 31, 2007.

### 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, biased 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 well-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 Managers the recent tightening measures by Central Bank have led to moderation in credit growth, stabilisation in asset prices and softening of the inflation. Recent turbulence of sub prime market in US has led to significant volatility in Global market including moderation in the market, valuation parameters. Current economic indicator suggests a slow down in US economy going forward. Market participants now expect FED to cut interest rates before the end of the year. Accordingly interest rates are expected to be stable with downward biases in the immediate future.

### DIRECTORS OF THE ABN AMRO ASSET MANAGEMENT (INDIA) LIMITED:

| | |
|---|---|
| **Mr. Romesh Sobti** | Associate Director |
| **Mr. Arne Lindman** | Associate Director |
| **Mr. Nikhil Johri** | Associate Director |
| **Mr. Rajan Ray** | Independent Directors |
| **Mr. Arun Nanda** | Independent Director |
| **Mr. Ninad Karpe** | Independent Director |

### DIRECTORS OF THE ABN AMRO TRUSTEE (INDIA) PRIVATE LIMITED:

| | |
|---|---|
| **Mr. Pradip Nayak** | Independent Director |
| **Mr. Pradyumna Naware** | Independent Director |
| **Mr. Shariq Contractor** | Independent Director |
| **Mr. Gururajan Sethu** | Independent Director |
| **Mr. Kalpathi Sridhar** | Associate Director |
| **Mr. A. Dhananjaya*** | Associate Director |

* Appointed as an Associate Director w.e.f. July 31, 2007.

**Risk Management System:**

SEBI vide its circular dated September 30, 2002, has mandated the establishment of a full- fledged risk- management framework for mutual funds in India. In the opinion of the Trustees and to the best of their knowledge, the management system in ABN AMRO Mutual Fund is adequate.

### PERFORMANCE OF THE SCHEMES AS ON MARCH 31, 2007

**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.

| | Compounded Annual Growth Rate (%) Since Inception | Compounded Annual Growth Rate (%) Last 1 Year |
|---|---|---|
| AATAP (ELSS) - Growth Option | 16.36 | - 2.43 |
| BSE 200 | 21.92 | 10.20 |

Period: January 5, 2006 - March 30, 2007. 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 lagged the benchmark index in the last 1 year as the benchmark had very concentrated performance i.e. on the whole the performance of the benchmark may be attributed to the top 5-10 shares which may have contributed the maximum returns. Being under-weight on these shares would have negatively impacted our fund's relative performance.

**INVESTMENT IN FOREIGN SECURITIES BY MUTUAL FUNDS**

No Scheme has invested in foreign securities yet.

In term of SEBI's letter dated December 8, 2006 having reference No.IMD/81816/06 and subsequent updation, prevailing limits of foreign investments by ABN AMRO Mutual Fund is as follows:

(1) ADRs / GDRs / Foreign Securities - 10% of the net assets managed as on March 31, 2007 i.e. Rs. 519.19 Crores.

(2) Overseas ETFs - US $50 million.

**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 28, 2007

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND - ABN AMRO TAX ADVANTAGE PLAN

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND - ABN AMRO TAX ADVANTAGE PLAN ('the Scheme') as at March 31, 2007 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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | 2006 |
|---|---|---|---|
| **SOURCES OF FUNDS** | | | |
| Unit capital | 2(b) & 3 | **1,156,717** | 1,073,266 |
| Reserves and surplus | 2(b) & 4 | **166,227** | 252,572 |
| Current liabilities | 5 | **46,380** | 189,019 |
| | | **1,369,324** | 1,514,857 |
| **APPLICATION OF FUNDS** | | | |
| Investments | 2(c),6 & 16 | **1,250,204** | 1,227,710 |
| Other current assets | 7 | **82,872** | 230,386 |
| Deferred revenue expenditure | 2(g) & 9 | **36,248** | 56,761 |
| | | **1,369,324** | 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 28, 2007

For and on behalf of
**ABN AMRO Trustee (India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Amit Nigam**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | August 1, 2005 to March 31,2006 |
|---|---|---|---|
| **INCOME** | | | |
| Dividend | 2(d) | **12,904** | 1,879 |
| Interest | 2(d) & 8 | **2,461** | 1,532 |
| Profit on sale/redemption of investments, net | 2(d) | **207,312** | 115,564 |
| | | **222,677** | 118,975 |
| **EXPENSES AND LOSSES** | | | |
| Change in provision for net unrealised loss in value of investments | 2(c) & 6(ii) | **65,136** | - |
| Loss on inter-scheme transfer/sale of investments, net | 2(d) | **1,732** | 192 |
| Management fee | 10 | **15,768** | 3,200 |
| Trusteeship fee | 10 | **53** | 11 |
| Custodian service charges | | **977** | 220 |
| Registrar service charges | | **2,346** | 1,194 |
| Commission to distributors | | **7,821** | 1,183 |
| Publicity expenses | | **3,052** | 1,474 |
| Audit fee | | **60** | 67 |
| Deferred revenue expenditure amortised | 2(g) & 9 | **20,513** | 4,833 |
| Other operating expenses | | **3,793** | 581 |
| Expenses reimbursed by the AMC | | **(1,516)** | (1,468) |
| | | **119,735** | 11,487 |
| Surplus for the year | | **102,942** | 107,488 |
| Equalisation credit | 2(e) | **9,505** | 2,468 |
| Transferred from Unit Premium Reserve | | **185,281** | - |
| Income distribution on capital account | | **(70,579)** | - |
| Surplus transferred to the balance sheet | 4 | **227,149** | 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 28, 2007

For and on behalf of
**ABN AMRO Trustee (India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Amit Nigam**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Tax Advantage Plan ('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 Securities and Exchange Board of India ('SEBI') (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of ABN AMRO Trustee (India) Private Limited ('the Trustee') has appointed ABN AMRO Asset Management (India) Limited ('the AMC') to manage the Fund's affairs and operate its Schemes.

The investment objective of the Scheme is to generate long-term capital growth from a diversified and actively managed portfolio of equity and equity related securities 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

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 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 Bombay Stock Exchange Limited 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 accerelated amortisation of NFO expenses based on net redemptions in proportion to net assets of the scheme.

(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 2007** | Quantity 2006 | **Amount 2007** | Amount 2006 |
|---|---|---|---|---|
| | | | **(Rs. in 000's)** | **(Rs. in 000's)** |
| Units of Rs 10 each fully paid up | | | | |
| **Growth Plan** | | | | |
| Outstanding, beginning of year | **40,603,333.102** | - | **406,034** | - |
| Issued | | | | |
| -New fund offer | **-** | 38,235,250.000 | **-** | 382,353 |
| -During the year | **2,991,538.980** | 2,368,875.392 | **29,915** | 23,689 |
| Redeemed during the year | **-** | (792.290) | **-** | (8) |
| Outstanding, end of year | **43,594,872.082** | 40,603,333.102 | **435,949** | 406,034 |
| **Dividend Plan** | | | | |
| Outstanding, beginning of year | **66,723,180.638** | - | **667,232** | - |
| Issued | | | | |
| -New fund offer | **-** | 64,421,300.000 | **-** | 644,213 |
| -During the year | **5,353,652.291** | 2,303,374.029 | **53,536** | 23,034 |
| Redeemed during the year | **-** | (1,493.391) | **-** | (15) |
| Outstanding, end of year | **72,076,832.929** | 66,723,180.638 | **720,768** | 667,232 |
| **Total** | | | | |
| Outstanding, beginning of year | **107,326,513.740** | - | **1,073,266** | - |
| Issued | | | | |
| -New fund offer | **-** | 102,656,550.000 | **-** | 1,026,566 |
| -During the year | **8,345,191.271** | 4,672,249.421 | **83,451** | 46,723 |
| Redeemed during the year | **-** | (2,285.681) | **-** | (23) |
| Outstanding, end of year | **115,671,705.011** | 107,326,513.740 | **1,156,717** | 1,073,266 |

| 4. RESERVES AND SURPLUS | (Rs. in 000's) | (Rs. in 000's) |
|---|---|---|
| | **Amount 2007** | Amount 2006 |
| **Unit premium reserve** | | |
| Balance, beginning of year | **5,170** | - |
| Net premium on issue/redemption of units | **18,738** | 7,638 |
| Equalisation, net | **(9,505)** | (2,468) |
| Transfer to revenue account | **(185,281)** | |
| Balance, end of year | **(170,878)** | 5,170 |
| **Unrealised appreciation reserve** | | |
| Balance, beginning of year | **137,446** | - |
| Change in unrealised appreciation in value of investments | **(137,446)** | 137,446 |
| Balance, end of year | **-** | 137,446 |
| **Retained surplus** | | |
| Balance, beginning of year | **109,956** | - |
| Surplus transferred from revenue account | **227,149** | 109,956 |
| Balance, end of year | **337,105** | 109,956 |
| Total reserves and surplus | **166,227** | 252,572 |
| **The share of the plans in the reserves and surplus is as follows:** | | |
| Growth Plan | **89,493** | 95,561 |
| Dividend Plan | **76,734** | 157,011 |
| | **166,227** | 252,572 |

| 5. CURRENT LIABILITIES | | |
|---|---|---|
| Amount due to AMC for management fees | **1,234** | 1,230 |
| Trusteeship fee payable | **25** | 10 |
| Contract for purchase of investments | **41,941** | 183,047 |
| Other current liabilities | **3,180** | 4,732 |
| | **46,380** | 189,019 |

| 6. INVESTMENTS | | |
|---|---|---|
| Equity shares | **1,116,442** | 1,227,710 |
| Commercial paper | **133,762** | - |
| | **1,250,204** | 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.

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

| Equity shares | | |
|---|---|---|
| - appreciation | **57,839** | 157,327 |
| - depreciation | **122,975** | 19,881 |

(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 | **4,687,473** | 3,111,405 |
| - as a percentage of average daily net assets | **353.28** | 280.84 |

**6. INVESTMENTS** *(Contd.)*

| | **(Rs. in 000's)** | (Rs. in 000's) |
|---|---|---|
| | **Amount 2007** | Amount 2006 |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | | |
| - amount | **4,668,719** | 2,137,328 |
| - as a percentage of average daily net assets | **351.86** | 192.92 |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations1996 and the fair value of such investments as at March 31, 2007 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(Excluding Commercial Paper) as on March 31, 2007 valued in good faith | **36,666** | - |

**7. OTHER CURRENT ASSETS**

| | | |
|---|---|---|
| Sundry debtors for units issued to investors | | |
| - Lateral shifts | **53** | 39 |
| - Others | **1,771** | 10,517 |
| Balances with banks in current accounts | **3,562** | 6,320 |
| Receivable from AMC | **1,042** | 1,468 |
| Contracts for sale of investments | **56,833** | 212,042 |
| Collateralised Lending | **7,266** | - |
| Outstanding and accrued income | **10** | - |
| Dividend receivable | **992** | - |
| Application Pending Allotment | **11,343** | - |
| | **82,872** | 230,386 |

**8. INTEREST**

| | | |
|---|---|---|
| Debentures and bonds | **125** | 292 |
| Money market instruments | **836** | 480 |
| Collateralised Lending | **1,500** | 760 |
| | **2,461** | 1,532 |

**9. DEFERRED REVENUE EXPENDITURE**

| | | |
|---|---|---|
| Opening Balance | **56,761** | - |
| Incurred during the year | **-** | 61,594 |
| Less:Amortised during the year | **(20,513)** | (4,833) |
| Closing Balance | **36,248** | 56,761 |

**10. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) under an agreement with the AMC, which provides for computation of such fee at an annual rate of 1.25 per cent of the Scheme's average daily net assets up to Rs 1 billion and at an annual rate of 1 per cent of the average daily net assets in excess of that amount (2005-06 — 1.25 per cent of the Scheme's average daily net assets up to Rs 1 billion and at an annual rate of 1 per cent of the average daily net assets in excess of that amount), after excluding the net asset value of the AMC's investment in the Scheme and the net asset value of the investments made in other schemes, if any.

The Scheme pays fees for Trusteeship services under an agreement with the Trustee, which provides for computation of such fee at 0.01 per cent of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum. (2005-06 : 0.01 per cent of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum)

**11.** The AMC has borne Rs 15.16 lakhs (2006 -14.68 lakhs) of the Scheme's expenses, being expenses in excess of the limits specified in the Offer document/Internal limit, chargeable to the Scheme.

**12. INCOME AND EXPENDITURE** **(Rs. in 000's)** (Rs. in 000's)

| | Amount 2007 | Amount 2006 |
|---|---|---|
| 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 | **222,677** | 118,975 |
| - as a percentage of average daily net assets | **16.78** | 45.58 |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | | |
| - amount | **32,354** | 6,462 |
| - as a percentage of average daily net assets | **2.44** | 2.48 |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) | 2006 (Rs.in '000) |
|---|---|---|---|
| ABN AMRO Bank N.V | Bank charges | **43** | 155 |
| | Marketing & Distribution expenses | **4,552** | 27,398 |
| | Commission paid for procuring unit capital | **-** | 1,096 |
| ABN AMRO Asia Equities (India) Ltd | Brokerage | **1,307** | 1,208 |

**14. NET ASSET VALUE**

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

| | | |
|---|---|---|
| Growth Plan | **Rs. 12.053** | Rs. 12.350 |
| Dividend Plan | **Rs. 11.065** | Rs. 12.350 |

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 the prior period was from January 01, 2006 to March 31, 2006, the corresponding figures for the previous period are not comparable with those of the current year. Further, prior period's amounts have been reclassified and regrouped, wherever applicable, to conform to current year's presentation.

**16. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **EQUITY SHARES** | | | | |
| **AUTO** | **45,000** | **32,769** | **2.48** | **2.94** |
| Tata Motors Ltd. | 45,000 | 32,769 | 2.48 | 2.94 |
| **AUTO ANCILLARIES** | **75,000** | **19,658** | **1.49** | **1.76** |
| Federal Mogul Goetze Ltd. | 75,000 | 19,658 | 1.49 | 1.76 |
| **BANKS** | **300,000** | **23,280** | **1.76** | **2.09** |
| IDBI Bank Ltd. | 300,000 | 23,280 | 1.76 | 2.09 |
| **CHEMICALS** | **350,000** | **24,203** | **1.83** | **2.17** |
| Finolex Industries Ltd. | 350,000 | 24,203 | 1.83 | 2.17 |
| **CONSTRUCTION** | **310,272** | **83,498** | **6.31** | **7.48** |
| Unitech Ltd. | 90,000 | 34,871 | 2.64 | 3.12 |
| JMC Projects India Ltd. | 131,190 | 24,749 | 1.87 | 2.22 |

**16. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION**

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| DS Kulkarni Developers Ltd. | 89,082 | 23,878 | 1.80 | 2.14 |
| **CONSUMER DURABLES** | **325,575** | **41,739** | **3.15** | **3.74** |
| Phoenix Lamps Ltd. | 325,575 | 41,739 | 3.15 | 3.74 |
| **DIVERSIFIED** | **36,000** | **58,324** | **4.41** | **5.22** |
| Larsen & Toubro Ltd. | 36,000 | 58,324 | 4.41 | 5.22 |
| **FERROUS METALS** | **243,887** | **66,733** | **5.04** | **5.98** |
| Maharashtra Seamless Ltd. | 105,000 | 53,671 | 4.05 | 4.81 |
| Technocraft Industries India Ltd. | 138,887 | 13,062 | 0.99 | 1.17 |
| **FINANCE** | **587,871** | **56,546** | **4.27** | **5.06** |
| Power Finance Corporation Ltd. | 356,371 | 37,169 | 2.81 | 3.32 |
| Infrastructure Development Finance | 231,500 | 19,377 | 1.46 | 1.74 |
| **INDUSTRIAL CAPITAL GOODS** | **444,320** | **184,231** | **13.93** | **16.50** |
| Elecon Engineering Company Ltd. | 151,250 | 59,396 | 4.50 | 5.32 |
| Lakshmi Machine Works Ltd. | 13,701 | 40,874 | 3.09 | 3.66 |
| Genus Overseas Electronics Ltd. | 117,000 | 30,034 | 2.27 | 2.69 |
| Texmaco Ltd. | 37,369 | 29,527 | 2.23 | 2.64 |
| RPG Transmission Ltd. | 125,000 | 24,400 | 1.84 | 2.19 |
| **INDUSTRIAL PRODUCTS** | **183,500** | **38,563** | **2.91** | **3.45** |
| Sintex Industries Ltd. | 183,500 | 38,563 | 2.91 | 3.45 |
| **MEDIA & ENTERTAINMENT** | **908,715** | **140,786** | **10.64** | **12.61** |
| NDTV Ltd. | 165,000 | 51,306 | 3.87 | 4.60 |
| Deccan Chronicle Holdings Ltd. | 300,000 | 46,514 | 3.52 | 4.17 |
| Television Eighteen India Ltd. | 36,000 | 21,928 | 1.66 | 1.96 |
| Shringar Cinemas Ltd. | 407,715 | 21,038 | 1.59 | 1.88 |
| **PETROLEUM PRODUCTS** | **227,917** | **83,445** | **6.31** | **7.47** |
| Bharat Petroleum Corp Ltd. | 120,000 | 36,330 | 2.75 | 3.25 |
| Reliance Industries Ltd. | 18,150 | 24,871 | 1.88 | 2.23 |
| Hindustan Petroleum Corporation Ltd. | 89,767 | 22,244 | 1.68 | 1.99 |
| **PHARMACEUTICALS** | **135,247** | **37,741** | **2.85** | **3.38** |
| SMS Pharmaceuticals Ltd. | 135,247 | 37,741 | 2.85 | 3.38 |
| **POWER** | **167,000** | **28,448** | **2.15** | **2.55** |
| Jyoti Structures Ltd. | 167,000 | 28,448 | 2.15 | 2.55 |
| **SOFTWARE** | **400,000** | **182,499** | **13.80** | **16.35** |
| NIIT Technologies Ltd. | 100,000 | 43,920 | 3.32 | 3.94 |
| Mphasis Ltd. | 150,000 | 42,413 | 3.20 | 3.80 |
| Hinduja TMT Ltd.*** | 31,500 | 18,333 | 1.39 | 1.64 |
| HTMT Global Solutions Ltd.*** | 31,500 | 18,333 | 1.39 | 1.64 |
| Satyam Computer Services Ltd. | 75,000 | 35,276 | 2.67 | 3.16 |
| Infosys Technologies Ltd. | 12,000 | 24,224 | 1.83 | 2.17 |
| **TELECOM SERVICES** | **18,300** | **13,979** | **1.06** | **1.25** |
| Bharti Airtel Limited | 18,300 | 13,979 | 1.06 | 1.25 |
| **TOTAL** | **4,758,604** | **1,116,442** | **84.39** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **FINANCE** | **1,350,000** | **133,762** | **10.11** | **100.00** |
| Reliance Capital Ltd.* | 1,350,000 | 133,762 | 10.11 | 100.00 |
| **TOTAL** | **1,350,000** | **133,762** | **10.11** | **100.00** |
| **OTHER CURRENT ASSETS** | | **82,872** | **6.26** | |
| **DEFERRED REVENUE EXPENDITURE** | | **36,248** | **2.75** | |
| **TOTAL ASSETS** | | **1,369,324** | **103.51** | |
| **LESS: CURRENT LIABILITIES** | | **46,380** | **3.51** | |
| **NET ASSETS** | | **1,322,944** | **100.00** | |

* Non traded / thinly traded investments

***Awaiting listing on Stock Exchange

## 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 2006-2007.

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| ALLAHABAD BANK | AAEF | AAEF | 1,064.00 | - |
| | | AAMIP | 72.77 | - |
| | | AACF | 3,965.58 | - |
| | | AAFTP4-QPA | 1,965.96 | - |
| | | AAFLF | 1,811.84 | - |
| | | AATAP | 499.22 | - |
| | | AADYF | 1,578.82 | - |
| | | AAOF | 702.74 | - |
| | | AAFRF | 1,000.00 | - |
| BAJAJ AUTO LTD. | AAFTP2-QPB | AATAP | 1,072.06 | - |
| | | AADYF | 180.12 | - |
| | | AAOF | 859.80 | - |
| | | AAMIP | 48.60 | - |
| | | AAEF | 1,548.87 | - |
| BANK OF BARODA | AACF | AAOF | 249.99 | 213.33 |
| | | AADYF | 297.67 | - |
| BANK OF INDIA | AAFRF | AATAP | 769.51 | - |
| | | AAFLF | 1,686.81 | - |
| | | AADYF | 256.30 | - |
| | | AAOF | 1,399.19 | - |
| | | AACF | 500.00 | - |
| | | AAMIP | 581.48 | - |
| | | AAEF | 1,640.79 | 396.09 |
| BHARTI TELE VENTURES LTD. | AAFLF | AAEF | 1,628.16 | 763.90 |
| | AALTFRF | AAOF | 734.44 | - |
| | AACF | AATAP | 140.13 | 139.79 |
| | | AAMIP | 42.59 | - |
| CUMMINS INDIA LTD. | AAFTP3-QPF | AAFLF | 1,155.81 | - |
| | | AADYF | 109.96 | 104.60 |
| GLAXOSMITHKLINE PHARMACEUTICALS LTD. | AAFDF | AADYF | 171.31 | - |
| GRASIM INDUSTRIES LTD. | AAFTP2-QPC | AAEF | 1,947.69 | - |
| | AALTFRF | AAOF | 1,405.44 | - |
| | AAFTP3-QPA | AAFLF | 1,368.40 | - |
| | AAFTP3-QPE | AAFTP1 | 3,500.00 | - |
| | | AATAP | 996.54 | - |
| | | AAFRF | 1,900.00 | - |
| | | AAFDF | 3,400.00 | - |
| | | AAMIP | 110.07 | - |
| | | AACF | 3,000.00 | - |
| GREAT EASTERN SHIPPING CO. LTD. | AAFTP2-QPE | AAEF | 681.52 | - |
| | | AATAP | 544.29 | - |
| | | AADYF | 2,436.03 | - |
| | | AAMIP | 89.82 | - |
| HCL TECHNOLOGIES LTD. | AAFTP3-YP | AAOF | 1,295.26 | - |
| | | AAFLF | 1,042.52 | - |
| | | AATAP | 330.96 | - |
| | | AADYF | 2,370.97 | 95.58 |
| | | AAEF | 85.63 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| HDFC BANK LTD. | AACF | AALTFR | 1,500.00 | - |
| | AAFRF | AAFTP5-14MP | 1,000.00 | 1,000.00 |
| | | AAFTP2-QPA | 2,448.01 | - |
| | | AATAP | 494.41 | - |
| | | AAFTP4-QPC | 9,771.18 | 9,951.69 |
| | | AAFTP3-QPF | 4,908.03 | - |
| | | AAFTP3-QPE | 4,908.15 | - |
| | | AAFRF | 3,690.82 | - |
| | | AAFDF | 468.18 | - |
| | | AACF | 27,423.10 | - |
| HERO HONDA MOTORS LTD. | AAFTP2-QPH | AADYF | 3,097.16 | - |
| | AAFTP2-QPB | | - | - |
| | AAFTP2-QPC | | - | - |
| | AAFTP2-QPE | | - | - |
| | AAFTP3-QPA | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPF | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-HYA | | - | - |
| | AADAF-PLAN A | | - | - |
| HINDALCO INDUSTRIES LTD. | AAFTP2-QPH | AAEF | 1,369.73 | - |
| | AAFTP2-QPB | AAOF | 1,119.94 | - |
| | AAFTP2-QPE | AAFLF | 233.31 | - |
| | AALTFRF | AATAP | 252.75 | - |
| | AAFTP3-QPE | AADYF | 96.93 | - |
| | AAFTP3-QPF | AAMIP | 193.85 | - |
| | AAFTP3-QPG | | - | - |
| | AAFDF | | - | - |
| | AAFTP6-QPB | | - | - |
| HINDUJA TMT | AAFRF | AAMIP | 62.75 | - |
| | AACF | AAOF | 1,140.66 | 196.94 |
| | AAFTP5-13MP | AATAP | 649.01 | 366.66 |
| | | AAFLF | 2,024.85 | 646.04 |
| HINDUSTAN LEVER LTD. | AAFTP2-QPH | AAEF | 612.91 | - |
| | AAFTP2-QPB | AAOF | 49.59 | - |
| | AACF | AADYF | 496.41 | 89.36 |
| | AAFTP3-YP | AAFRF | - | - |
| | AAFTP3-QPB | AAMIP | 48.94 | - |
| | AAFTP3-QPD | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-QPA | | - | - |
| | AAFTP5-13MP | | - | - |
| HINDUSTAN ZINC LTD. | AAFDF | AAEF | 951.20 | - |
| | AALTFRF | AAOF | 1,469.12 | - |
| | AACF | AAFLF | 1,192.11 | - |
| | AAFTP3-QPA | AATAP | 846.35 | - |
| | AAFTP3-YP | AAMIP | 120.69 | - |
| | AAFTP3-QPD | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPG | | - | - |
| IDFC | AACF | AAEF | 857.26 | 422.85 |
| | | AAFDF | 2,400.00 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| | | AAOF | 746.21 | 464.70 |
| | | AAFTP4-16M | 900.00 | - |
| | | AAFTP4-17MP | 1,700.00 | - |
| | | AAFTPS2-13A | 507.50 | - |
| | | AATAP | 249.63 | 193.77 |
| | | AAMIP | 38.67 | - |
| IFCI LTD. | AAFRF | AAFLF | 999.87 | 758.18 |
| IPCL | AAFTP3-QPD | AAOF | 287.07 | - |
| | AAFTP3-QPE | AADYF | 239.77 | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-HYA | | - | - |
| | AAFTP3-QPG | | - | - |
| ITC LTD. | AAFRF | AAEF | 2,376.34 | - |
| | AAFTP2-QPH | AAOF | 1,114.07 | - |
| | AAFTP2-QPE | AATAP | 966.13 | - |
| | AAFTP3-YP | AAMIP | 49.35 | - |
| | AAFTP3-QPC | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP3-QPH | | - | - |
| | AAFTP4-QPA | | - | - |
| JINDAL STAINLESS LTD | AACF | AAFDF | 490.82 | - |
| LARSEN & TOUBRO LTD. | AAEF | AATAP | 1,260.66 | 583.24 |
| | AACF | AAOF | 1,564.70 | 549.21 |
| | AAFTP3-QPE | AACF | 2,500.00 | - |
| | | AAMIP | 49.67 | - |
| | | AAEF | 1,644.89 | 792.23 |
| MAHINDRA & MAHINDRA LTD. | AAFDF | AAEF | 1,210.53 | 314.70 |
| | AAFTP2-QPB | AAFRF | 5,701.60 | 300.03 |
| | AALTFRF | AAFLF | 5,000.00 | - |
| | | AAFTP1 | 1,500.00 | 1,199.48 |
| | | AATAP | 978.73 | - |
| | | AALTFR | 2,100.00 | - |
| | | AADYF | 2,172.07 | - |
| | | AAOF | 960.68 | - |
| | | AAFTP3-QPC | 998.66 | - |
| | | AAFTP3-YP | 700.00 | - |
| | | AAFTP4-17MP | 1,500.00 | 195.53 |
| | | AAFTP3-QPG | 3,200.00 | - |
| | | AACF | 19,763.28 | 2,502.41 |
| | | AAMIP | 80.19 | - |
| | | AAMIP | - | 500.67 |
| | | ABN-DAF-BS1 | - | 48.88 |
| | | ABN-DAF | - | 1,222.04 |
| MARUTI UDYOG LIMITED | AAFRF | AAEF | 3,132.46 | 369.09 |
| | AAFTP3-QPB | AAOF | 1,813.35 | - |
| | AAFTP3-QPC | AATAP | 704.65 | - |
| | AAFTP2-QPH | AAMIP | 155.22 | - |
| | AAFTP4-YP | | | |
| | AAFTP5-13MP | | | |
| MOTOR INDUSTRIES CO. LTD. | AAFTP3-QPC | AAEF | 657.74 | - |
| | AAFTP4-YP | | | |
| | AAFTP5-13MP | | | |
| RAYMOND LTD. | AAFTP2-QPH | AALTFR | 2,000.00 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| | AACF | AAFTPS2-13A | 1,000.00 | - |
| | AAFTP3-QPF | AAFTP3-QPD | 300.00 | - |
| | | AAFDF | 1,500.00 | - |
| | | AACF | 12,500.00 | - |
| | | AAFRF | 4,000.00 | - |
| RELIANCE INDUSTRIES LTD. | AACF | AAEF | 5,487.05 | 733.11 |
| | AAFRF | AATAP | 1,651.06 | 248.71 |
| | | AAOF | 4,254.61 | - |
| | | AACF | 1,036.97 | - |
| | | AAMIP | 71.33 | - |
| STATE BANK OF BIKANER & JAIPUR | AACF | AAFDF | 1,500.00 | 200.00 |
| | AAFRF | AACF | 17,843.81 | - |
| | | AALTFR | 197.13 | - |
| | | AAFTP2-QPE | 1,489.82 | - |
| | | AAFTP6-QPB | 975.00 | 977.93 |
| | | AAFRF | 5,813.88 | - |
| | | AAMIP | - | 800.00 |
| STATE BANK OF HYDERABAD | AALTFRF | AAFTP2-QPC | 10,000.00 | - |
| | | AAFTP6-QPB | 858.27 | 860.85 |
| | | AAFTP4-16M | 117.04 | 117.39 |
| STATE BANK OF INDORE | AAFRF | AACF | 2,361.85 | - |
| | | AAFTP2-QPA | 2,451.82 | - |
| | | AAFTP3-QPG | 969.75 | - |
| | | AAFTP4-17MP | 1,939.50 | - |
| | | AAFTP4-QPB | 2,446.32 | - |
| STERLITE INDUSTRIES LTD. | AACF | AAEF | 2,672.25 | - |
| | AALTFRF | AACF | 13,900.00 | - |
| | | AAFRF | 6,700.00 | - |
| | | AAMIP | 1,000.00 | - |
| | | AAFDF | 5,200.00 | - |
| | | AAOF | 3,144.63 | - |
| | | AAFTP2-QPC | 4,200.00 | - |
| | | AAFLF | 4,725.63 | - |
| | | AAFTPS2-13A | 2,100.00 | - |
| | | AAFTP1 | 800.00 | - |
| | | AATAP | 1,400.93 | - |
| | | AAFTP4-17MP | 200.00 | - |
| | | AAFTP3-QPE | 3,200.00 | - |
| | | AAFTP3-QPB | 100.00 | - |
| | | AAFTP3-YP | 1,400.00 | - |
| | | AAFTP3-QPA | 800.00 | - |
| TATA CONSULTANCY LTD. | AALTFRF | AAEF | 2,819.31 | 660.85 |
| | AAFTP2-QPC | AAMIP | 24.56 | - |
| | AAFTP2-QPB | AAOF | 1,379.44 | - |
| | | AAFLF | 600.21 | - |
| | | AATAP | 499.64 | - |
| TECH MAHINDRA | AAFTP3-QPC | AAEF | 869.84 | - |
| | | AAMIP | 67.05 | - |
| | | AAOF | 415.52 | - |
| | | AADYF | 7.59 | - |
| | | AATAP | 13.16 | - |
| | | AAFLF | 54.13 | - |
| ULTRATECH CEMCO LTD. | AAFTP2-QPH | AAOF | 96.53 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| | AAFTP3-QPA | AAMIP | 48.27 | - |
| | AALTFRF | AAEF | 96.53 | - |
| | | AAFLF | 834.77 | - |
| UNION BANK OF INDIA | AAFRF | AAEF | 216.78 | - |
| | | AAFDF | 980.55 | - |
| | | AAMIP | 2,455.25 | - |
| | | AAOF | 30.28 | - |
| | | AALTFR | 7,989.46 | - |
| | | AAFTPS2-13A | 980.55 | - |
| | | AAFTP3-QPD | 980.55 | - |
| | | AAFTP3-QPE | 1,274.72 | - |
| | | AAFTP4-17MP | 4,902.77 | - |
| | | AAFTP4-QPD | 1,999.14 | - |
| | | AAFTP5-13MP | 903.34 | 904.14 |
| VIDESH SANCHAR NIGAM LTD. | AAFTP2-QPH | AAEF | 329.74 | 231.72 |
| | AAFTP2-QPB | | | |
| | AAFTP2-QPC | | | |
| | AALTFRF | | | |
| | AAFTP3-QPA | | | |
| | AAFTP3-QPB | | | |
| | AAFTP3-QPG | | | |
| | AAFTP4-YP | | | |
| WIPRO LTD. | AAFTP2-QPB | AAEF | 1,316.85 | - |
| | AAFTP2-QPC | AAMIP | 25.05 | - |
| | AAFTP2-QPE | AAOF | 1,108.22 | - |
| | AAFTP3-QPB | AADYF | 151.06 | - |
| | AAFTP3-QPC | AATAP | 463.37 | - |
| | AAFTP3-QPD | AAFLF | 1,456.46 | - |
| | AAFTP3-QPF | | | |
| | AAFTP3-QPG | | | |
| | AAFTP2-QPH | | | |
| | AAFTP4-QPA | | | |
| | AAFTP4-HYA | | | |
| | AAFTP6-QPB | | | |

**AACF** – ABN AMRO Cash Fund, **AAFRF** – ABN AMRO Floating Rate Fund, **AAFDF** – ABN AMRO Flexi Debt Fund, **AAEF** – ABN AMRO Equity Fund, **AAMIP** – ABN AMRO Monthly Income Plan, **AAOF** – ABN AMRO Opportunities Fund, **AADYF** – ABN AMRO Dividend Yield Fund, **AALTFRF** – ABN AMRO Long Term Floating Rate Fund, **AATAP** – ABN AMRO Tax Advantage Plan (ELSS), **AAFTP-1** – ABN AMRO Fixed Term Plan Series - 1, **AAFTP-2-13M** – ABN AMRO Fixed Term Plan Series 2-13 Months Plan, **AAMMF** – ABN AMRO Multi Manager Fund, **AAFLF** – ABN AMRO Future Leaders Fund, **AAFTP-3-YPA** – ABN AMRO Fixed Term Plan - Series 3: Yearly Plan A, **AADAF-B-S1** – ABN AMRO Dual Advantage Fund Plan B Series 1, **AAFTP-S4-17M** – ABN AMRO Fixed Term Plan - Series 4: Seventeen Months Plan, **AAFTP-4-QPC** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan C, **AAFTP-4-16M** – ABN AMRO Fixed Term Plan - Series 4: Sixteen Months Plan, **AAFTP-4-QPD** – ABN AMRO Fixed Term Plan – Series 4: Quarterly Plan D**, AAFTP-4-HYPA** – ABN AMRO Fixed Term Plan – Series 4: Half Yearly Plan A, **AAFTP-4-QPE** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan E, **AAMMF-2A** – ABN AMRO Multi Manager Fund - Series 2A, **AAMMF-3** – ABN AMRO Multi Manager Fund - Series 3, **AAMMF-2B** – ABN AMRO Multi Manager Fund - Series 2B**, AAFTP-5-13M,** ABN AMRO Fixed Term Plan – Series 5: Thirteen Months Plan, **AAFTP-6-QPB** – ABN AMRO Fixed Term Plan – Series 6: Quarterly Plan B, **AAFTP-2-QPE** – ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan E, **AAFTP-2-HYP** – ABN AMRO Fixed Term Plan - Series 2: Half Yearly Plan A, **AAFTP3-QPA** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan A, **AAFTP-3-QPB** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan B, **AAFTP-3-QPC** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan C**, AAFTP-3-QPD** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan D, **AAFTP-3-QPE-** ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan E, **AAFTP-3-QPF** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan F**, AAFTP-3-QPG** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan G, **AAFTP-3-QPH** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan H, **AAFTP-4-QPA** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan A, **AAFTP-4-QPB** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan B, **AADAF** – ABN AMRO Dual Advantage Fund - Plan A - Series 1.

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | | as on 31.03.07 | as on 31.03.06 |
|---|---|---|---|---|
| (a) | Net Asset Value, per unit | | | |
| | Growth | | **Rs. 12.053** | Rs. 12.350 |
| | Dividend | | **Rs. 11.065** | Rs. 12.350 |
| (b) | Gross Income: | | | |
| | i) | Income other than profit on sale of investment,per unit | **0.133** | 0.032 |
| | ii) | profit on interscheme sale/transfer of investment,per unit | **(0.015)** | 0.000 |
| | iii) | profit on sale of investment to third party,per unit | **1.792** | 1.077 |
| | iv) | transfer to Revenue Account from past year's reserve per unit | | |
| (c) | Aggregate of expenses,write offs, amortisation and charges,per unit | | **0.457** | 0.108 |
| (d) | Net unrealised depreciation in value of investments | | **0.563** | 0.000 |
| (e) | Net Income, per unit | | **0.890** | 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 | **15.250** | 12.632 |
| | | Dividend | **15.248** | 12.631 |
| | v) | Lowest repurchase price/NAV* | | |
| | | Growth | **-** | 10.000 |
| | | Dividend | **-** | 10.000 |
| | vi) | Lowest resale price* | | |
| | | Growth | **9.132** | 10.000 |
| | | Dividend | **9.244** | 10.000 |
| | vii) | Price Earning Ratio | **NA** | NA |
| | viii) | Ratio of Expenses to Average Net Assets(%) | | |
| | | Regular Plan | **2.43%** | 2.46% |
| | ix) | Ratio of Gross Income (including unrealised | | |
| | | appreciation / depreciation) to Average Net Assets (%) | **1.38%** | 46.12% |

**Investment Objective:** 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. **Load Structure: Entry Load :** In respect of each Subscription / Switch – in* of Units for an amount less than Rs. 5 crores in value:2.25%. In respect of each Subscription / Switch – in* of Units for an amount equal to Rs. 5 crores or more in value: Nil. There is no Exit Load or CDSC. * No entry load is payable for switch-in from other equity schemes of ABN AMRO Mutual Fund. **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 Scheme. **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. The names of the Schemes 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.

## TRUSTEE REPORT

Dear Sir / Madam,

ABN AMRO Mutual Fund (the "Fund") commenced its operations in the month of August 2004. The Fund manages 29 Schemes as on March 31, 2007 with Assets under Management of Rs.5191.91 Crores, which have increased from Rs.2769.27 Crores as on March 31, 2006 showing an increase of 87%. It gives us pleasure in presenting the Third Annual Report of the Schemes of the Fund for the year ended March 31, 2007.

### 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, biased 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 well-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 Managers the recent tightening measures by Central Bank have led to moderation in credit growth, stabilisation in asset prices and softening of the inflation. Recent turbulence of sub prime market in US has led to significant volatility in Global market including moderation in the market, valuation parameters. Current economic indicator suggests a slow down in US economy going forward. Market participants now expect FED to cut interest rates before the end of the year. Accordingly interest rates are expected to be stable with downward biases in the immediate future.

### DIRECTORS OF THE ABN AMRO ASSET MANAGEMENT (INDIA) LIMITED:

| | |
|---|---|
| **Mr. Romesh Sobti** | Associate Director |
| **Mr. Arne Lindman** | Associate Director |
| **Mr. Nikhil Johri** | Associate Director |
| **Mr. Rajan Ray** | Independent Directors |
| **Mr. Arun Nanda** | Independent Director |
| **Mr. Ninad Karpe** | Independent Director |

### DIRECTORS OF THE ABN AMRO TRUSTEE (INDIA) PRIVATE LIMITED:

| | |
|---|---|
| **Mr. Pradip Nayak** | Independent Director |
| **Mr. Pradyumna Naware** | Independent Director |
| **Mr. Shariq Contractor** | Independent Director |
| **Mr. Gururajan Sethu** | Independent Director |
| **Mr. Kalpathi Sridhar** | Associate Director |
| **Mr. A. Dhananjaya*** | Associate Director |

* Appointed as an Associate Director w.e.f. July 31, 2007.

**Risk Management System:**

SEBI vide its circular dated September 30, 2002, has mandated the establishment of a full- fledged risk- management framework for mutual funds in India. In the opinion of the Trustees and to the best of their knowledge, the management system in ABN AMRO Mutual Fund is adequate.

### PERFORMANCE OF THE SCHEMES AS ON MARCH 31, 2007

**ABN AMRO Future Leaders Fund (AAFLF)**

**(An open-ended equity scheme)**

To seek to generate Long – term capital appreciation by investing primarily in companies with high growth opportunities in the middle and

small capitalisation segment, defined as 'Future Leaders'. The fund will emphasize on companies that appear to offer opportunities for long - term growth and will be inclined towards companies that are driven by dynamic style of management entrepreneurial flair.

| | **Absolute Returns (%) Since Inception** |
|---|---|
| AAFLF - Growth Option | -5.93 |
| CNX Midcap Index | -6.56 |

Period: May 2, 2006 – March 30, 2007. Past performance may or may not be sustained in future and should not be used as the basis of comparison with other investments. Returns do not take into a account the load, if any. Since inception returns are calculated on Rs. 10/- invested at inception.

AAFLF has done reasonably well in the in the short period since inception.

**INVESTMENT IN FOREIGN SECURITIES BY MUTUAL FUNDS**

No Scheme has invested in foreign securities yet.

In term of SEBI's letter dated December 8, 2006 having reference No.IMD/81816/06 and subsequent updation, prevailing limits of foreign investments by ABN AMRO Mutual Fund is as follows:

(1) ADRs / GDRs / Foreign Securities - 10% of the net assets managed as on March 31, 2007 i.e. Rs. 519.19 Crores.

(2) Overseas ETFs - US $50 million.

**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 28, 2007

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND - ABN AMRO FUTURE LEADERS FUND

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND - ABN AMRO MUTUAL FUND - ABN AMRO FUTURE LEADERS FUND ('the Scheme') as at March 31, 2007 and also the revenue account for the period from May 2, 2006 to March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; and
      b) in the case of the revenue account, of the deficit for the period ended on that date.

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

*Chartered Accountants*

**per Viren H. Mehta**

Partner

Membership No: 048749

Mumbai, August 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **2,814,528** |
| Reserves and surplus | 2(b) & 4 | **(167,327)** |
| Current liabilities | 5 | **51,697** |
| | | **2,698,898** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 16 | **2,539,639** |
| Other current assets | 7 | **38,634** |
| Deferred Revenue Expenditure | 2(e) & 9 | **120,625** |
| | | **2,698,898** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Prateek Agrawal**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | May 2, 2006 TO March 31, 2007 |
|---|---|---|
| **INCOME** | | |
| Dividend | 2(d) | **35,396** |
| Interest | 2(d) & 8 | **29,880** |
| Profit on sale/redemption of investments, net | 2(d) | **85,010** |
| Load Income | | **42,076** |
| | | **192,362** |
| **EXPENSES AND LOSSES** | | |
| Provision for net unrealised loss in value of investments | 2(c) & 6(ii) | **83,400** |
| Loss on inter-scheme transfer/sale of investments, net | 2(d) | **17,026** |
| Management fee | 10 | **41,819** |
| Trusteeship fee | 10 | **163** |
| Custodian service charges | | **3,287** |
| Registrar service charges | | **7,071** |
| Commission to distributors | | **24,351** |
| Publicity expenses | | **4,283** |
| Audit fee | | **230** |
| Deferred revenue expenditure amortised | 2(e) & 9 | **278,566** |
| Other operating expenses | | **8,709** |
| Expenses reimbursed by the AMC | 11 | **(31)** |
| | | **468,874** |
| Surplus for the period | | **(276,512)** |
| Equalisation Debit | 2(e) | **(425,417)** |
| Surplus transferred to the balance sheet | 4 | **(701,929)** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Prateek Agrawal**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Future Leaders Fund ('the Scheme') was launched as an open ended equity scheme with no assured returns on March 13, 2006 and the initial offer closed on April 7, 2006.

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

The investment objective of the scheme is to seek to generate long-term capital appreciation by investing primarily in companies with high growth opportunities in the middle and small capitalization segment,defined as 'Future Leaders'.The fund will emphasize on companies that appear to offer opprtunities for long term growth and will be inclined towards companies that are driven by dynamic style of management and entrepreneurial fair.

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.
- 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 Bombay Stock Exchange Limited 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.

(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 accerelated amortisation of NFO expenses based on net redemptions in proportion to net assets of the scheme.

**3. UNIT CAPITAL** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Growth Plan** | | |
| Issued | | |
| -new fund offer | **82,751,917.660** | **827,519** |
| Redeemed during the year | **(25,839,512.231)** | **(258,395)** |
| Outstanding, end of period | **56,912,405.429** | **569,124** |
| **Regular - Dividend Option With Compulsory Dividend Reinvestment** | | |
| Issued | | |
| -new fund offer | **38,189,732.230** | **381,897** |
| Redeemed during the year | **(7,861,503.187)** | **(78,615)** |
| Outstanding, end of period | **30,328,229.043** | **303,282** |
| **Total** | | |
| Issued | | |
| -new fund offer | **120,941,649.890** | **1,209,416** |
| Redeemed during the period | **(33,701,015.418)** | **(337,010)** |
| Outstanding, end of period | **87,240,634.472** | **872,406** |

**4. RESERVES AND SURPLUS** **(Rs. in 000's)**

| | Amount 2007 |
|---|---|
| **Unit premium reserve** | |
| Net premium on issue/redemption of units | **109,185** |
| Equalisation, net | **425,417** |
| Balance, end of period | **534,602** |
| **Retained surplus** | |
| Surplus transferred from revenue account | **(701,929)** |
| Balance, end of period | **(701,929)** |
| Balance, end of period | **(167,327)** |
| **The share of the plans in the reserves and surplus is as follows:** | |
| Growth Plan | **(76,124)** |
| Dividend Plan | **(91,203)** |
| | **(167,327)** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **2,195** |
| Trusteeship fee payable | **67** |
| Sundry creditors for units redeemed by investors | |
| - Lateral shifts | **6,058** |
| - Others | **7,182** |
| Contract for purchase of investments | **16,541** |
| Deferred revenue expenses payable | **12,362** |
| Brokerage payable on distribution of units | **3,425** |
| Other current liabilities | **3,867** |
| | **51,697** |

**6. INVESTMENTS**

| | |
|---|---|
| Equity shares | **2,430,895** |
| Commercial paper | **9,908** |
| Certificates of deposit | **98,836** |
| | **2,539,639** |

(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 | **242,864** |
| - depreciation | **326,264** |

(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 | **21,337,905** |
| - as a percentage of average daily net assets | **493.95** |

**6. INVESTMENTS** *(Contd.)*

| | |
|---|---|
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | |
| - amount | **19,190,438** |
| - as a percentage of average daily net assets | **444.24** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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(Excluding Certificates of Deposit and Commercial Paper) as on March 31, 2007 valued in good faith. **64,604**

**7. OTHER CURRENT ASSETS**

| | |
|---|---|
| Sundry debtors for units issued to investors | |
| - Lateral shifts | **282** |
| - Others | **263** |
| Balances with banks in current accounts | **3,795** |
| Receivable from AMC | **31** |
| Collateralised Lending | **12,185** |
| Outstanding and accrued income | **17** |
| Dividend receivable | **404** |
| Application Pending Allotment | **21,657** |
| | **38,634** |

**8. INTEREST**

| | |
|---|---|
| Debentures and bonds | **3,148** |
| Money market instruments | **11,384** |
| Collateralised Lending | **15,348** |
| | **29,880** |

**9. DEFERRED REVENUE EXPENDITURE**

| | |
|---|---|
| Incurred during the period | **399,191** |
| Less: Amortised during the period | **(278,566)** |
| Closing Balance | **120,625** |

**10. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) under an agreement with the AMC, which provides for computation of such fee at an annual rate of 1.25 per cent of the Scheme's average daily net assets up to Rs 1 billion and at an annual rate of 1 per cent of the average daily net assets in excess of that amount (2005-06 — 1.25 per cent of the Scheme's average daily net assets up to Rs 1 billion and at an annual rate of 1 per cent of the average daily net assets in excess of that amount), after excluding the net asset value of the AMC's investment in the Scheme and the net asset value of the investments made in other schemes, if any.

The Scheme pays fees for Trusteeship services under an agreement with the Trustee, which provides for computation of such fee at 0.01 per cent of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum. (2005-06 : 0.01 per cent of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum)

**11.** The AMC has borne Rs. 0.31 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/Offer document, chargeable to the Scheme.

**12. 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 | **192,362** |
| - as a percentage of average daily net assets | **4.87** |

**12. INCOME AND EXPENDITURE** *(Contd.)*

*Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)*

| | |
|---|---|
| - amount | **89,882** |
| - as a percentage of average daily net assets | **2.27** |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | **343** |
| | Commission & distributions Expenses | **144,221** |
| ABN AMRO Asia Equities (India) Ltd | Brokerage | **4,813** |

**14. NET ASSET VALUE**

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

| | |
|---|---|
| Growth Plan | **Rs. 9.405** |
| Dividend Plan | **Rs. 9.406** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **EQUITY SHARES** | | | | |
| **AUTO ANCILLARIES** | **76,500** | **20,051** | **0.76** | **0.82** |
| Federal Mogul Goetze Ltd. | 76,500 | 20,051 | 0.76 | 0.82 |
| **CEMENT** | **490,000** | **81,898** | **3.09** | **3.37** |
| India Cements Ltd. | 400,000 | 64,780 | 2.45 | 2.67 |
| Birla Corporation Ltd. | 90,000 | 17,118 | 0.64 | 0.70 |
| **FERTILIZERS** | **1,076,439** | **91,121** | **3.44** | **3.75** |
| Deepak Fertilisers & Petrochemicals Corp. Ltd. | 1,076,439 | 91,121 | 3.44 | 3.75 |
| **CONSTRUCTION** | **505,819** | **163,997** | **6.20** | **6.75** |
| Unitech Ltd. | 237,958 | 92,197 | 3.49 | 3.80 |
| DS Kulkarni Developers Ltd. | 267,861 | 71,800 | 2.71 | 2.95 |
| **CONSUMER DURABLES** | **699,952** | **89,734** | **3.39** | **3.69** |
| Phoenix Lamps Ltd. | 699,952 | 89,734 | 3.39 | 3.69 |
| **CONSUMER NON DURABLES** | **1,226,828** | **74,910** | **2.83** | **3.08** |
| Triveni Engineering & Industries Ltd. | 1,062,019 | 57,243 | 2.16 | 2.35 |
| KRBL Ltd. | 164,809 | 17,667 | 0.67 | 0.73 |
| **DIVERSIFIED** | **969,961** | **90,497** | **3.42** | **3.72** |
| DCM Shriram Consolidated Ltd. | 969,961 | 90,497 | 3.42 | 3.72 |
| **FINANCE** | **2,295,634** | **79,900** | **3.02** | **3.29** |
| IFCI Ltd. | 2,256,500 | 75,818 | 2.87 | 3.12 |
| Power Finance Corporation Ltd. | 39,134 | 4,082 | 0.15 | 0.17 |
| **INDUSTRIAL CAPITAL GOODS** | **754,769** | **303,053** | **11.45** | **12.47** |
| Elecon Engineering Company Ltd. | 306,597 | 120,401 | 4.56 | 4.96 |
| Bharat Earth Movers Ltd. | 73,450 | 79,524 | 3.00 | 3.27 |

**16. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION** *(Contd.)*

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| RPG Transmission Ltd. | 275,012 | 53,682 | 2.03 | 2.21 |
| Texmaco Ltd. | 44,710 | 35,328 | 1.33 | 1.45 |
| Genus Overseas Electronics Ltd. | 55,000 | 14,118 | 0.53 | 0.58 |
| **INDUSTRIAL PRODUCTS** | **1,714,754** | **62,713** | **2.37** | **2.57** |
| Paramount Communications Ltd. | 1,639,000 | 46,793 | 1.77 | 1.92 |
| Sintex Industries Ltd. | 75,754 | 15,920 | 0.60 | 0.65 |
| **MEDIA & ENTERTAINMENT** | **996,709** | **295,859** | **11.18** | **12.17** |
| NDTV Ltd. | 453,700 | 141,078 | 5.33 | 5.81 |
| Television Eighteen India Ltd. | 187,307 | 114,089 | 4.31 | 4.69 |
| Galaxy Entertainment Corporation Ltd. | 355,702 | 40,692 | 1.54 | 1.67 |
| **OIL** | **89,130** | **81,563** | **3.08** | **3.36** |
| Gulf Oil Corporation Ltd. | 89,130 | 81,563 | 3.08 | 3.36 |
| **PETROLEUM PRODUCTS** | **239,206** | **50,449** | **1.91** | **2.08** |
| Castrol India Ltd. | 239,206 | 50,449 | 1.91 | 2.08 |
| **PHARMACEUTICALS** | **199,482** | **101,297** | **3.82** | **4.17** |
| Lupin Ltd. | 139,482 | 84,554 | 3.19 | 3.48 |
| SMS Pharmaceuticals Ltd. | 60,000 | 16,743 | 0.63 | 0.69 |
| **POWER** | **1,000** | **1,089** | **0.04** | **0.04** |
| Kalpataru Power Transmission Ltd. | 1,000 | 1,089 | 0.04 | 0.04 |
| **SOFTWARE** | **1,766,087** | **757,007** | **28.59** | **31.14** |
| Northgate Technologies Ltd. | 229,186 | 199,907 | 7.55 | 8.22 |
| NIIT Technologies Ltd. | 344,300 | 151,217 | 5.72 | 6.22 |
| Aptech Ltd. | 462,150 | 100,887 | 3.81 | 4.15 |
| Mphasis Ltd. | 339,250 | 95,923 | 3.62 | 3.95 |
| Educomp Solutions Ltd. | 78,013 | 73,988 | 2.79 | 3.04 |
| Tanla Solutions Ltd. | 202,184 | 70,481 | 2.66 | 2.90 |
| Hinduja TMT Ltd.*** | 55,502 | 32,302 | 1.22 | 1.33 |
| HTMT Global Solutions Ltd.*** | 55,502 | 32,302 | 1.22 | 1.33 |
| **TELECOM - EQUIPMENT & ACCESSORIES** | **382,111** | **39,816** | **1.50** | **1.64** |
| XL Telecom Ltd. | 382,111 | 39,816 | 1.50 | 1.64 |
| **TRANSPORTATION** | **498,000** | **45,941** | **1.74** | **1.89** |
| Deccan Aviation Ltd. | 498,000 | 45,941 | 1.74 | 1.89 |
| **TOTAL** | **13,982,381** | **2,430,895** | **91.83** | **100.00** |
| **CERTIFICATE OF DEPOSITS** | | | | |
| **BANKS** | **1,000,000** | **98,836** | **3.73** | **100.00** |
| Kotak Mahindra Bank Ltd. * | 1,000,000 | 98,836 | 3.73 | 100.00 |
| **TOTAL** | **1,000,000** | **98,836** | **3.73** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **FINANCE** | **100,000** | **9,908** | **0.37** | **100.00** |
| Reliance Capital Ltd.* | 100,000 | 9,908 | 0.37 | 100.00 |
| **TOTAL** | **100,000** | **9,908** | **0.37** | **100.00** |
| **DEPOSITS** | | **-** | **-** | |
| **OTHER CURRENT ASSETS** | | **38,634** | **1.46** | |
| **DEFERRED REVENUE EXPENDITURE** | | **120,625** | **4.56** | |
| **TOTAL ASSETS** | | **2,698,898** | **101.95** | |
| **LESS: CURRENT LIABILITIES** | | **51,697** | **1.95** | |
| **NET ASSETS** | | **2,647,201** | **100.00** | |

* Non traded / thinly traded investments

***Awaiting listing on Stock Exchange

## 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 2006-2007.

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| ALLAHABAD BANK | AAEF | AAEF | 1,064.00 | - |
| | | AAMIP | 72.77 | - |
| | | AACF | 3,965.58 | - |
| | | AAFTP4-QPA | 1,965.96 | - |
| | | AAFLF | 1,811.84 | - |
| | | AATAP | 499.22 | - |
| | | AADYF | 1,578.82 | - |
| | | AAOF | 702.74 | - |
| | | AAFRF | 1,000.00 | - |
| BAJAJ AUTO LTD. | AAFTP2-QPB | AATAP | 1,072.06 | - |
| | | AADYF | 180.12 | - |
| | | AAOF | 859.80 | - |
| | | AAMIP | 48.60 | - |
| | | AAEF | 1,548.87 | - |
| BANK OF BARODA | AACF | AAOF | 249.99 | 213.33 |
| | | AADYF | 297.67 | - |
| BANK OF INDIA | AAFRF | AATAP | 769.51 | - |
| | | AAFLF | 1,686.81 | - |
| | | AADYF | 256.30 | - |
| | | AAOF | 1,399.19 | - |
| | | AACF | 500.00 | - |
| | | AAMIP | 581.48 | - |
| | | AAEF | 1,640.79 | 396.09 |
| BHARTI TELE VENTURES LTD. | AAFLF | AAEF | 1,628.16 | 763.90 |
| | AALTFRF | AAOF | 734.44 | - |
| | AACF | AATAP | 140.13 | 139.79 |
| | | AAMIP | 42.59 | - |
| CUMMINS INDIA LTD. | AAFTP3-QPF | AAFLF | 1,155.81 | - |
| | | AADYF | 109.96 | 104.60 |
| GLAXOSMITHKLINE PHARMACEUTICALS LTD. | AAFDF | AADYF | 171.31 | - |
| GRASIM INDUSTRIES LTD. | AAFTP2-QPC | AAEF | 1,947.69 | - |
| | AALTFRF | AAOF | 1,405.44 | - |
| | AAFTP3-QPA | AAFLF | 1,368.40 | - |
| | AAFTP3-QPE | AAFTP1 | 3,500.00 | - |
| | | AATAP | 996.54 | - |
| | | AAFRF | 1,900.00 | - |
| | | AAFDF | 3,400.00 | - |
| | | AAMIP | 110.07 | - |
| | | AACF | 3,000.00 | - |
| GREAT EASTERN SHIPPING CO. LTD. | AAFTP2-QPE | AAEF | 681.52 | - |
| | | AATAP | 544.29 | - |
| | | AADYF | 2,436.03 | - |
| | | AAMIP | 89.82 | - |
| HCL TECHNOLOGIES LTD. | AAFTP3-YP | AAOF | 1,295.26 | - |
| | | AAFLF | 1,042.52 | - |
| | | AATAP | 330.96 | - |
| | | AADYF | 2,370.97 | 95.58 |
| | | AAEF | 85.63 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| HDFC BANK LTD. | AACF | AALTFR | 1,500.00 | - |
| | AAFRF | AAFTP5-14MP | 1,000.00 | 1,000.00 |
| | | AAFTP2-QPA | 2,448.01 | - |
| | | AATAP | 494.41 | - |
| | | AAFTP4-QPC | 9,771.18 | 9,951.69 |
| | | AAFTP3-QPF | 4,908.03 | - |
| | | AAFTP3-QPE | 4,908.15 | - |
| | | AAFRF | 3,690.82 | - |
| | | AAFDF | 468.18 | - |
| | | AACF | 27,423.10 | - |
| HERO HONDA MOTORS LTD. | AAFTP2-QPH | AADYF | 3,097.16 | - |
| | AAFTP2-QPB | | - | - |
| | AAFTP2-QPC | | - | - |
| | AAFTP2-QPE | | - | - |
| | AAFTP3-QPA | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPF | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-HYA | | - | - |
| | AADAF-PLAN A | | - | - |
| HINDALCO INDUSTRIES LTD. | AAFTP2-QPH | AAEF | 1,369.73 | - |
| | AAFTP2-QPB | AAOF | 1,119.94 | - |
| | AAFTP2-QPE | AAFLF | 233.31 | - |
| | AALTFRF | AATAP | 252.75 | - |
| | AAFTP3-QPE | AADYF | 96.93 | - |
| | AAFTP3-QPF | AAMIP | 193.85 | - |
| | AAFTP3-QPG | | - | - |
| | AAFDF | | - | - |
| | AAFTP6-QPB | | - | - |
| HINDUJA TMT | AAFRF | AAMIP | 62.75 | - |
| | AACF | AAOF | 1,140.66 | 196.94 |
| | AAFTP5-13MP | AATAP | 649.01 | 366.66 |
| | | AAFLF | 2,024.85 | 646.04 |
| HINDUSTAN LEVER LTD. | AAFTP2-QPH | AAEF | 612.91 | - |
| | AAFTP2-QPB | AAOF | 49.59 | - |
| | AACF | AADYF | 496.41 | 89.36 |
| | AAFTP3-YP | AAFRF | - | - |
| | AAFTP3-QPB | AAMIP | 48.94 | - |
| | AAFTP3-QPD | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-QPA | | - | - |
| | AAFTP5-13MP | | - | - |
| HINDUSTAN ZINC LTD. | AAFDF | AAEF | 951.20 | - |
| | AALTFRF | AAOF | 1,469.12 | - |
| | AACF | AAFLF | 1,192.11 | - |
| | AAFTP3-QPA | AATAP | 846.35 | - |
| | AAFTP3-YP | AAMIP | 120.69 | - |
| | AAFTP3-QPD | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPG | | - | - |
| IDFC | AACF | AAEF | 857.26 | 422.85 |
| | | AAFDF | 2,400.00 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| | | AAOF | 746.21 | 464.70 |
| | | AAFTP4-16M | 900.00 | - |
| | | AAFTP4-17MP | 1,700.00 | - |
| | | AAFTPS2-13A | 507.50 | - |
| | | AATAP | 249.63 | 193.77 |
| | | AAMIP | 38.67 | - |
| IFCI LTD. | AAFRF | AAFLF | 999.87 | 758.18 |
| IPCL | AAFTP3-QPD | AAOF | 287.07 | - |
| | AAFTP3-QPE | AADYF | 239.77 | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-HYA | | - | - |
| | AAFTP3-QPG | | - | - |
| ITC LTD. | AAFRF | AAEF | 2,376.34 | - |
| | AAFTP2-QPH | AAOF | 1,114.07 | - |
| | AAFTP2-QPE | AATAP | 966.13 | - |
| | AAFTP3-YP | AAMIP | 49.35 | - |
| | AAFTP3-QPC | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP3-QPH | | - | - |
| | AAFTP4-QPA | | - | - |
| JINDAL STAINLESS LTD. | AACF | AAFDF | 490.82 | - |
| LARSEN & TOUBRO LTD. | AAEF | AATAP | 1,260.66 | 583.24 |
| | AACF | AAOF | 1,564.70 | 549.21 |
| | AAFTP3-QPE | AACF | 2,500.00 | - |
| | | AAMIP | 49.67 | - |
| | | AAEF | 1,644.89 | 792.23 |
| MAHINDRA & MAHINDRA LTD. | AAFDF | AAEF | 1,210.53 | 314.70 |
| | AAFTP2-QPB | AAFRF | 5,701.60 | 300.03 |
| | AALTFRF | AAFLF | 5,000.00 | - |
| | | AAFTP1 | 1,500.00 | 1,199.48 |
| | | AATAP | 978.73 | - |
| | | AALTFR | 2,100.00 | - |
| | | AADYF | 2,172.07 | - |
| | | AAOF | 960.68 | - |
| | | AAFTP3-QPC | 998.66 | - |
| | | AAFTP3-YP | 700.00 | - |
| | | AAFTP4-17MP | 1,500.00 | 195.53 |
| | | AAFTP3-QPG | 3,200.00 | - |
| | | AACF | 19,763.28 | 2,502.41 |
| | | AAMIP | 80.19 | - |
| | | AAMIP | - | 500.67 |
| | | ABN-DAF-BS1 | - | 48.88 |
| | | ABN-DAF | - | 1,222.04 |
| MARUTI UDYOG LIMITED | AAFRF | AAEF | 3,132.46 | 369.09 |
| | AAFTP3-QPB | AAOF | 1,813.35 | - |
| | AAFTP3-QPC | AATAP | 704.65 | - |
| | AAFTP2-QPH | AAMIP | 155.22 | - |
| | AAFTP4-YP | | | |
| | AAFTP5-13MP | | | |
| MOTOR INDUSTRIES CO. LTD. | AAFTP3-QPC | AAEF | 657.74 | - |
| | AAFTP4-YP | | | |
| | AAFTP5-13MP | | | |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| RAYMOND LTD. | AAFTP2-QPH | AALTFR | 2,000.00 | - |
| | AACF | AAFTPS2-13A | 1,000.00 | - |
| | AAFTP3-QPF | AAFTP3-QPD | 300.00 | - |
| | | AAFDF | 1,500.00 | - |
| | | AACF | 12,500.00 | - |
| | | AAFRF | 4,000.00 | - |
| RELIANCE INDUSTRIES LTD. | AACF | AAEF | 5,487.05 | 733.11 |
| | AAFRF | AATAP | 1,651.06 | 248.71 |
| | | AAOF | 4,254.61 | - |
| | | AACF | 1,036.97 | - |
| | | AAMIP | 71.33 | - |
| STATE BANK OF BIKANER & JAIPUR | AACF | AAFDF | 1,500.00 | 200.00 |
| | AAFRF | AACF | 17,843.81 | - |
| | | AALTFR | 197.13 | - |
| | | AAFTP2-QPE | 1,489.82 | - |
| | | AAFTP6-QPB | 975.00 | 977.93 |
| | | AAFRF | 5,813.88 | - |
| | | AAMIP | - | 800.00 |
| STATE BANK OF HYDERABAD | AALTFRF | AAFTP2-QPC | 10,000.00 | - |
| | | AAFTP6-QPB | 858.27 | 860.85 |
| | | AAFTP4-16M | 117.04 | 117.39 |
| STATE BANK OF INDORE | AAFRF | AACF | 2,361.85 | - |
| | | AAFTP2-QPA | 2,451.82 | - |
| | | AAFTP3-QPG | 969.75 | - |
| | | AAFTP4-17MP | 1,939.50 | - |
| | | AAFTP4-QPB | 2,446.32 | - |
| STERLITE INDUSTRIES LTD. | AACF | AAEF | 2,672.25 | - |
| | AALTFRF | AACF | 13,900.00 | - |
| | | AAFRF | 6,700.00 | - |
| | | AAMIP | 1,000.00 | - |
| | | AAFDF | 5,200.00 | - |
| | | AAOF | 3,144.63 | - |
| | | AAFTP2-QPC | 4,200.00 | - |
| | | AAFLF | 4,725.63 | - |
| | | AAFTPS2-13A | 2,100.00 | - |
| | | AAFTP1 | 800.00 | - |
| | | AATAP | 1,400.93 | - |
| | | AAFTP4-17MP | 200.00 | - |
| | | AAFTP3-QPE | 3,200.00 | - |
| | | AAFTP3-QPB | 100.00 | - |
| | | AAFTP3-YP | 1,400.00 | - |
| | | AAFTP3-QPA | 800.00 | - |
| TATA CONSULTANCY LTD. | AALTFRF | AAEF | 2,819.31 | 660.85 |
| | AAFTP2-QPC | AAMIP | 24.56 | - |
| | AAFTP2-QPB | AAOF | 1,379.44 | - |
| | | AAFLF | 600.21 | - |
| | | AATAP | 499.64 | - |
| TECH MAHINDRA | AAFTP3-QPC | AAEF | 869.84 | - |
| | | AAMIP | 67.05 | - |
| | | AAOF | 415.52 | - |
| | | AADYF | 7.59 | - |
| | | AATAP | 13.16 | - |
| | | AAFLF | 54.13 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| ULTRATECH CEMCO LTD. | AAFTP2-QPH | AAOF | 96.53 | - |
| | AAFTP3-QPA | AAMIP | 48.27 | - |
| | AALTFRF | AAEF | 96.53 | - |
| | | AAFLF | 834.77 | - |
| UNION BANK OF INDIA | AAFRF | AAEF | 216.78 | - |
| | | AAFDF | 980.55 | - |
| | | AAMIP | 2,455.25 | - |
| | | AAOF | 30.28 | - |
| | | AALTFR | 7,989.46 | - |
| | | AAFTPS2-13A | 980.55 | - |
| | | AAFTP3-QPD | 980.55 | - |
| | | AAFTP3-QPE | 1,274.72 | - |
| | | AAFTP4-17MP | 4,902.77 | - |
| | | AAFTP4-QPD | 1,999.14 | - |
| | | AAFTP5-13MP | 903.34 | 904.14 |
| VIDESH SANCHAR NIGAM LTD. | AAFTP2-QPH | AAEF | 329.74 | 231.72 |
| | AAFTP2-QPB | | | |
| | AAFTP2-QPC | | | |
| | AALTFRF | | | |
| | AAFTP3-QPA | | | |
| | AAFTP3-QPB | | | |
| | AAFTP3-QPG | | | |
| | AAFTP4-YP | | | |
| WIPRO LTD. | AAFTP2-QPB | AAEF | 1,316.85 | - |
| | AAFTP2-QPC | AAMIP | 25.05 | - |
| | AAFTP2-QPE | AAOF | 1,108.22 | - |
| | AAFTP3-QPB | AADYF | 151.06 | - |
| | AAFTP3-QPC | AATAP | 463.37 | - |
| | AAFTP3-QPD | AAFLF | 1,456.46 | - |
| | AAFTP3-QPF | | | |
| | AAFTP3-QPG | | | |
| | AAFTP2-QPH | | | |
| | AAFTP4-QPA | | | |
| | AAFTP4-HYA | | | |
| | AAFTP6-QPB | | | |

**AACF** – ABN AMRO Cash Fund, **AAFRF** – ABN AMRO Floating Rate Fund, **AAFDF** – ABN AMRO Flexi Debt Fund, **AAEF** – ABN AMRO Equity Fund, **AAMIP** – ABN AMRO Monthly Income Plan, **AAOF** – ABN AMRO Opportunities Fund, **AADYF** – ABN AMRO Dividend Yield Fund, **AALTFRF** – ABN AMRO Long Term Floating Rate Fund, **AATAP** – ABN AMRO Tax Advantage Plan (ELSS), **AAFTP-1** – ABN AMRO Fixed Term Plan Series - 1, **AAFTP-2-13M** – ABN AMRO Fixed Term Plan Series 2-13 Months Plan, **AAMMF** – ABN AMRO Multi Manager Fund, **AAFLF** – ABN AMRO Future Leaders Fund, **AAFTP-3-YPA** – ABN AMRO Fixed Term Plan - Series 3: Yearly Plan A, **AADAF-B-S1** – ABN AMRO Dual Advantage Fund Plan B Series 1, **AAFTP-S4-17M** – ABN AMRO Fixed Term Plan - Series 4: Seventeen Months Plan, **AAFTP-4-QPC** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan C, **AAFTP-4-16M** – ABN AMRO Fixed Term Plan - Series 4: Sixteen Months Plan, **AAFTP-4-QPD** – ABN AMRO Fixed Term Plan – Series 4: Quarterly Plan D**, AAFTP-4-HYPA** – ABN AMRO Fixed Term Plan – Series 4: Half Yearly Plan A, **AAFTP-4-QPE** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan E, **AAMMF-2A** – ABN AMRO Multi Manager Fund - Series 2A, **AAMMF-3** – ABN AMRO Multi Manager Fund - Series 3, **AAMMF-2B** – ABN AMRO Multi Manager Fund - Series 2B**, AAFTP-5-13M,** ABN AMRO Fixed Term Plan – Series 5: Thirteen Months Plan, **AAFTP-6-QPB** – ABN AMRO Fixed Term Plan – Series 6: Quarterly Plan B, **AAFTP-2-QPE** – ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan E, **AAFTP-2-HYP** – ABN AMRO Fixed Term Plan - Series 2: Half Yearly Plan A, **AAFTP3-QPA** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan A, **AAFTP-3-QPB** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan B, **AAFTP-3-QPC** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan C**, AAFTP-3-QPD** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan D, **AAFTP-3-QPE-** ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan E, **AAFTP-3-QPF** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan F**, AAFTP-3-QPG** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan G, **AAFTP-3-QPH** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan H, **AAFTP-4-QPA** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan A, **AAFTP-4-QPB** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan B, **AADAF** – ABN AMRO Dual Advantage Fund - Plan A - Series 1.

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | as on 31.03.07 |
|---|---|---|
| (a) | Net Asset Value, per unit | |
| | Growth | **Rs. 9.405** |
| | Dividend | **Rs. 9.406** |
| (b) | Gross Income: | |
| | i) Income other than profit on sale of investment,per unit | **0.381** |
| | ii) profit on interscheme sale/transfer of investment,per unit | **(0.060)** |
| | iii) profit on sale of investment to third party,per unit | **0.302** |
| | iv) transfer to Revenue Account from past year's reserve per unit | |
| (c) | Aggregate of expenses,write offs, amortisation and charges,per unit | **1.309** |
| (d) | Net unrealised depreciation in value of investments | **0.296** |
| (e) | Net Income, per unit | **(0.982)** |
| (f) | i ) Highest traded price | |
| | ii ) Lowest traded price | |
| | iii) Highest repurchase price/NAV * | |
| | Growth | **10.936** |
| | Dividend | **10.950** |
| | iv) Highest resale price * | |
| | Growth | **11.195** |
| | Dividend | **11.196** |
| | v) Lowest repurchase price/NAV* | |
| | Growth | **6.641** |
| | Dividend | **6.641** |
| | vi) Lowest resale price* | |
| | Growth | **6.809** |
| | Dividend | **6.809** |
| | vii) Price Earning Ratio | **NA** |
| | viii) Ratio of Expenses to Average Net Assets(%) | |
| | Regular Plan | **2.27%** |
| | ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **2.13%** |

**Investment Objective:** To seek to generate long-term capital appreciation by investing primarily in companies with high growth opportunities in the middle and small capitalization segment, defined as 'Future Leaders'. The fund will emphasize on companies that appear to offer opportunities for long-term growth and will be inclined towards companies that are driven by dynamic style of management and entrepreneurial flair. **Load Structure: Entry Load:** In respect of each Subscription / Switch In of Units for an amount less than Rs. 5 crores in value, entry load of 2.25% is payable. In respect of each Subscription / Switch In of Units for an amount equal to Rs. 5 crores or more in value, entry load payable would be Nil. **Exit Load**: Nil. **CDSC**: In respect of each Subscription / Switch - In of Units for an amount less than Rs. 5 crores in value, CDSC of 1% is payable if the Units are redeemed / switched - out within 6 months from the date of such Subscription / Switch - In. In respect of each Subscription / Switch - In of Units for an amount equal to Rs. 5 crores or more in value, CDSC of 0.5% is payable if the Units are redeemed / switched - out within 3 months from the date of such Subscription / Switch - In. **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 Scheme. **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. The names of the Schemes 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.

# TRUSTEE REPORT

Dear Sir / Madam,

ABN AMRO Mutual Fund (the "Fund") commenced its operations in the month of August 2004. The Fund manages 29 Schemes as on March 31, 2007 with Assets under Management of Rs.5191.91 Crores, which have increased from Rs.2769.27 Crores as on March 31, 2006 showing an increase of 87%. It gives us pleasure in presenting the Third Annual Report of the Schemes of the Fund for the year ended March 31, 2007.

## 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, biased 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 well-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 Managers the recent tightening measures by Central Bank have led to moderation in credit growth, stabilisation in asset prices and softening of the inflation. Recent turbulence of sub prime market in US has led to significant volatility in Global market including moderation in the market, valuation parameters. Current economic indicator suggests a slow down in US economy going forward. Market participants now expect FED to cut interest rates before the end of the year. Accordingly interest rates are expected to be stable with downward biases in the immediate future.

## DIRECTORS OF THE ABN AMRO ASSET MANAGEMENT (INDIA) LIMITED:

| | |
|---|---|
| **Mr. Romesh Sobti** | Associate Director |
| **Mr. Arne Lindman** | Associate Director |
| **Mr. Nikhil Johri** | Associate Director |
| **Mr. Rajan Ray** | Independent Directors |
| **Mr. Arun Nanda** | Independent Director |
| **Mr. Ninad Karpe** | Independent Director |

## DIRECTORS OF THE ABN AMRO TRUSTEE (INDIA) PRIVATE LIMITED:

| | |
|---|---|
| **Mr. Pradip Nayak** | Independent Director |
| **Mr. Pradyumna Naware** | Independent Director |
| **Mr. Shariq Contractor** | Independent Director |
| **Mr. Gururajan Sethu** | Independent Director |
| **Mr. Kalpathi Sridhar** | Associate Director |
| **Mr. A. Dhananjaya*** | Associate Director |

* Appointed as an Associate Director w.e.f. July 31, 2007.

**Risk Management System:**

SEBI vide its circular dated September 30, 2002, has mandated the establishment of a full- fledged risk- management framework for mutual funds in India. In the opinion of the Trustees and to the best of their knowledge, the management system in ABN AMRO Mutual Fund is adequate.

## PERFORMANCE OF THE SCHEMES AS ON MARCH 31, 2007

**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.

| | Compounded Annual Growth Rate (%) Since Inception | Compounded Annual Growth Rate (%) Last 1 Year |
|---|---|---|
| AAMIP - Growth Option | 10.78 | 10.60 |
| CRISIL MIP Blended Index | 8.20 | 5.49 |

Period: September 23, 2004 - March 30, 2007. 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.

The ABN AMRO Monthly Income Plan bagged the Gold Award for the Best One Year Performance in the open- ended marginal equity category from the ICRA for the period ending December 31, 2006 after considering 32 schemes in the category. The Fund was also awarded a Five- Star rating by Value Research in the category of Hybrid - Monthly Income Plan considering 37 open-ended Monthly Income Schemes as on December 31, 2006 on the basis of weighted average weekly returns for the last 18 Months and 3-years periods. ***Past Performance is no guarantee of Future Results.***

**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.

| | Compounded Annual Growth Rate (%) Since Inception | Compounded Annual Growth Rate (%) Last 1 Year |
|---|---|---|
| AAFDF - Regular Plan - Growth Option | 6.04 | 9.09 |
| CRISIL Composite Bond Fund Index | 3.53 | 3.72 |

Period: September 23, 2004 - March 30, 2007. 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.

ABN AMRO Flexi Debt Fund has been rated 5-Star by the Value Research in the category of Debt - Medium-term considering 43 open-ended Medium-term Debt Schemes as on February 28, 2007. It was also one of the 5-Star rated Funds by the Money Control Research in the category of Debt - Short-term considering 67 open-ended Short-term Debt Schemes as on March 1, 2007. ***Past Performance is no guarantee of Future Results.***

**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.

| | Compounded Annual Growth Rate (%) Since Inception | Compounded Annual Growth Rate (%) Last 1 Year |
|---|---|---|
| AAFRF - Regular Plan - Growth Option | 5.42 | 6.18 |
| AAFRF - Institutional Plan - Growth Option | 5.88 | 6.58 |
| CRISIL Liquid Fund Index | 5.35 | 6.37 |

Period: September 13, 2004 - March 31, 2007. 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 AAFRF Fund posted satisfactory performance with portfolio returns 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.

| | Compounded Annual Growth Rate (%) Since Inception | Compounded Annual Growth Rate (%) Last 1 Year |
|---|---|---|
| AACF - Regular Plan - Growth Option | 5.39 | 6.25 |
| AACF - Institutional Plan - Growth Option | 5.86 | 6.63 |
| CRISIL Liquid Fund Index | 5.32 | 6.37 |

Period: September 2, 2004 - March 31, 2007. 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.

| | Compounded Annual Growth Rate (%) Since Inception | Compounded Annual Growth Rate (%) Last 1 Year |
|---|---|---|
| AACF - Institutional Plus Plan - Growth Option | 6.50 | 6.81 |
| CRISIL Liquid Fund Index | 5.92 | 6.37 |

Period: October 3, 2005 - March 31, 2007. 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 AACF Fund posted satisfactory performance with portfolio returns beating the benchmark during the year.

**5. ABN AMRO Money Plus Fund (AAMPF)**

**{an open-ended income scheme formerly known as ABN AMRO Long Term Floating Rate Fund (AALTFRF)}**

To better reflect the investment pattern of the fund portfolio, the name of the Fund was changed from AALTFRF to AAMPF with effect from April 9, 2007.

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.

| | Compounded Annual Growth Rate (%) Since Inception | Compounded Annual Growth Rate (%) Last 1 Year |
|---|---|---|
| AALTFRF - Regular Plan - Growth Option | 6.76 | 7.48 |
| AALTFRF - Institutional Plan - Growth Option | 7.06 | 7.66 |
| CRISIL Liquid Fund Index | 5.99 | 6.37 |

Period: October 21, 2005 - March 30, 2007. 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.

AALTFRF posted satisfactory performance with portfolio returns during the year beating the benchmark.

**INVESTMENT IN FOREIGN SECURITIES BY MUTUAL FUNDS.**

No Scheme has invested in foreign securities yet.

In term of SEBI's letter dated December 8, 2006 having reference No.IMD/81816/06 and subsequent updation, prevailing limits of foreign investments by ABN AMRO Mutual Fund is as follows:

(1) ADRs /GDRs /Foreign Securities - 10% of the net assets managed as on March 31, 2007 i.e. Rs. 519.19 Crores.

(2) Overseas ETFs - US $50 million.

**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 28, 2007

## 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, 2007 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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | 2006 |
|---|---|---|---|
| **SOURCES OF FUNDS** | | | |
| Unit capital | 2(b) & 3 | **3,799,161** | 8,282,776 |
| Reserves and surplus | 2(b) & 4 | **220,832** | 208,669 |
| Current liabilities | 5 | **4,028** | 6,540 |
| | | **4,024,021** | 8,497,984 |
| **APPLICATION OF FUNDS** | | | |
| Investments | 2(c),6 & 16 | **3,769,077** | 8,349,553 |
| Deposits with scheduled banks | | **85,000** | - |
| Other current assets | 7 | **169,944** | 148,431 |
| | | **4,024,021** | 8,497,984 |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Alok Singh**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | AUGUST 1, 2005 TO MARCH 31,2006 |
|---|---|---|---|
| **INCOME** | | | |
| Interest | 2(d) & 8 | **555,061** | 601,374 |
| Profit on sale/redemption of investments, net | 2(d) | **1,026** | - |
| Profit on inter-scheme transfer/sale of investments, net | 2(d) | **393** | - |
| Other income | | **1** | 1,735 |
| | | **556,481** | 603,109 |
| **EXPENSES AND LOSSES** | | | |
| Change in provision for net unrealised loss in value of investments | 2(c) & 6(ii) | **(346)** | (205) |
| Loss on sale/redemption of investments, net | 2(d) | **-** | 3,093 |
| Loss on inter-scheme transfer/sale of investments, net | 2(d) | **-** | 1,726 |
| Management fee | 9 | **9,377** | 16,791 |
| Trusteeship fee | 9 | **313** | 495 |
| Custodian service charges | | **4,251** | 4,945 |
| Registrar service charges | | **5,854** | 6,715 |
| Commission to distributors | | **8,223** | 11,982 |
| Publicity expenses | | **37** | 42 |
| Audit fee | | **150** | 329 |
| Interest on Borrowings | | **-** | 8,123 |
| Other operating expenses | | **1,752** | 2,321 |
| Expenses reimbursed by the AMC | 10 | (2,696) | (3,016) |
| | | **26,915** | 53,341 |
| Surplus for the year | | **529,566** | 549,768 |
| Equalisation Credit | 2(e) | **(227,549)** | (93,536) |
| Transfer from unit premium reserve | | **5,854** | |
| Income distribution on capital account | | **(237,563)** | (237,670) |
| Income-tax on distributed income | | **(51,317)** | (51,790) |
| Surplus transferred to the balance sheet | 4 | **18,991** | 166,773 |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Alok Singh**
*Fund Manager*

## CASH FLOW STATEMENT

FOR THE YEAR APRIL 2006 TO MARCH 2007

(All amounts in thousands of Rupees)

| | | 2007 | 2006 |
|---|---|---|---|
| **A. Cash flow from Operating Activity** | | | |
| Surplus for the period | | **529,566** | 549,661 |
| Adjustments for:- | | | |
| Investments (at cost) made, net | | **4,579,873** | (4,961,107) |
| Other current assets receivable | | **(83,481)** | (57,983) |
| Current liabilities incurred | | **(2,490)** | (19,403) |
| Provision for net unrealised loss in value of investments | | **(346)** | (205) |
| **Net cash used in operations** | **( A )** | **5,023,121** | (4,489,037) |
| **B. Cash flow from Financing Activities** | | | |
| Proceeds from issuance of unit capital, net | | **(4,483,615)** | 4,533,740 |
| Unit premium received/(paid) thereon, net | | **(227,573)** | (100,720) |
| Adjustments for:- | | | |
| Sundry creditors for units redeemed by investors | | **-** | - |
| Sundry debtors for units issued to investors | | **(69)** | - |
| Dividend and tax thereon paid during the period | | **(288,880)** | (289,352) |
| **Net cash generated from financing activities** | **( B )** | **(5,000,136)** | 4,143,668 |
| **Net Cash and cash equivalents** | **(A+B)** | **22,985** | (345,369) |
| Cash and cash equivalents, beginning of the period | | **78,260** | 423,629 |
| Cash and cash equivalents, end of the period | | **101,245** | 78,260 |
| **Components of cash and cash equivalents** | | | |
| Balances with banks in current accounts | | **4,603** | 11,408 |
| **Collaterised Lending** | | **96,641** | 66,853 |
| | | **101,245** | 78,261 |

For **S.R. Batliboi & Co.**
**Chartered Accountants**
**Per Viren H. Mehta**
*Partner*
Membership No. 048749
*Mumbai*
Date: August 28, 2007

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

**ABN AMRO Asset Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Alok Singh**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

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

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

The Scheme offers its investors the following Plans :

Regular Growth

Regular Weekly Dividend

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** **(Rs. in 000's)**

| | **Quantity 2007** | Quantity 2006 | **Amount 2007** | Amount 2006 |
|---|---|---|---|---|
| Units of Rs 10 each fully paid up | | | | |
| **Regular Growth** | | | | |
| Outstanding, beginning of year | **26,599,638.722** | 5,862,934.972 | **265,996** | 58,629 |
| Issued | | | | |
| -new fund offer | **-** | - | **-** | - |
| -during the year | **229,729,786.681** | 169,837,733.768 | **2,297,298** | 1,698,377 |
| Redeemed during the year | **(243,073,712.094)** | (149,101,030.018) | **(2,430,737)** | (1,491,010) |
| Outstanding, end of year | **13,255,713.309** | 26,599,638.722 | **132,557** | 265,996 |
| **Regular Weekly Dividend** | | | | |
| Outstanding, beginning of year | **49,776,899.172** | 50,390,356.726 | **497,769** | 503,904 |
| Issued | | | | |
| - new fund offer | **-** | - | **-** | - |
| - during the year | **352,641,366.933** | 223,506,143.328 | **3,526,414** | 2,235,061 |
| Redeemed during the year | **(344,362,353.183**) | (224,119,600.882) | **(3,443,624)** | (2,241,196) |
| Outstanding, end of year | **58,055,912.922** | 49,776,899.172 | **580,559** | 497,769 |
| **Regular Monthly Dividend** | | | | |
| Outstanding, beginning of year | **200,084.717** | - | **2,001** | - |
| Issued | | | | |
| - new fund offer | - | - | - | - |
| - during the year | **12,294,510.426** | 503,368.668 | **122,945** | 5,034 |
| Redeemed during the year | **(5,899,718.818)** | (303,283.951) | **(58,997)** | (3,033) |
| Outstanding, end of year | **6,594,876.325** | 200,084.717 | **65,949** | 2,001 |
| **Institutional Growth** | | | | |
| Outstanding, beginning of year | **184,636,928.713** | 162,358,257.492 | **1,846,369** | 1,623,583 |
| Issued | | | | |

| | Quantity 2007 | Quantity 2006 | Amount 2007 | Amount 2006 |
|---|---|---|---|---|
| - new fund offer | **-** | - | **-** | - |
| - during the year | **772,235,944.463** | 4,154,682,039.295 | **7,722,359** | 41,546,820 |
| Redeemed during the year | **(880,386,390.732)** | (4,132,403,368.074) | **(8,803,864)** | (41,324,034) |
| Outstanding, end of year | **76,486,482.444** | 184,636,928.713 | **764,864** | 1,846,369 |
| **Institutional Daily Dividend** | | | | |
| Outstanding, beginning of year | **95,636,826.020** | 156,292,001.663 | **956,368** | 1,562,920 |
| Issued | | | | |
| - new fund offer | **-** | - | **-** | - |
| - during the year | **415,441,956.552** | 3,393,497,000.405 | **4,154,420** | 33,934,970 |
| Redeemed during the year | **(483,140,361.043)** | (3,454,152,176.048) | **(4,831,404)** | (34,541,522) |
| Outstanding, end of year | **27,938,421.529** | 95,636,826.020 | **279,384** | 956,368 |
| **Institutional Weekly Dividend** | | | | |
| Outstanding, beginning of year | **-** | - | **-** | - |
| Issued | | | | |
| - new fund offer | **-** | - | **-** | - |
| - during the year | **62,595,496.914** | - | **625,955** | - |
| Redeemed during the year | **(62,595,496.914)** | - | **(625,955)** | - |
| **Outstanding, end of year** | | | | |
| Institutional Monthly Dividend | | | | |
| Outstanding, beginning of year | **13,516,406.222** | - | **135,164** | - |
| Issued | | | | |
| - new fund offer | **-** | - | **-** | - |
| - during the year | **4,263,558.730** | 149,499,060.522 | **42,635** | 1,494,991 |
| Redeemed during the year | **(5,269,146.049)** | (135,982,654.300) | **(52,691)** | (1,359,827) |
| Outstanding, end of year | **12,510,818.903** | 13,516,406.222 | **125,108** | 135,164 |
| **Institutional Plus Growth** | | | | |
| Outstanding, beginning of year | **100,562,429.132** | - | **1,005,624** | - |
| Issued | | | | |
| - new fund offer | **-** | - | **-** | - |
| - during the year | **3,822,982,416.349** | 3,316,966,979.139 | **38,229,824** | 33,169,670 |
| Redeemed during the year | **(3,842,460,822.034)** | (3,216,404,550.007) | **(38,424,608)** | (32,164,046) |
| Outstanding, end of year | **81,084,023.447** | 100,562,429.132 | **810,840** | 1,005,624 |
| **Institutional Plus Daily Dividend** | | | | |
| Outstanding, beginning of year | **242,676,122.353** | - | **2,426,761** | - |
| Issued | | | | |
| -new fund offer | **-** | - | **-** | - |
| -during the year | **2,920,672,721.206** | 3,013,956,852.558 | **29,206,727** | 30,139,569 |
| Redeemed during the year | **(3,059,358,991.348)** | (2,771,280,730.205) | **(30,593,590)** | (27,712,807) |
| Outstanding, end of year | **103,989,852.211** | 242,676,122.353 | **1,039,898** | 2,426,762 |
| **Institutional Plus Weekly Dividend** | | | | |
| Outstanding, beginning of year | **57,149,251.232** | - | **571,493** | - |
| Issued | | | | |
| -new fund offer | **-** | - | **-** | - |
| -during the year | **72,479,460.800** | 72,135,763.371 | **724,795** | 721,358 |
| Redeemed during the year | **(129,628,712.029)** | (14,986,512.139) | **(1,296,288)** | (149,865) |
| Outstanding, end of year | **0.003** | 57,149,251.232 | **-** | 571,493 |

| | Quantity 2007 | Quantity 2006 | Amount 2007 | Amount 2006 |
|---|---|---|---|---|
| **Institutional Plus Monthly Dividend** | | | | |
| Outstanding, beginning of year | **57,522,978.142** | - | **575,230** | - |
| Issued | | | | |
| -new fund offer | **-** | - | **-** | - |
| -during the year | **35,385,377.050** | 232,754,208.116 | **353,854** | 2,327,542 |
| Redeemed during the year | **(92,908,355.180)** | (175,231,229.974) | **(929,084)** | (1,752,312) |
| Outstanding, end of year | **0.012** | 57,522,978.142 | **-** | 575,230 |
| **Total** | | | | |
| Outstanding, beginning of year | **828,277,564.425** | 374,903,550.853 | **8,282,776** | 3,749,036 |
| Issued | | | | |
| -new fund offer | **-** | - | **-** | - |
| -during the year | **8,700,722,596.104** | 14,727,339,149.170 | **87,007,226** | 147,273,392 |
| Redeemed during the year | **(9,149,084,059.424)** | (14,273,965,135.598) | **(91,490,841)** | (142,739,652) |
| Outstanding, end of year | **379,916,101.105** | 828,277,564.425 | **3,799,161** | 8,282,776 |

**4. RESERVES AND SURPLUS**

| | Amount (Rs.in '000) 2007 | Amount (Rs.in '000) 2006 |
|---|---|---|
| **Unit premium reserve** | | |
| Balance, beginning of year | **(7,389)** | (205) |
| Net premium on issue/redemption of units | **(227,573)** | (100,720) |
| Equalisation, net | **227,549** | 93,536 |
| Transfer to revenue account | **(5,854)** | |
| **Balance, end of year** | **(13,267)** | (7,389) |
| **Unrealised appreciation reserve** | | |
| Balance, beginning of the year | **1,029** | |
| Change in unrealised appreciation in value of investments | **(950)** | 1,029 |
| **Balance, end of year** | **79** | 1,029 |
| **Retained surplus** | | |
| Balance, beginning of year | **215,029** | 48,256 |
| Surplus transferred from revenue account | **18,991** | 166,773 |
| **Balance, end of year** | **234,020** | 215,029 |
| **Total reserves and surplus** | **220,832** | 208,669 |
| The share of the plans in the reserves and surplus is as follows: | | |
| Regular Growth | **19,243** | 20,665 |
| Regular Weekly Dividend | **227** | 69 |
| Regular Monthly Dividend | **28** | 1 |
| Institutional Growth | **120,998** | 158,915 |
| Institutional Daily Dividend | **38** | 1 |
| Institutional Weekly Dividend | **0** | - |
| Institutional Monthly Dividend | **56** | 28 |
| Institutional Plus Growth | **80,102** | 28,727 |
| Institutional Plus Daily Dividend | **140** | 0 |
| Institutional Plus Weekly Dividend | **(0)** | 94 |
| Institutional Plus Monthly Dividend | **0** | 168 |
| | **220,832** | **208,668** |

| | | Amount (Rs.in '000) 2007 | Amount (Rs.in '000) 2006 |
|---|---|---|---|
| **5.** | **URRENT LIABILITIES** | | |
| | Amount due to AMC for management fees | **882** | 725 |
| | Trusteeship fee payable | **143** | 226 |
| | Dividend payable on units | **266** | 5 |
| | Brokerage Payable | **1,287** | - |
| | Units Dividend Tax payable | **524** | - |
| | Other current liabilities | **926** | 5,584 |
| | | **4,028** | 6,540 |
| **6.** | **INVESTMENTS** | | |
| | Privately placed debentures and bonds | **921,374** | 2,684,374 |
| | Other debentures and bonds | **1,482,789** | 954,672 |
| | Commercial paper | **681,808** | 264,825 |
| | Certificates of deposit | **683,106** | 4,445,682 |
| | | **3,769,077** | 8,349,553 |

(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 utual unds) Regulations, 1996.

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

| | | |
|---|---|---|
| *Privately placed debentures and bonds* | | |
| - appreciation | **181** | 20 |
| - depreciation | **102** | 1,050 |
| *Other debentures and bonds* | | |
| - appreciation | | 1,093 |
| - depreciation | **684** | 64 |

(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 | **57,053,655** | 75,841,426 |
| - as a percentage of average daily net assets | **703.90** | 750.96 |
| *Interest Rate Swap (Contracts entered)* | | |
| - amount | **460,000** | 1,250,000 |
| - as a percentage of average daily net assets | **5.68** | 12.38 |
| *Sales / Redemptions (excluding Collateralised lending & Fixed deposits)* | | |
| - amount | **61,378,625** | 73,008,443 |
| - as a percentage of average daily net assets | **757.25** | 722.91 |
| *Interest Rate Swap (Contracts matured)* | | |
| - amount | **500,000** | 750,000 |
| - as a percentage of average daily net assets | **6.17** | 7.45 |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regula tions. 1996 and the fair value of such investments as at March 31, 2007 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(Excluding Certificates of Deposit and Commercial Paper)as on March 31, 2007 valued in good faith | **2,404,163** | 3,639,044 |

| | | | |
|---|---|---|---|
| **7.** | **OTHER CURRENT ASSETS** | | |
| | Sundry debtors for units issued to investors | **69** | - |
| | Balances with banks in current accounts | **4,603** | 11,408 |
| | Receivable from AMC | **1,713** | 3,038 |
| | Collateralised lending | **96,641** | 66,853 |
| | Outstanding and accrued income | **66,383** | 67,107 |
| | Inter Scheme receivable | **-** | 25 |
| | Other current assets | **535** | - |
| | | **169,944** | 148,431 |

**8. INTEREST**

| | | |
|---|---|---|
| Debentures and bonds | **237,042** | 205,828 |
| Central government securities | **400** | 4,153 |
| Money market instruments | **224,481** | 329,386 |
| Deposits | **64,930** | 8,054 |
| Collateralised Lending | **25,228** | 53,953 |
| Others | **2,979** | |
| | **555,060** | 601,374 |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) under an agreement with the AMC, which rovides 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.12 per cent (2006 - 0.17 per cent).

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for computation of such fee at 0.01 per cent (2006 - 0.01 per cent annualised) of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum

**10.** The AMC has borne Rs.26.96 lakhs (2005-06 : 30.16 lakhs) of the Scheme's expenses, being expenses in excess of the limits specified in the offer document / internal limits, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

| | | |
|---|---|---|
| Income | | |
| - amount | **556,481** | 603,109 |
| - as a percentage of average daily net assets | **6.87** | 5.97 |
| Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any) | | |
| - amount | **27,261** | 48,727 |
| - as a percentage of average daily net assets | **0.34** | 0.48 |

**12. RELATED PARTY DISCLOSURES**

The Scheme has entered into transactions with certain 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 |
| ABN AMRO BANK N.V. | 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**

1 ABN AMRO CASH FUND
2 ABN AMRO FLOATING RATE FUND
3 ABN AMRO MONTHLY INCOME PLAN
4 ABN AMRO FLEXI DEBT FUND
5 ABN AMRO EQUITY FUND
6 ABN AMRO OPPORTUNITIES FUND
7 ABN AMRO DIVIDEND YIELD FUND
8 ABN AMRO LONG TERM FLOATING RATE FUND
9 ABN AMRO TAX ADVANTAGE PLAN
10 ABN AMRO FIXED TERM PLAN - SERIES 1
11 ABN AMRO FIXED TERM PLAN SERIES 2 QUARTERLY PLAN A
12 ABN AMRO FIXED TERM PLAN SERIES 2 (13 MONTHS) PLAN
13 ABN AMRO FUTURE LEADERS FUND
14 ABN AMRO FIXED TERM PLAN - SERIES 2 QUARTERLY PLAN B
15 ABN AMRO FIXED TERM PLAN - SERIES 2 QUARTERLY PLAN C
16 ABN AMRO FIXED TERM PLAN - SERIES 2 QUARTERLY PLAN D
17 ABN AMRO FIXED TERM PLAN - SERIES 2 QUARTERLY PLAN E
18 ABN AMRO FIXED TERM PLAN - SERIES 2 HALF YEARLY PLAN A
19 ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN A
20 ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN B

21 ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN C
22 ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN D
23 ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN E
24 ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN F
25 ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN G
26 ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN H
27 ABN AMRO FIXED TERM PLAN - SERIES 3: YEARLY PLAN A
28 ABN AMRO FIXED TERM PLAN - SERIES 4: QUARTERLY PLAN A
29 ABN AMRO FIXED TERM PLAN - SERIES 4: QUARTERLY PLAN B
30 ABN AMRO FIXED TERM PLAN - SERIES 4: QUARTERLY PLAN C
31 ABN AMRO FIXED TERM PLAN - SERIES 4: QUARTERLY PLAN D
32 ABN AMRO FIXED TERM PLAN - SERIES 4: QUARTERLY PLAN E
33 ABN AMRO FIXED TERM PLAN - SERIES 4: SIXTEEN MONTHS PLAN
34 ABN AMRO FIXED TERM PLAN - SERIES 4: SEVENTEEN MONTHS PLAN
35 ABN AMRO FIXED TERM PLAN - SERIES 4: HALF YEARLY PLAN A
36 ABN AMRO FIXED TERM PLAN- SERIES 5: THIRTEEN MONTHS PLAN
37 ABN AMRO FIXED TERM PLAN- SERIES 5: FOURTEEN MONTHS PLAN
38 ABN AMRO FIXED TERM PLAN - SERIES 6: QUARTERLY PLAN B
39 ABN AMRO FIXED TERM PLAN - SERIES 6: QUARTERLY PLAN C
40 ABN AMRO DUAL ADVANTAGE FUND PLAN A SERIES I
41 ABN AMRO DUAL ADVANTAGE FUND PLAN B SERIES 1
42 ABN AMRO MULTI MANAGER FUND
43 ABN AMRO MULTI MANAGER FUND-SERIES 2A
44 ABN AMRO MULTI MANAGER FUND-SERIES 2B
45 ABN AMRO MULTI MANAGER FUND SERIES 3

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

| Associate | Nature of transactions | Year ended March 2007 | Balance as at March 31, 2007 | Year ended March 2006 | Balance as at March 31, 2006 |
|---|---|---|---|---|---|
| ABN AMRO FLOATING RATE FUND | Purchase of Investments | **5,171,525** | | 11,146,491 | |
| | Sale of Investments | **4,158,827** | | 10,286,746 | |
| ABN AMRO LONG TERM FLOATING | Purchase of Investments | **2,336,716** | | 1,420,782 | |
| RATE FUND | Sale of Investments | **1,441,976** | | 2,753,173 | |
| ABN AMRO FUTURE LEADERS FUND | Purchase of Investments | **684,750** | | - | |
| | Sale of Investments | **2,131,693** | | 117,001 | |
| Other Scheme under common control | Purchase of Investments | **8,325,472** | | 4,532,155 | |
| | Sale of Investments | **12,366,778** | | 9,221,903 | |
| ABN AMRO Trustee (India) Private Limited. | Fees for trusteeship services | **313** | **143** | 495 | 226 |
| ABN AMRO Asset Management (India) Limited. | Fees for investment management services | **9,377** | **882** | 16,791 | 725 |
| ABN AMRO Asset Management (India) Limited. | Payable/Receivable for Other Expenses | **(2,696)** | **(1,713)** | (3,016) | (3,038) |
| ABN AMRO Bank N.V. | Bank Charges | **104** | | 222 | |
| | Commission paid for procuring unit capital | **2,051** | **414** | 2,290 | 673 |
| | Collateralised lending (first leg) | **-** | | 3,664,976 | |
| | Interest on cllateralised lending | **-** | | 782 | |
| | Borrowings by the scheme | **25,000** | | 3,720,000 | |
| | Interest on Borrwoing born by scheme | **-** | | 2,776 | |
| | Fixed Deposits placed | **-** | | 2,650,000 | |
| | Interest on Fixed Deposits | | | 5,238 | |
| | Interest Rate Swap (IRS) Dea | **460,000** | | 500,000 | |
| | Interest on IRS | **2,328** | | 2,531 | |

## 13. SEGMENT REPORTING

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

## 14. NET ASSET VALUE

| | 2007 | 2006 |
|---|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | | |
| Regular Growth | **Rs. 11.4517** | Rs. 10.7769 |
| Regular Weekly Dividend | **Rs. 10.0039** | Rs. 10.0014 |
| Regular Monthly Dividend | **Rs. 10.0043** | Rs. 10.0034 |
| Institutional Growth | **Rs. 11.5820** | Rs. 10.8607 |
| Institutional Daily Dividend | **Rs. 10.0013** | Rs. 10.0000 |
| Institutional Weekly Dividend | **-** | - |
| Institutional Monthly Dividend | **Rs. 10.0045** | Rs. 10.0021 |
| Institutional Plus Growth | **Rs. 10.9879** | Rs. 10.2857 |
| Institutional Plus Daily Dividend | **Rs. 10.0013** | Rs. 10.0000 |
| Institutional Plus Weekly Dividend | **-** | Rs. 10.0017 |
| Institutional Plus Monthly Dividend | **-** | Rs. 10.0029 |

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

Prior year amounts have been reclassified & regrouped wherever applicable, to conform to current year's presentation.

## 16. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs. in 000s) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **DEBENTURES AND BONDS** | | | | |
| **(a) Privately placed debentures and bonds** | | | | |
| **Finance** | **2,500,000** | **250,241** | **6.22** | **27.16** |
| Mahindra & Mahindra Financial Services Ltd.* | 2,500,000 | 250,241 | 6.22 | 27.16 |
| **Finance (Asset Backed Securities)** | **55** | **550,929** | **13.70** | **59.79** |
| IBS Trust* | 45 | 450,628 | 11.20 | 48.90 |
| Kotak Mahindra Bank Ltd.* | 10 | 100,301 | 2.50 | 10.89 |
| **Non Banking Finance** | **1,200,000** | **120,204** | **2.99** | **13.05** |
| Rabo India Finance Pvt. Ltd.* | 1,200,000 | 120,204 | 2.99 | 13.05 |
| **Total** | **3,700,055** | **921,374** | **22.91** | **100.00** |
| **(b) Other debentures and bonds** | | | | |
| **Banks** | **2,200,000** | **220,503** | **5.49** | **14.87** |
| ICICI Bank Ltd.* | 2,200,000 | 220,503 | 5.49 | 14.87 |
| **Finance** | **900,000** | **90,028** | **2.24** | **6.07** |
| Cholamandalam DBS Finance Ltd.* | 900,000 | 90,028 | 2.24 | 6.07 |
| **Financial Institution** | **4,700,000** | **471,418** | **11.74** | **31.79** |
| Indian Railway Finance Corporation * | 3,400,000 | 341,193 | 8.50 | 23.01 |
| Exim Bank * | 1,300,000 | 130,225 | 3.24 | 8.78 |
| **Housing Finance Company** | **5,000,000** | **500,517** | **12.45** | **33.76** |
| LIC Housing Finance Ltd.* | 5,000,000 | 500,517 | 12.45 | 33.76 |
| **Non Banking Finance** | **2,000,000** | **200,323** | **4.98** | **13.51** |
| Citifinancial Consumer Finance India Ltd.* | 2,000,000 | 200,323 | 4.98 | 13.51 |
| **Total** | **14,800,000** | **1,482,789** | **36.90** | **100.00** |

| Industry and Company Particulars | Quantity | Amount (Rs. in 000s) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **CERTIFICATE OF DEPOSITS** | | | | |
| **Banks** | **7,000,000** | **683,106** | **16.99** | **100.00** |
| State Bank of India* | 2,500,000 | 246,947 | 6.15 | 36.16 |
| Development Credit Bank Ltd. * | 2,500,000 | 242,594 | 6.03 | 35.51 |
| UTI Bank Ltd. * | 1,000,000 | 97,077 | 2.41 | 14.21 |
| ICICI Bank Ltd. * | 1,000,000 | 96,488 | 2.40 | 14.12 |
| **Total** | **7,000,000** | **683,106** | **16.99** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **Finance** | **3,500,000** | **339,335** | **8.44** | **49.77** |
| Shriram Transport Finance Co. Ltd. * | 3,500,000 | 339,335 | 8.44 | 49.77 |
| **Housing Finance Company** | **1,000,000** | **96,303** | **2.40** | **14.12** |
| ICICI Home Finance Co. Ltd. * | 1,000,000 | 96,303 | 2.40 | 14.12 |
| **Non Banking Finance** | **2,500,000** | **246,170** | **6.12** | **36.11** |
| Kotak Securities Ltd. * | 2,500,000 | 246,170 | 6.12 | 36.11 |
| **Total** | **7,000,000** | **681,808** | **16.96** | **100.00** |
| **Notes** | **4,600,000** | **-** | **-** | |
| Interest Rate Swap*@ | 4,600,000 | - | - | |
| **Total** | **4,600,000** | **-** | **-** | |
| **DEPOSITS** | | **85,000** | **2.11** | |
| **OTHER CURRENT ASSETS** | | **169,944** | **4.23** | |
| **TOTAL ASSETS** | | **4,024,021** | **00.10** | |
| **LESS: CURRENT LIABILITIES** | | **4,028** | **0.10** | |
| **NET ASSETS** | | **4,019,993** | **100.00** | |

* Non traded / thinly traded investments

@ Interest Rate Swap outstanding as on 31st march,2007

| Terms | Notional Amount | Receive Rate | Pay Rate |
|---|---|---|---|
| Fixed To Floating | 460,000,000.00 | Floating NSE MIBOR (Daily Compounding) | 8.80% |

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | as on 31.03.07 | as on 31.03.06 | as on 31.03.05 |
|---|---|---|---|
| (a) Net Asset Value, per unit | | | |
| Regular Growth | **11.4517** | 10.7769 | 10.2598 |
| Regular Weekly Dividend | **10.0039** | 10.0014 | 10.0000 |
| Regular Monthly Dividend | **10.0043** | 10.0034 | |
| Institutional Growth | **11.5820** | 10.8607 | 10.2866 |
| Institutional Daily Dividend | **10.0013** | 10.0000 | 10.0000 |
| Institutional Monthly Dividend | **10.0045** | 10.0021 | |
| Institutional Plus Growth | **10.9879** | 10.2857 | |
| Institutional Plus Daily Dividend | **10.0013** | 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 | **1.4610** | 0.7281 | 0.3766 |
| ii) Profit on interscheme sale/transfer of investment,per unit | **0.0010** | 0.0000 | 0.0000 |
| iii) Profit on sale of investment to third party,per unit | **0.0027** | 0.0000 | 0.0000 |
| iv) Transfer to Revenue Account from past year's reserve per unit | | | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.0718** | 0.0646 | 0.0391 |
| (d) Net unrealised depreciation in value of investments | **(0.0009)** | (0.0002) | 0.0033 |
| (e) Net Income, per unit | **1.3938** | 0.6638 | 0.3342 |
| (f) i) Highest traded price | | | |
| ii) Lowest traded price | | | |
| iii) Highest repurchase price/NAV | | | |
| Regular Growth | **11.4472** | 10.7755 | 10.2598 |
| Regular Weekly Dividend | **10.0112** | 10.0087 | 10.0080 |
| Regular Monthly Dividend | **10.0485** | 10.0323 | |
| Institutional Growth | **11.5773** | 10.8590 | 10.2866 |
| Institutional Daily Dividend | **10.0001** | 10.0010 | 10.0002 |
| Institutional Weekly Dividend | **10.0118** | | |
| Institutional Monthly Dividend | **10.0384** | 10.0357 | |
| Institutional Plus Growth | **10.9815** | 10.2840 | |
| Institutional Plus Daily Dividend | **10.0001** | 10.0001 | |
| Institutional Plus Weekly Dividend | **10.0100** | 10.0090 | |
| Institutional Plus Monthly Dividend | **10.0575** | 10.0352 | |
| iv) Highest resale price | | | |
| Regular Growth | **11.4472** | 10.7707 | 10.2598 |
| Regular Weekly Dividend | **10.0115** | 10.0087 | 10.0080 |
| Regular Monthly Dividend | **10.0562** | 10.0415 | |
| Institutional Growth | **11.5773** | 10.8590 | 10.2866 |
| Institutional Daily Dividend | **10.0001** | 10.0010 | 10.0002 |
| Institutional Weekly Dividend | **10.0099** | | |
| Institutional Monthly Dividend | **10.0590** | 10.0342 | |
| Institutional Plus Growth | **10.9703** | 10.2840 | |
| Institutional Plus Daily Dividend | **10.0001** | 10.0001 | |
| Institutional Plus Weekly Dividend | **10.0120** | 10.0072 | |
| Institutional Plus Monthly Dividend | **10.0000** | 10.0370 | |

| PER UNIT STATISTICS | as on 31.03.07 | as on 31.03.06 | as on 31.03.05 |
|---|---|---|---|
| v) Lowest repurchase price/NAV | | | |
| Regular Growth | **10.7799** | 10.2654 | 10.0337 |
| Regular Weekly Dividend | **10.0000** | 10.0000 | 10.0000 |
| Regular Monthly Dividend | **10.0098** | 10.0213 | |
| Institutional Growth | **10.8640** | 10.2911 | 10.0369 |
| Institutional Daily Dividend | **10.0000** | 10.0000 | 10.0000 |
| Institutional Weekly Dividend | **10.0000** | | |
| Institutional Monthly Dividend | **10.0293** | 10.0042 | |
| Institutional Plus Growth | **10.2907** | 10.0033 | |
| Institutional Plus Daily Dividend | **10.0000** | 10.0000 | |
| Institutional Plus Weekly Dividend | **10.0000** | 10.0090 | |
| Institutional Plus Monthly Dividend | **10.0142** | 10.0061 | |
| vi) Lowest resale price | | | |
| Regular Growth | **10.7799** | 10.2640 | 10.0337 |
| Regular Weekly Dividend | **10.0000** | 10.0000 | 10.0000 |
| Regular Monthly Dividend | **10.0061** | 10.0415 | |
| Institutional Growth | **10.8640** | 10.2820 | 10.0369 |
| Institutional Daily Dividend | **10.0000** | 10.0000 | 10.0000 |
| Institutional Weekly Dividend | **9.9969** | | |
| Institutional Monthly Dividend | **10.0212** | 10.0000 | |
| Institutional Plus Growth | **10.2959** | 10.0000 | |
| Institutional Plus Daily Dividend | **10.0000** | 10.0000 | |
| Institutional Plus Weekly Dividend | **10.0000** | 10.0072 | |
| Institutional Plus Monthly Dividend | **10.0000** | 10.0000 | |
| vii) Price Earning Ratio | **NA** | NA | NA |
| viii) Ratio of Expenses to Average Net Assets(%) | | | |
| Regular Plan | **0.76%** | 0.95% | 0.82% |
| Institutional Plan | **0.39%** | 0.42% | 0.40% |
| Institutional Plus Plan | **0.22%** | 0.24% | |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **6.86%** | 5.97% | 5.40% |

## 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, 2007 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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | 2006 |
|---|---|---|---|
| **SOURCES OF FUNDS** | | | |
| Unit capital | 2(b) & 3 | **117,051** | 231,764 |
| Reserves and surplus | 2(b) & 4 | **7,105** | 7,967 |
| Current liabilities | 5 | **800** | 1,680 |
| | | **124,956** | 241,411 |
| **APPLICATION OF FUNDS** | | | |
| Investments | 2(c),6 & 15 | **96,505** | 135,000 |
| Deposits with scheduled banks | | **20,000** | 100,000 |
| Other current assets | 7 | **8,451** | 6,411 |
| | | **124,956** | 241,411 |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | AUGUST 1, 2005 TO MARCH 31,2006 |
|---|---|---|---|
| **INCOME** | | | |
| Interest | 2(d) & 8 | **36,255** | 20,202 |
| Profit on sale/redemption of investments, net | 2(d) | **2,643** | 1,811 |
| Profit on inter-scheme transfer/sale of investments, net | 2(d) | **381** | - |
| Other income | | **3** | - |
| | | **39,282** | 22,013 |
| **EXPENSES AND LOSSES** | | | |
| Change in provision for net unrealised loss in value of investments | 2(c) & 6(ii) | **-** | (1) |
| Loss on inter-scheme transfer/sale of investments, net | 2(d) | **-** | 22 |
| Management fee | 9 | **1,014** | 1,878 |
| Trusteeship fee | 9 | **17** | 11 |
| Custodian service charges | | **178** | 250 |
| Registrar service charges | | **521** | 395 |
| Commission to distributors | | **311** | 1,043 |
| Publicity expenses | | **75** | 92 |
| Audit fee | | **50** | 83 |
| Other operating expenses | | **189** | 313 |
| Expenses reimbursed by the AMC | 10 | **(189)** | (508) |
| | | **2,166** | 3,578 |
| Surplus for the period | | **37,116** | 18,435 |
| Equalisation Credit | 2(e) | **(4,383)** | (842) |
| Transfer from unit premium reserve | | **2,467** | - |
| Income distribution on capital account | | **(26,629)** | (8,910) |
| Income-tax on distributed income | | **(5,874)** | (1,696) |
| Surplus transferred to the balance sheet | 4 | **2,697** | 6,987 |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

(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 22, 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 Securities and Exchange Board of India ('SEBI') (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of ABN AMRO Trustee (India) Private Limited ('the Trustee') has appointed ABN AMRO Asset Management (India) Limited ('the AMC') to manage the Fund's affairs and operate its Schemes.

The primary objective of the Scheme is to generate income through investments in a range of Debt and Money Market Instruments of various maturities with a view to maximise income while maintaining an optimum balance between yield, safety and liquidity

The Scheme offers its investors the following plans :

Regular Growth

Regular 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.

(f) Load

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

**3. UNIT CAPITAL**

| | **Quantity 2007** | Quantity 2006 | **Amount (Rs.in '000) 2007** | Amount (Rs.in '000) 2006 |
|---|---|---|---|---|
| **Regular Growth** | | | | |
| Outstanding, beginning of year | **12,445,176.784** | 11,653,021.664 | **124,452** | 116,530 |
| Issued during the year | **12,758,500.888** | 131,526,920.659 | **127,585** | 1,315,269 |
| Redeemed during the year | **(20,827,225.965)** | (130,734,765.539) | **(208,272)** | (1,307,347) |
| Outstanding, end of year | **4,376,451.707** | 12,445,176.784 | **43,765** | 124,452 |
| **Regular Daily Dividend** | | | | |
| Outstanding, beginning of year | **5,969,579.018** | - | **59,696** | - |
| Issued during the year | **397,991,412.612** | 127,597,874.199 | **3,979,914** | 1,275,979 |
| Redeemed during the year | **(401,999,318.715)** | (121,628,295.181) | **(4,019,993)** | (1,216,283) |
| Outstanding, end of year | **1,961,672.915** | 5,969,579.018 | **19,617** | 59,696 |
| **Regular Weekly Dividend** | | | | |
| Outstanding, beginning of year | **412,486.679** | - | **4,125** | - |
| Issued during the year | **19,465,499.203** | 65,491,663.828 | **194,655** | 654,917 |
| Redeemed during the year | **(15,680,264.847)** | (65,079,177.149) | **(156,803)** | (650,792) |
| Outstanding, end of year | **4,197,721.035** | 412,486.679 | **41,977** | 4,125 |
| **Regular Quarterly Dividend** | | | | |
| Outstanding, beginning of year | **4,057,895.130** | 11,315,394.860 | **40,579** | 113,154 |
| Issued during the year | **2,073,002.511** | 11,993,134.887 | **20,730** | 119,931 |
| Redeemed during the year | **(5,202,695.180)** | (19,250,634.617) | **(52,027)** | (192,506) |
| Outstanding, end of year | **928,202.461** | 4,057,895.130 | **9,282** | 40,579 |
| **Regular Half Yearly Dividend** | | | | |
| Outstanding, beginning of year | **291,217.395** | 961,839.978 | **2,912** | 9,618 |
| Issued during the year | **111,016.425** | 14,466.281 | **1,110** | 145 |
| Redeemed during the year | **(161,174.856)** | (685,088.864) | **(1,611)** | (6,851) |
| Outstanding, end of year | **241,058.964** | 291,217.395 | **2,411** | 2,912 |
| **Total** | | | | |
| Outstanding at the beginning | **23,176,355.006** | 23,930,256.502 | **231,764** | 239,302 |
| Issued during the year | **432,399,431.639** | 336,624,059.854 | **4,323,994** | 3,366,241 |
| Redeemed during the year | **(443,870,679.563)** | (337,377,961.350) | **(4,438,707)** | (3,373,779) |
| Outstanding, end of year | **11,705,107.082** | 23,176,355.006 | **117,051** | 231,764 |

| 4. RESERVES AND SURPLUS | Amount (Rs.in '000) 2007 | Amount (Rs.in '000) 2006 |
|---|---|---|
| Unit premium reserve | | |
| Balance, beginning of year | **(1,040)** | (509) |
| Net premium on issue/redemption of units | **(5,475)** | (1,373) |
| Equalisation, net | **4,383** | 842 |
| Transfer to revenue account | **(2,467)** | |
| Balance, end of year | **(4,599)** | (1,040) |
| Unrealised appreciation reserve | | |
| Balance, beginning of year | **-** | 10 |
| Change in unrealised appreciation in value of investments | **-** | (10) |
| Balance, end of year | | |
| Retained surplus | | |
| Balance, beginning of year | **9,007** | 2,020 |
| Surplus transferred from revenue account | **2,697** | 6,987 |
| Balance, end of year | **11,704** | 9,007 |
| Total reserves and surplus | **7,105** | 7,967 |
| The share of the plans in the reserves and surplus is as follows: | | |
| Regular Growth | **6,983** | 7,796 |
| Regular Daily Dividend | **5** | 1 |
| Regular Weekly Dividend | **23** | 1 |
| Regular Quarterly Dividend | **76** | 160 |
| Regular Half Yearly Dividend | **18** | 9 |
| | **7,105** | 7,967 |

| 5. CURRENT LIABILITIES | | |
|---|---|---|
| Amount due to AMC for management fees | **75** | 114 |
| Trusteeship fee payable | **13** | 8 |
| Sundry creditors for units redeemed by investors | | |
| - Lateral shifts | **200** | 134 |
| - Others | **12** | 27 |
| Payable on Subscription Rejected | **-** | 200 |
| Dividend payable on units | **178** | 524 |
| Brokerage payable on distribution of units | **116** | - |
| Other current liabilities | **206** | 673 |
| | **800** | 1,680 |

| 6. INVESTMENTS | | |
|---|---|---|
| Privately placed debentures and bonds | **60,000** | 135,000 |
| Certificate of Deposits | **36,505** | - |
| | **96,505** | 135,000 |

(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 is Nil (Previous Year: Nil)

(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 | **12,595,213** | 6,852,370 |
| - as a percentage of average daily net assets | **2,735.63** | 2,192.92 |
| *Sales / Redemptions (excluding Collateralised lending & Fixed deposits)* | | |
| - amount | **12,623,702** | 7,698,985 |
| - as a percentage of average daily net assets | **2,741.81** | 2,223.84 |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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(Excluding Certificates of Deposit)as on March 31, 2007 valued in good faith | **60,000** | 135,000 |

**7. OTHER CURRENT ASSETS**

| | | |
|---|---|---|
| Sundry debtors for units issued to investors | | |
| - Lateral shifts | **4,253** | 28 |
| - Others | **1,830** | 160 |
| Balances with banks in current accounts | **1,231** | 5,404 |
| Receivable from AMC | **98** | 278 |
| Collateralised lending | **621** | - |
| Outstanding and accrued income | **418** | 541 |
| | **8,451** | 6,411 |

**8. INTEREST**

| | | |
|---|---|---|
| Debentures and bonds | **21,670** | 10,072 |
| Central government securities | **758** | 1,942 |
| Money market instruments | **4,711** | 908 |
| Deposits | **5,621** | 3,802 |
| Collateralized lending | **3,495** | 3,478 |
| | **36,255** | 20,202 |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.22 per cent (2006 - 0.60 per cent).

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for computation of such fee at 0.01 per cent (2006 - 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 1.89 lakhs (2005-06 : Rs. 5.08 lakhs) of the Scheme's expenses, being expenses in excess of the limits specified in the Offer document/Internal limit, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

| | | |
|---|---|---|
| *Income* | | |
| - amount | **39,282** | 22,013 |
| - as a percentage of average daily net assets | **8.53** | 7.04 |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | | |
| - amount | **2,166** | 3,557 |
| - as a percentage of average daily net assets | **0.47** | 1.14 |

**12. RELATED PARTY TRANSACTIONS**

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

| Associate | Nature of transactions | 2007 (Rs.in '000) | 2006 (Rs.in '000) |
|---|---|---|---|
| ABN AMRO Bank N.V | Bank charges | **2** | 6 |
| | Commission paid for procuring unit capital | **87** | 503 |

**13. NET ASSET VALUE**

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

| | 2007 | 2006 |
|---|---|---|
| Regular Growth | **Rs. 11.5956** | Rs. 10.6265 |
| Regular Daily Dividend | **Rs. 10.0026** | Rs. 10.0001 |
| Regular Weekly Dividend | **Rs. 10.0055** | Rs. 10.0006 |
| Regular Quarterly Dividend | **Rs. 10.0818** | Rs. 10.0393 |
| Regular Half Yearly Dividend | **Rs. 10.0746** | Rs. 10.0299 |

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**

Prior year amounts have been reclassified & regrouped wherever applicable, to conform to current year's presentation.

**15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs. in 000s) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **Non Banking Finance** | **600,000** | **60,000** | **48.32** | **100.00** |
| Rabo India Finance Pvt. Ltd.* | 300,000 | 30,000 | 24.16 | 50.00 |
| SBI Factors & Commercial Services Pvt. Ltd.* | 300,000 | 30,000 | 24.16 | 50.00 |
| **Total** | **600,000** | **60,000** | **48.32** | **100.00** |
| **CERTIFICATE OF DEPOSITS** | | | | |
| **Banks** | **400,000** | **36,505** | **29.40** | **100.00** |
| Canara Bank Ltd.* | 400,000 | 36,505 | 29.40 | 100.00 |
| **Total** | 400,000 | 36,505 | 29.40 | 100.00 |
| **DEPOSITS** | | 20,000 | 16.11 | |
| **OTHER CURRENT ASSETS** | | 8,451 | 6.81 | |
| **TOTAL ASSETS** | | 124,956 | 100.64 | |
| **LESS: CURRENT LIABILITIES** | | 800 | 0.64 | |
| **NET ASSETS** | | **124,156** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | as on 31.03.07 | as on 31.03.06 | as on 31.03.05 |
|---|---|---|---|
| (a) Net Asset Value, per unit | | | |
| Regular Growth | **11.5956** | 10.6265 | 10.1283 |
| Regular Daily Dividend | **10.0026** | 10.0001 | |
| Regular Weekly Dividend | **10.0055** | 10.0006 | |
| Regular Quarterly Dividend | **10.0818** | 10.0393 | 10.0020 |
| Regular Half Yearly Dividend | **10.0746** | 10.0299 | 10.0024 |
| (b) Gross Income: | | | |
| i) Income other than profit on sale of investment,per unit | **3.0976** | 0.8717 | 1.7206 |
| ii) Profit on interscheme sale/transfer of investment,per unit | **0.0326** | 0.0000 | - |
| iii) Profit on sale of investment to third party,per unit | **0.2258** | 0.0781 | - |
| iv) Transfer to Revenue Account from past year's reserve per unit | | | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.1851** | 0.1544 | 0.9742 |
| (d) Net unrealised depreciation in value of investments | **-** | - | - |
| (e) Net Income, per unit | **3.1709** | 0.7954 | 0.7464 |
| (f) i ) Highest traded price | | | |
| ii ) Lowest traded price | | | |
| iii) Highest repurchase price/NAV | | | |
| Regular Growth | **11.5923** | 10.6225 | 10.1283 |
| Regular Daily Dividend | **10.0374** | 10.0001 | |
| Regular Weekly Dividend | **10.0407** | 10.0071 | |
| Regular Quarterly Dividend | **10.2986** | 10.1819 | 10.0815 |
| Regular Half Yearly Dividend | **10.3960** | 10.2688 | 10.1273 |
| Institutional Growth | | 10.1900 | |
| Institutional Monthly Dividend | | | 10.0533 |
| Institutional Quarterly Dividend | | | 10.0501 |
| iv) Highest resale price | | | |
| Regular Growth | **11.5923** | 10.6264 | 10.1283 |
| Regular Daily Dividend | **10.0208** | 10.0001 | |
| Regular Weekly Dividend | **10.0403** | 10.0000 | |
| Regular Quarterly Dividend | **10.3099** | 10.1855 | 10.0815 |
| Regular Half Yearly Dividend | **10.5163** | 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 | **10.5962** | 10.0815 | 10.0242 |
| Regular Daily Dividend | **10.0000** | 10.0000 | |
| Regular Weekly Dividend | **10.0000** | 10.0001 | |
| Regular Quarterly Dividend | **10.0479** | 9.9771 | 10.0039 |
| Regular Half Yearly Dividend | **10.0632** | 10.0062 | 10.0232 |
| Institutional Growth | | | 10.0291 |

| **PER UNIT STATISTICS** | **as on 31.03.07** | as on 31.03.06 | as on 31.03.05 |
|---|---|---|---|
| Institutional Monthly Dividend | | | 10.0058 |
| Institutional Quarterly Dividend | | | 10.0305 |
| vi) Lowest resale price | | | |
| Regular Growth | **10.6355** | 10.1322 | 10.0242 |
| Regular Daily Dividend | **10.0000** | 10.0000 | |
| Regular Weekly Dividend | **10.0001** | 9.9840 | |
| Regular Quarterly Dividend | **10.0748** | 9.9771 | 10.0039 |
| Regular Half Yearly Dividend | **10.1032** | 10.0629 | 10.0232 |
| Institutional Growth | | | 10.0291 |
| Institutional Monthly Dividend | | | 10.0058 |
| Institutional Quarterly Dividend | | | 10.0305 |
| vii) Price Earning Ratio | | | |
| viii) Ratio of Expenses to Average Net Assets(%) | | | |
| Regular Plan | **0.47%** | 1.14% | 2.19% |
| Institutional Plan | | | 1.00% |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **8.53%** | 7.05% | 7.08% |

## 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, 2007 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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | 2006 |
|---|---|---|---|
| **SOURCES OF FUNDS** | | | |
| Unit capital | 2(b) & 3 | **458,068** | 2,470,804 |
| Reserves and surplus | 2(b) & 4 | **14,503** | 56,819 |
| Current liabilities | 5 | **1,491** | 9,629 |
| | | **474,062** | 2,537,252 |
| **APPLICATION OF FUNDS** | | | |
| Investments | 2(c),6 & 15 | **410,704** | 2,142,423 |
| Deposits with scheduled banks | | **50,000** | - |
| Other current assets | 7 | **13,358** | 394,829 |
| | | **474,062** | 2,537,252 |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Alok Singh**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | 2006 |
|---|---|---|---|
| **INCOME** | | | |
| Interest | 2(d) & 8 | **203,854** | 270,579 |
| Profit on sale/redemption of investments, net | 2(d) | **1,645** | - |
| Other income | | **2** | - |
| | | **205,501** | 270,579 |
| **EXPENSES AND LOSSES** | | | |
| Change in provision for net unrealised loss in value of investments | 2(c) & 6(ii) | **(140)** | (576) |
| Loss on sale/redemption of investments, net | 2(d) | **-** | 2,061 |
| Loss on inter-scheme transfer/sale of investments, net | 2(d) | **364** | 6,981 |
| Management fee | 9 | **4,173** | 10,376 |
| Trusteeship fee | 9 | **124** | 205 |
| Custodian service charges | | **1,703** | 2,192 |
| Registrar service charges | | **2,188** | 3,031 |
| Commission to distributors | | **4,783** | 9,333 |
| Publicity expenses | | **57** | 106 |
| Audit fee | | **150** | 270 |
| Interest on Borrowings | | **-** | 2,103 |
| Other operating expenses | | **682** | 1,596 |
| Expenses reimbursed by the AMC | 10 | **(2,377)** | (2,572) |
| | | **11,707** | 35,106 |
| Surplus for the period | | **193,794** | 235,473 |
| Equalisation credit | 2(e) | **(111,230)** | (35,451) |
| Transfer from unit premium reserve | | **4,223** | |
| Income distribution on capital account | | **(104,395)** | (135,648) |
| Income-tax on distributed income | | **(20,383)** | (25,428) |
| Surplus transferred to the balance sheet | 4 | **(37,991)** | 38,946 |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Alok Singh**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

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

The primary objective of the Scheme is to provide income consistent with the prudent risk from a portfolio comprising substantially of floating rate debt instruments, fixed rate debt instruments swapped for floating rate return, through the use of 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 Weekly Dividend
- Regular Monthly Dividend
- Institutional Growth
- Institutional Daily Dividend
- Institutional Monthly Dividend
- Institutional Plus Growth (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 2007** | Quantity 2006 | **Amount (Rs.in '000) 2007** | Amount (Rs.in '000) 2006 |
|---|---|---|---|---|
| Units of Rs 10 each fully paid up | | | | |
| **Regular Growth Plan** | | | | |
| Outstanding, beginning of year | **19,113,359.940** | 28,931,138.810 | **191,134** | 289,311 |
| Issued during the year | **68,981,344.344** | 166,130,394.656 | **689,813** | 1,661,305 |
| Redeemed during the year | **(81,385,324.203)** | (175,948,173.526) | **(813,853)** | (1,759,482) |
| Outstanding, end of year | **6,709,380.081** | 19,113,359.940 | **67,094** | 191,134 |
| **Regular Weekly Dividend** | | | | |
| Outstanding, beginning of year | **16,602,577.282** | - | **166,026** | - |
| Issued during the year | **83,106,728.230** | 38,395,529.873 | **831,067** | 383,955 |
| Redeemed during the year | **(86,599,221.489)** | (21,792,952.591) | **(865,992)** | (217,930) |
| Outstanding, end of year | **13,110,084.023** | 16,602,577.282 | **131,101** | 166,025 |
| **Regular Monthly Dividend** | | | | |
| Outstanding, beginning of year | **61,020,563.813** | 69,775,810.193 | **610,206** | 697,758 |
| Issued during the year | **108,493,096.400** | 267,466,722.118 | **1,084,931** | 2,674,667 |
| Redeemed during the year | **(154,051,973.011)** | (276,221,968.498) | **(1,540,520)** | (2,762,220) |
| Outstanding, end of year | **15,461,687.202** | 61,020,563.813 | **154,617** | 610,205 |
| **Institutional Growth** | | | | |
| Outstanding, beginning of year | **23,798,985.098** | 35,281,749.384 | **237,990** | 352,818 |
| Issued during the year | **88,504,085.427** | 771,734,366.917 | **885,041** | 7,717,344 |
| Redeemed during the year | **(109,255,880.356)** | (783,217,131.203) | **(1,092,559)** | (7,832,171) |
| Outstanding, end of year | **3,047,190.169** | 23,798,985.098 | **30,472** | 237,991 |
| **Institutional Daily Dividend** | | | | |
| Outstanding, beginning of year | **25,817,951.526** | 127,837,686.683 | **258,180** | 1,278,377 |
| Issued during the year | **497,143,605.555** | 1,121,283,063.710 | **4,971,436** | 11,212,831 |

| | Quantity 2007 | Quantity 2006 | Amount (Rs.in '000) 2007 | Amount (Rs.in '000) 2006 |
|---|---|---|---|---|
| Redeemed during the year | **(515,967,140.329)** | (1,223,302,798.867) | **(5,159,671)** | (12,233,028) |
| Outstanding, end of year | **6,994,416.752** | 25,817,951.526 | **69,945** | 258,180 |
| **Institutional Monthly Dividend** | | | | |
| Outstanding, beginning of year | **24,460,360.428** | 24,729,078.130 | **244,604** | 247,291 |
| Issued during the year | **25,593,844.777** | 223,778,462.355 | **255,938** | 2,237,785 |
| Redeemed during the year | **(49,570,185.824)** | (224,047,180.057) | **(495,702)** | (2,240,472) |
| Outstanding, end of year | **484,019.381** | 24,460,360.428 | **4,840** | 244,604 |
| **Institutional Plus Growth** | | | | |
| Outstanding, beginning of year | **76,266,606.641** | - | **762,666** | - |
| Issued during the year | **1,437,062,694.53**8 | 1,016,407,742.420 | **14,370,627** | 10,164,076 |
| Redeemed during the year | **(1,513,329,301.281)** | (940,141,135.779) | **(15,133,293)** | (9,401,411) |
| Outstanding, end of year | **(0.102)** | 76,266,606.641 | **-** | 762,665 |
| **Institutional Plus Daily Dividend** | | | | |
| -during the year | **792,858,818.053** | 405,177,881.400 | **7,928,588** | 4,051,779 |
| Redeemed during the year | **(792,858,818.053)** | (405,177,881.400) | **(7,928,588)** | (4,051,779) |
| Outstanding, end of year | **-** | - | **-** | - |
| **Institutional Plus Weekly Dividend** | | | | |
| Outstanding, beginning of year | - | - | - | - |
| Issued | | | | |
| -new fund offer | - | - | - | - |
| -during the year | **60,318,372.963** | - | **603,184** | - |
| Redeemed during the year | **(60,318,372.963)** | - | **(603,184)** | - |
| Outstanding, end of year | **-** | **-** | **-** | **-** |
| **Institutional Plus Monthly Dividend** | | | | |
| Outstanding, beginning of year | **-** | - | **-** | - |
| Issued | | | | |
| -new fund offer | **-** | - | **-** | - |
| -during the year | **24,106,369.480** | - | **241,064** | - |
| Redeemed during the year | **(24,106,369.480)** | - | **(241,064)** | - |
| Outstanding, end of year | **-** | - | **-** | - |
| **Total** | | | | |
| Outstanding at the beginning | **247,080,404.728** | 286,555,463.200 | **2,470,804** | 2,865,555 |
| Issued during the year | **3,162,062,590.287** | 4,010,374,163.449 | **31,620,626** | 40,103,742 |
| Redeemed during the year | **(3,363,336,217.509)** | (4,049,849,221.921) | **(33,633,362)** | (40,498,493) |
| Outstanding, end of year | **45,806,777.506** | 247,080,404.728 | **458,068** | 2,470,804 |

## 4. RESERVES AND SURPLUS

| | Amount (Rs.in '000) 2007 | Amount (Rs.in '000) 2006 |
|---|---|---|
| Unit premium reserve | | |
| Balance, beginning of year | **40** | (60) |
| Net premium on issue/redemption of units | **(111,331)** | (35,350) |
| Equalisation, net | **111,230** | 35,451 |
| Transfer to revenue account | **(4,223)** | - |
| Balance, end of year | **(4,284)** | 40 |

| 4. RESERVES AND SURPLUS (Contd.) | Amount (Rs.in '000) 2007 | Amount (Rs.in '000) 2006 |
|---|---|---|
| Unrealised appreciation reserve | | |
| Balance, beginning of year | - | |
| Net unrealised appreciation in value of investments | | |
| Balance, end of year | - | |
| Retained surplus | | |
| Balance, beginning of year | **56,778** | 17,832 |
| Surplus transferred from revenue account | **(37,991)** | 38,946 |
| Balance, end of year | **18,787** | 56,778 |
| Total reserves and surplus | **14,503** | 56,819 |
| The share of the plans in the reserves and surplus is as follows: | | |
| Regular Growth | **9,664** | 14,810 |
| Regular Weekly Dividend | **27** | 25 |
| Regular Monthly Dividend | **38** | 141 |
| Institutional Growth | **4,773** | 20,292 |
| Institutional Monthly Dividend | **1** | 70 |
| Institutional Plus Growth | **-** | 21,481 |
| | **14,503** | 56,819 |

| 5. CURRENT LIABILITIES | | |
|---|---|---|
| Amount due to AMC for management fees | **181** | 565 |
| Trusteeship fee payable | **25** | 83 |
| - Lateral shifts | **-** | 4,987 |
| Dividend payable on units | **309** | 657 |
| Brokerage Payable | **498** | - |
| Other current liabilities | **478** | 3,337 |
| | **1,491** | 9,629 |

| 6. INVESTMENTS | | |
|---|---|---|
| Privately placed debentures and bonds | **215,580** | 1,328,538 |
| Listed debentures and bonds | **195,124** | - |
| Certificates of deposit | **-** | 813,885 |
| | **410,704** | 2,142,423 |

(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 | **155** | 324 |
| *Other debentures and bonds* | | |
| - appreciation | **-** | - |
| - depreciation | **29** | |

(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:

| 6. INVESTMENTS (Contd.) | Amount (Rs.in '000) 2007 | Amount (Rs.in '000) 2006 |
|---|---|---|
| *Purchases (excluding Collateralised Lending & Fixed deposits)* | | |
| - amount | **23,301,782** | 30,805,616 |
| - as a percentage of average daily net assets | **764.37** | 690.80 |
| *Interest Rate Swap (Contracts entered)* | | |
| - amount | **40,000** | 750,000 |
| - as a percentage of average daily net assets | **1.31** | 16.82 |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | | |
| - amount | **24,790,732** | 33,784,896 |
| - as a percentage of average daily net assets | **813.21** | 714.44 |
| *Interest Rate Swap (Contracts matured)* | | |
| - amount | **250,000** | 500,000 |
| - as a percentage of average daily net assets | **8.20** | 11.21 |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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, 2007 valued in good faith | **410,704** | 1,328,537 |

**7. OTHER CURRENT ASSETS**

| | | |
|---|---|---|
| Sundry debtors for units issued to investors | **209** | 13 |
| Balances with banks in current accounts | **2,155** | 9,650 |
| Receivable from AMC | **644** | 1,810 |
| Collateralised Lending | **1,210** | 367,136 |
| Outstanding and accrued income | **9,092** | 16,205 |
| Inter Scheme receivable | **15** | 15 |
| Other current assets | **33** | - |
| | **13,358** | 394,829 |

**8. INTEREST**

| | | |
|---|---|---|
| Debentures and bonds | **117,733** | 192,148 |
| Central government securities | **-** | 1,876 |
| Money market instruments | **39,842** | 54,485 |
| Deposits | **37,101** | 2,420 |
| Others | **9,178** | 19,650 |
| | **203,854** | 270,579 |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.14 per cent (2006 - 0.24 per cent).
The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for computation of such fee at 0.01 per cent (2006 - 0.01 per cent annualised) of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum.

**10.** The AMC has borne Rs 23.77 lakhs (2005-06 : Rs. 25.72 Lakhs) of the Scheme's expenses, being expenses in excess of the limits specified in the Offer document/Internal limit, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

| | | |
|---|---|---|
| *Income* | | |
| - amount | **205,501** | 270,579 |
| - as a percentage of average daily net assets | **6.74** | 6.07 |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | | |
| - amount | **11,483** | 26,640 |
| - as a percentage of average daily net assets | **0.38** | 0.60 |

**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

| Associate | Nature of transactions | 2007 (Rs.in '000) | 2006 (Rs.in '000) |
|---|---|---|---|
| ABN AMRO Bank N.V | Bank charges | **53** | 111 |
| | Commission paid for procuring unit capital | **3,547** | 6,221 |

**13. NET ASSET VALUE**

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

| | **2007** | 2006 |
|---|---|---|
| Regular Growth | **Rs. 11.4406** | Rs. 10.7749 |
| Regular Weekly Dividend | **Rs. 10.0020** | Rs. 10.0015 |
| Regular Monthly Dividend | **Rs. 10.0024** | Rs. 10.0023 |
| Institutional Growth | **Rs. 11.5664** | Rs. 10.8526 |
| Institutional Daily Dividend | **Rs. 10.0000** | Rs. 10.0000 |
| Institutional Monthly Dividend | **Rs. 10.0023** | Rs. 10.0023 |
| Institutional Plus Growth | **-** | Rs. 10.2817 |

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**

Prior year amounts have been reclassified & regrouped wherever applicable, to conform to current year's presentation.

**15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs. in 000s) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **DEBENTURES AND BONDS** | | | | |
| **(a) Privately placed debentures and bonds** | | | | |
| **Finance** | **300,000** | **30,002** | **6.35** | **13.92** |
| Mahindra & Mahindra Financial Services Ltd.* | 300,000 | 30,002 | 6.35 | 13.92 |
| **Finance (Asset Backed Securities)** | **35** | **115,496** | **24.44** | **53.57** |
| IBS Trust* | 5 | 50,070 | 10.60 | 23.23 |
| Indian Retail ABS Trust* | 30 | 65,426 | 13.84 | 30.34 |
| **Non Banking Finance** | **700,000** | **70,082** | **14.83** | **32.51** |
| Rabo India Finance Pvt. Ltd.* | 700,000 | 70,082 | 14.83 | 32.51 |
| **Total** | **1,000,035** | **215,580** | **45.62** | **100.00** |
| **(b) Listed debentures and bonds** | | | | |
| **Banks** | **700,000** | **70,096** | **14.83** | **35.92** |
| ICICI Bank Ltd.* | 700,000 | 70,096 | 14.83 | 35.92 |
| **Financial Institution** | **1,250,000** | **125,028** | **26.46** | **64.08** |
| Exim Bank * | 650,000 | 65,028 | 13.76 | 33.33 |
| Indian Railway Finance Corporation * | 600,000 | 60,000 | 12.70 | 30.75 |
| **Total** | **1,950,000** | **195,124** | **41.29** | **100.00** |
| **Notes** | **400,000** | **-** | **-** | |
| Interest Rate Swap* @ | 400,000 | - | - | |
| **Total** | **400,000** | **-** | **-** | |
| **DEPOSITS** | | **50,000** | **10.58** | |
| **OTHER CURRENT ASSETS** | | **13,358** | **2.83** | |
| **TOTAL ASSETS** | | **474,062** | **100.32** | |
| **LESS: CURRENT LIABILITIES** | | **1,491** | **0.32** | |
| **NET ASSETS** | | **472,571** | **100.00** | |

* Non traded / thinly traded investments

**Interest Rate Swap outstanding as on 31st March 2007**

| Terms | Notional Amount | Receive Rate | Pay Rate |
|---|---|---|---|
| Fixed To Floating | 40,000,000 | Floating NSE MIBOR (Daily Compounding) | 8.80% |

## HISTORIAL PER UNIT STATISTICS

| PER UNIT STATISTICS | **as on 31.03.07** | as on 31.03.06 | as on 31.03.05 |
|---|---|---|---|
| (a) Net Asset Value, per unit | | | |
| Regular Growth | **11.4406** | 10.7749 | 10.2605 |
| Regular Weekly Dividend | **10.0020** | 10.0015 | |
| Regular Monthly Dividend | **10.0024** | 10.0023 | 10.0030 |
| Institutional Growth | **11.5664** | 10.8526 | 10.2817 |
| Institutional Daily Dividend | **10.0000** | 10.0000 | 10.0000 |
| Institutional Weekly Dividend | **-** | | |
| Institutional Monthly Dividend | **10.0023** | 10.0023 | 10.0036 |
| Institutional Plus Growth | **-** | 10.2817 | - |
| Institutional Plus Daily Dividend | **-** | - | - |
| Institutional Plus Weekly Dividend | **-** | | - |
| Institutional Plus Monthly Dividend | **-** | - | - |
| (b) Gross Income: | | | |
| i) Income other than profit on sale of investment,per unit | **4.4504** | 1.0951 | 0.3473 |
| ii) profit on interscheme sale/transfer of investment,per unit | **(0.0079)** | 0.0000 | 0.0000 |
| iii) profit on sale of investment to third party,per unit | **0.0359** | 0.0000 | 0.0000 |
| iv) transfer to Revenue Account from past year's reserve per unit | | | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.2507** | 0.1441 | 0.0410 |
| (d) Net unrealised depreciation in value of investments | **(0.0031)** | (0.0023) | 0.0031 |
| (e) Net Income, per unit | **4.2308** | 0.9533 | 0.3032 |
| (f) i ) Highest traded price | | | |
| ii ) Lowest traded price | | | |
| iii) Highest repurchase price/NAV | | | |
| Regular Growth | **11.4383** | 10.7733 | 10.2605 |
| Regular Weekly Dividend | **10.0109** | 10.0083 | |
| Regular Monthly Dividend | **10.0563** | 10.0508 | 10.0634 |
| Institutional Growth | **11.5511** | 10.8332 | 10.2817 |
| Institutional Daily Dividend | **10.0004** | 10.0009 | 10.0021 |
| Institutional Weekly Dividend | **10.0088** | | |
| Institutional Monthly Dividend | **10.0571** | 10.0533 | 10.0669 |
| Institutional Plus Growth | **10.7337** | 10.2799 | |
| Institutional Plus Daily Dividend | **10.0004** | 10.0000 | |
| Institutional Plus Weekly Dividend | **10.0110** | | |
| Institutional Plus Monthly Dividend | **-** | | |
| iv) Highest resale price | | | |
| Regular Growth | **11.4383** | 10.7733 | 10.2605 |
| Regular Weekly Dividend | **10.0108** | 10.0084 | |
| Regular Monthly Dividend | **10.0545** | 10.0508 | 10.0634 |
| Institutional Growth | **11.5318** | 10.8508 | 10.2817 |
| Institutional Daily Dividend | **10.0004** | 10.0009 | 10.0021 |
| Institutional Weekly Dividend | **10.0104** | | |

## HISTORICAL PER UNIT STATISTICS (Contd.)

| PER UNIT STATISTICS | **as on 31.03.07** | as on 31.03.06 | as on 31.03.05 |
|---|---|---|---|
| Institutional Monthly Dividend | **10.0571** | 10.0533 | 10.0669 |
| Institutional Plus Growth | **10.7235** | 10.2799 | |
| Institutional Plus Daily Dividend | **10.0004** | 10.0000 | |
| Institutional Plus Weekly Dividend | **10.0000** | | |
| Institutional Plus Monthly Dividend | **-** | | |
| v) Lowest repurchase price/NAV | | | |
| Regular Growth | **10.7780** | 10.2646 | 10.0298 |
| Regular Weekly Dividend | **10.0000** | 10.0000 | |
| Regular Monthly Dividend | **10.0037** | 10.0018 | 10.0022 |
| Institutional Growth | **10.8683** | 10.2877 | 10.0315 |
| Institutional Daily Dividend | **10.0000** | 10.0000 | 10.0000 |
| Institutional Weekly Dividend | **10.0001** | | |
| Institutional Monthly Dividend | **10.0064** | 10.0028 | 10.0026 |
| Institutional Plus Growth | **10.0018** | 10.0136 | |
| Institutional Plus Daily Dividend | **10.0000** | 10.0000 | |
| Institutional Plus Weekly Dividend | **10.0036** | | |
| Institutional Plus Monthly Dividend | **-** | | |
| vi) Lowest resale price | | | |
| Regular Growth | **10.7780** | 10.2646 | 10.0298 |
| Regular Weekly Dividend | **10.0000** | 10.0000 | |
| Regular Monthly Dividend | **10.0040** | 10.0018 | 10.0022 |
| Institutional Growth | **10.8967** | 10.2877 | 10.0315 |
| Institutional Daily Dividend | **10.0000** | 10.0000 | 10.0000 |
| Institutional Weekly Dividend | **10.0000** | | |
| Institutional Monthly Dividend | **10.0063** | 10.0037 | 10.0026 |
| Institutional Plus Growth | **10.0000** | 10.0000 | |
| Institutional Plus Daily Dividend | **10.0000** | 10.0000 | |
| Institutional Plus Weekly Dividend | **10.0000** | | |
| Institutional Plus Monthly Dividend | **-** | | |
| vii) Price Earning Ratio | | | |
| viii) Ratio of Expenses to Average Net Assets(%) | | | |
| Regular Plan | **0.77%** | 0.95% | 0.80% |
| Institutional Plan | **0.38%** | 0.42% | 0.42% |
| Institutional Plus Plan | **0.19%** | 0.28% | |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **6.73%** | 6.08% | 5.69% |

## 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, 2007 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 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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET
AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | 2006 |
|---|---|---|---|
| **SOURCES OF FUNDS** | | | |
| Unit capital | 2(b) & 3 | **3,444,679** | 458,240 |
| Reserves and surplus | 2(b) & 4 | **260,795** | 6,669 |
| Current liabilities | 5 | **4,609** | 4,316 |
| | | **3,710,083** | 469,225 |
| **APPLICATION OF FUNDS** | | | |
| Investments | 2(c),6 & 14 | **3,480,412** | 436,161 |
| Deposits with scheduled banks | | **65,000** | - |
| Other current assets | 7 | **164,671** | 33,064 |
| | | **3,710,083** | 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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**R. Sivakumar**
*Fund Manager*

## REVENUE ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | OCTOBER17, 2005 TO MARCH 31,2006 |
|---|---|---|---|
| **INCOME** | | | |
| Interest | 2(d) & 8 | **154,331** | 34,511 |
| Profit on sale/redemption of investments, net | 2(d) | **1,972** | 59 |
| Profit on inter-scheme transfer/sale of investments, net | 2(d) | **62** | - |
| Other income | | **-** | 34 |
| | | **156,365** | 34,604 |
| **EXPENSES AND LOSSES** | | | |
| Provision for net unrealised loss in value of investments | 2(c) & 6(ii) | **(156)** | 156 |
| Loss on inter-scheme transfer/sale of investments, net | 2(d) | **-** | 1,398 |
| Management fee | 9 | **3,363** | 1,129 |
| Trusteeship fee | 9 | **71** | 21 |
| Custodian service charges | | **801** | 253 |
| Registrar service charges | | **1,407** | 363 |
| Commission to distributors | | **3,696** | 1,039 |
| Publicity expenses | | **782** | 148 |
| Audit fee | | **150** | 168 |
| Interest on Borrowings | | **-** | 87 |
| Other operating expenses | | **562** | 190 |
| | | **10,676** | **4,952** |
| Surplus for the year | | **145,689** | 29,652 |
| Equalisation Credit | 2(e) | **201,969** | (8,771) |
| Transfer from unit premium reserve | | **3,624** | |
| Income distribution on capital account | | **(80,089)** | (11,634) |
| Income-tax on distributed income | | **(17,482)** | (2,563) |
| Transfer from unit premium reserve | | **-** | 64 |
| Surplus transferred to the balance sheet | 4 | **253,711** | 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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**R. Sivakumar**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

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

The primary objective of the Scheme is to provide income consistent with the prudent risk from a portfolio comprising 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 redem ption 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.

- 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 2007** | Quantity 2006 | **Amount (Rs.in '000) 2007** | Amount (Rs.in '000) 2006 |
|---|---|---|---|---|
| Units of Rs 10 each fully paid up | | | | |
| **Regular Growth** | | | | |
| Outstanding, beginning of year | **1,433,187.407** | - | **14,332** | - |
| Issued | | | | |
| -new fund offer | **-** | 585,406.287 | **-** | 5,854 |
| -during the year | **27,854,487.263** | 3,535,884.118 | **278,545** | 35,359 |
| Redeemed during the year | **(27,297,883.266)** | (2,688,102.998) | **(272,979)** | (26,881) |
| Outstanding, end of year | **1,989,791.404** | 1,433,187.407 | **19,898** | 14,332 |
| **Regular Weekly Dividend** | | | | |
| Outstanding, beginning of year | **1,780,867.087** | - | **17,809** | - |
| Issued | | | | |
| -new fund offer | **-** | 3,020,000.000 | **-** | 30,200 |
| -during the year | **26,872,792.022** | 4,161,754.033 | **268,728** | 41,618 |
| Redeemed during the year | **(25,514,683.212)** | (5,400,886.946) | **(255,147)** | (54,009) |
| Outstanding, end of year | **3,138,975.897** | 1,780,867.087 | **31,390** | 17,809 |
| **Regular Monthly Dividend** | | | | |
| Outstanding, beginning of year | **2,181,627.341** | - | **21,816** | - |
| Issued | | | | |
| -new fund offer | **-** | - | **-** | - |
| -during the year | **4,674,963.356** | 2,379,926.192 | **46,750** | 23,799 |
| Redeemed during the year | **(4,028,445.558)** | (198,298.851) | **(40,285)** | (1,983) |
| Outstanding, end of year | **2,828,145.139** | 2,181,627.341 | **28,281** | 21,816 |
| **Institutional Growth** | | | | |
| Outstanding, beginning of year | **25,622,794.796** | - | **256,228** | - |
| Issued | | | | |
| -new fund offer | **-** | 125,188,707.644 | **-** | 1,251,887 |
| -during the year | **412,354,781.393** | 16,529,219.432 | **4,123,548** | 165,292 |
| Redeemed during the year | **(189,315,585.427)** | (116,095,132.280) | **(1,893,156)** | (1,160,951) |
| Outstanding, end of year | **248,661,990.762** | 25,622,794.796 | **2,486,620** | 256,228 |

**3. UNIT CAPITAL (Contd.)**

| | **Quantity 2007** | Quantity 2006 | **Amount (Rs.in '000) 2007** | Amount (Rs.in '000) 2006 |
|---|---|---|---|---|
| **Institutional Weekly Dividend** | | | | |
| Outstanding, beginning of year | **14,805,493.745** | - | **148,055** | - |
| Issued | | | | |
| -new fund offer | **-** | 77,283,226.386 | **-** | 772,832 |
| -during the year | **419,913,590.113** | 11,049,222.130 | **4,199,136** | 110,492 |
| Redeemed during the year | **(351,542,919.498)** | (73,526,954.771) | **(3,515,429)** | (735,270) |
| Outstanding, end of year | **83,176,164.360** | 14,805,493.745 | **831,762** | 148,055 |
| **Institutional Monthly Dividend** | | | | |
| Outstanding, beginning of year | - | - | - | - |
| Issued | | | | |
| -new fund offer | - | 4,440,000.000 | - | 44,400 |
| -during the year | **14,959,002.062** | 4,997,469.378 | **149,590** | 49,975 |
| Redeemed during the year | **(10,286,191.445)** | (9,437,469.378) | **(102,862)** | (94,375) |
| Outstanding, end of year | **4,672,810.617** | - | **46,728** | - |
| **Total** | | | | |
| Outstanding, beginning of year | **45,823,970.376** | - | **458,240** | - |
| Issued | | | | |
| -new fund offer | - | 210,517,340.317 | - | 2,105,173 |
| -during the year | **906,629,616.209** | 42,653,475.283 | **9,066,296** | 426,535 |
| Redeemed during the year | **(607,985,708.406)** | (207,346,845.224) | **(6,079,857)** | (2,073,468) |
| Outstanding, end of year | **344,467,878.179** | 45,823,970.376 | **3,444,679** | 458,240 |

**4. RESERVES AND SURPLUS**

| | **Amount (Rs.in '000) 2007** | Amount (Rs.in '000) 2006 |
|---|---|---|
| **Unit premium reserve** | | |
| Balance, beginning of year | **(79)** | - |
| Net premium on issue/redemption of units | **206,008** | (8,786) |
| Equalisation, net | **(201,969)** | 8,771 |
| Transfer to revenue account | **(3,624)** | (64) |
| Balance, end of year | **336** | (79) |
| **Retained surplus** | | |
| Balance, beginning of year | **6,748** | - |
| Surplus transferred from revenue account | **253,711** | 6,748 |
| Balance, end of year | **260,459** | 6,748 |
| **Total reserves and surplus** | **260,795** | **6,669** |
| The share of the plans in the reserves and surplus is as follows: | | |
| Regular Growth | **1,976** | 320 |
| Regular Weekly Dividend | **24** | - |
| Regular Monthly Dividend | **28** | 4 |
| Institutional Growth | **257,983** | 6,344 |
| Institutional Weekly Dividend | **740** | 1 |
| Institutional Monthly Dividend | **44** | - |
| | **260,795** | 6,669 |

| 5. CURRENT LIABILITIES | **Amount (Rs.in '000) 2007** | Amount (Rs.in '000) 2006 |
|---|---|---|
| Amount due to AMC for management fees | **577** | 122 |
| Trusteeship fee payable | **41** | 20 |
| Sundry creditors for units redeemed by investors | | |
| - Lateral shifts | **873** | 3,202 |
| Dividend payable on units | **222** | 72 |
| Brokerage payable on distribution of units | **1,058** | - |
| Publicity Expenses Payable | **770** | |
| Other current liabilities | **1,068** | 900 |
| | **4,609** | 4,316 |

| 6. INVESTMENTS | | |
|---|---|---|
| Privately placed debentures and bonds | **1,535,295** | 386,058 |
| Listed debentures and bonds | **205,050** | 50,103 |
| Commercial paper | **589,222** | - |
| Certificates of deposit | **1,150,845** | - |
| | **3,480,412** | 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 year and theseamounts as a percentage of average daily net assets are as follows:

| | | |
|---|---|---|
| *Purchases (excluding Collateralised lending & Fixed deposits)* | | |
| - amount | **20,232,587** | 4,809,049 |
| - as a percentage of average daily net assets | **1,072.36** | 399.72 |
| *Interest Rate Swap (Contracts entered)* | | |
| - amount | **-** | 250,000 |
| - as a percentage of average daily net assets | **-** | 20.78 |
| *Sales / Redemptions (excluding Collateralised lending & Fixed deposits)* | | |
| - amount | **17,249,126** | 4,372,486 |
| - as a percentage of average daily net assets | **914.23** | 363.44 |
| *Interest Rate Swap (Contracts matured)* | | |
| - amount | **250,000** | - |
| - as a percentage of average daily net assets | **13.25** | - |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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(Excluding Certificates of Deposit and Commercial Paper)as on March 31, 2007 valued in good faith | **1,740,346** | 436,161 |
|---|---|---|

**7. OTHER CURRENT ASSETS**

| | Amount (Rs.in '000) 2007 | Amount (Rs.in '000) 2006 |
|---|---|---|
| Sundry debtors for units issued to investors | | |
| - Lateral shifts | **1,529** | 281 |
| - Others | **936** | - |
| Balances with banks in current accounts | **3,187** | 5,215 |
| Collateralised lending | **140,625** | 17,424 |
| Outstanding and accrued income | **18,392** | 10,144 |
| Other current assets | **2** | - |
| | **164,671** | 33,064 |

**8. INTEREST**

| | | |
|---|---|---|
| Debentures and bonds | **54,038** | 28,903 |
| Money market instruments | **83,026** | 3,234 |
| Deposits | **11,744** | 340 |
| Others | **5,523** | 2,034 |
| | **154,331** | 34,511 |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.18 per cent (2006 - 0.21 per cent).

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for computation of such fee at 0.01 per cent (2006 - 0.01 per cent annualised) of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum

**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 | **156,365** | 34,604 |
| - as a percentage of average daily net assets | **8.29** | 6.52 |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | | |
| - amount | **10,833** | 3,398 |
| - as a percentage of average daily net assets | **0.57** | 0.61 |

**11. RELATED PARTY TRANSACTIONS**

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

| Associate | Nature of transactions | 2007 (Rs.in '000) | 2006 (Rs.in '000) |
|---|---|---|---|
| ABN AMRO Bank N.V | Bank charges | **21** | 15 |
| | Commission paid for procuring unit capital | **202** | 35 |

**12. NET ASSET VALUE**

| | 2007 | 2006 |
|---|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | | |
| Regular Growth | **Rs. 10.9931** | Rs. 10.2233 |
| Regular Weekly Dividend | **Rs. 10.0077** | Rs. 10.0000 |
| Regular Monthly Dividend | **Rs. 10.0097** | Rs. 10.0020 |
| Institutional Growth | **Rs. 11.0375** | Rs. 10.2476 |
| Institutional Weekly Dividend | **Rs. 10.0089** | Rs. 10.0001 |
| Institutional Monthly Dividend* | **Rs. 10.0094** | - |

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.

* Plan launched during the year.

**13. PRIOR PERIOD COMPARATIVES**

As the prior period was from October 17, 2005 to March 31, 2006, the corresponding figures for the previous period are not comparable with those of the current year. Further, prior period's amounts have been reclassified and regrouped, wherever applicable, to conform to current year's presentation.

**14. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs. in 000s) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **DEBENTURES AND BONDS** | | | | |
| **(a) Privately placed debentures and bonds** | | | | |
| **Consumer Durables** | **1,700,000** | **170,000** | **4.59** | **11.07** |
| Whirlpool India Ltd.* | 1,700,000 | 170,000 | 4.59 | 11.07 |
| **Finance (Asset Backed Securities)** | **10** | **100,295** | **2.71** | **6.53** |
| Corporate Loan Securitisation Trust* | 10 | 100,295 | 2.71 | 6.53 |
| **Non Banking Finance** | **12,650,000** | **1,265,000** | **34.14** | **82.40** |
| DSP Merill Lynch Capital Ltd.* | 5,000,000 | 500,000 | 13.50 | 32.58 |
| Rabo India Finance Pvt. Ltd.* | 4,700,000 | 470,000 | 12.68 | 30.61 |
| Cholamandalam DBS Finance Ltd.* | 2,500,000 | 250,000 | 6.75 | 16.28 |
| SBI Factors & Commercial Services Pvt. Ltd.* | 450,000 | 45,000 | 1.21 | 2.93 |
| **Total** | **14,350,010** | **1,535,295** | **41.44** | **100.00** |
| **(b) Listed debentures and bonds** | | | | |
| **Financial Institution** | **550,000** | **55,023** | **1.48** | **26.83** |
| Exim Bank * | 550,000 | 55,023 | 1.48 | 26.83 |
| **Housing Finance Company** | **1,500,000** | **150,027** | **4.05** | **73.17** |
| LIC Housing Finance Ltd.* | 1,500,000 | 150,027 | 4.05 | 73.17 |
| **Total** | **2,050,000** | **205,050** | **5.53** | **100.00** |
| **Certificate of Deposits** | | | | |
| **Banks** | **12,000,000** | **1,150,845** | **31.06** | **100.00** |
| ICICI Bank Ltd. * | 4,000,000 | 385,954 | 10.42 | 33.54 |
| ICICI Bank Ltd.* | 3,300,000 | 308,786 | 8.33 | 26.83 |
| Development Credit Bank Ltd. * | 2,500,000 | 242,594 | 6.55 | 21.08 |
| Yes Bank Ltd. * | 1,200,000 | 118,976 | 3.21 | 10.34 |
| UCO Bank * | 1,000,000 | 94,535 | 2.55 | 8.21 |
| **Total** | **12,000,000** | **1,150,845** | **31.06** | **100.00** |
| **Commercial Paper** | | | | |
| **Auto** | **2,000,000** | **197,716** | **5.33** | **33.55** |
| Eicher Motors Ltd. * | 2,000,000 | 197,716 | 5.33 | 33.55 |
| **Housing Finance Company** | **1,500,000** | **144,455** | **3.90** | **24.52** |
| ICICI Home Finance Co. Ltd. * | 1,500,000 | 144,455 | 3.90 | 24.52 |
| **Non Banking Finance** | **2,500,000** | **247,051** | **6.67** | **41.93** |
| Rabo India Finance Pvt. Ltd. * | 2,500,000 | 247,051 | 6.67 | 41.93 |
| **Total** | **6,000,000** | **589,222** | **15.90** | **100.00** |
| **DEPOSITS** | | **65,000** | **1.75** | |
| **OTHER CURRENT ASSETS** | | **164,671** | **4.44** | |
| **TOTAL ASSETS** | | **3,710,083** | **100.12** | |
| **LESS: CURRENT LIABILITIES** | | **4,609** | **0.12** | |
| **NET ASSETS** | | **3,705,474** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | **as on 31.03.07** | as on 31.03.06 |
|---|---|---|
| (a) Net Asset Value, per unit | | |
| Regular Growth | **10.9931** | 10.2233 |
| Regular Weekly Dividend | **10.0077** | 10.0000 |
| Regular Monthly Dividend | **10.0097** | 10.0020 |
| Institutional Growth | **11.0375** | 10.2476 |
| Institutional Weekly Dividend | **10.0089** | 10.0001 |
| Institutional Monthly Dividend | **10.0094** | - |
| (b) Gross Income: | | |
| i) Income other than profit on sale of investment,per unit | **0.4480** | 0.7539 |
| ii) profit on interscheme sale/transfer of investment,per unit | **0.0002** | 0.0000 |
| iii) profit on sale of investment to third party,per unit | **0.0057** | 0.0013 |
| iv) transfer to Revenue Account from past year's reserve per unit | | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.0314** | 0.1047 |
| (d) Net unrealised depreciation in value of investments | **(0.0005)** | 0.0034 |
| (e) Net Income, per unit | **0.4230** | 0.6471 |
| (f) i ) Highest traded price | | |
| ii ) Lowest traded price | | |
| iii) Highest repurchase price/NAV | | |
| Regular Growth | **10.9833** | 10.2095 |
| Regular Weekly Dividend | **10.0151** | 10.0073 |
| Regular Monthly Dividend | **10.0739** | 10.0327 |
| Institutional Growth | **11.0048** | 10.2423 |
| Institutional Weekly Dividend | **10.0171** | 10.0092 |
| Institutional Monthly Dividend | **10.0639** | 10.0538 |
| iv) Highest resale price | | |
| Regular Growth | **10.9287** | 10.2079 |
| Regular Weekly Dividend | **10.0145** | 10.0104 |
| Regular Monthly Dividend | **10.0779** | 10.0504 |
| Institutional Growth | **11.0325** | 10.1436 |
| Institutional Weekly Dividend | **10.0132** | 10.0000 |
| Institutional Monthly Dividend | **10.0676** | 10.0250 |
| v) Lowest repurchase price/NAV | | |
| Regular Growth | **10.2379** | 10.0609 |
| Regular Weekly Dividend | **10.0000** | 10.0000 |
| Regular Monthly Dividend | **10.0104** | 10.0140 |
| Institutional Growth | **10.2899** | 10.0081 |
| Institutional Weekly Dividend | **10.0000** | 10.0000 |
| Institutional Monthly Dividend | **10.0132** | 10.0280 |

## HISTORICAL PER UNIT STATISTICS (Contd.)

| PER UNIT STATISTICS | **as on 31.03.07** | as on 31.03.06 |
|---|---|---|
| vi) Lowest resale price | | |
| Regular Growth | **10.2611** | 10.0000 |
| Regular Weekly Dividend | **10.0000** | 10.0000 |
| Regular Monthly Dividend | **10.0082** | 10.0202 |
| Institutional Growth | **10.4443** | 10.0000 |
| Institutional Weekly Dividend | **10.0000** | 10.0000 |
| Institutional Monthly Dividend | **10.0000** | 10.0000 |
| vii) Price Earning Ratio | **NA** | NA |
| viii) Ratio of Expenses to Average Net Assets(%) | | |
| Regular Plan | **0.78%** | 1.07% |
| Institutional Plan | **0.56%** | 0.60% |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **8.30%** | 6.49% |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND - ABN AMRO MONTHLY INCOME PLAN

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND - ABN AMRO MONTHLY INCOME PLAN ('the Scheme') as at March 31, 2007 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 Ninth Schedule 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, 2007 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, 2007; 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

(An open-ended income scheme. Monthly income is not assured and is subject to availability of distributable surplus)

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | **2007** | 2006 |
|---|---|---|---|
| **SOURCES OF FUNDS** | | | |
| Unit capital | 2(b) & 3 | **584,249** | 680,086 |
| Reserves and surplus | 2(b) & 4 | **85,890** | 51,916 |
| Current liabilities | 5 | **5,933** | 20,835 |
| | | **676,072** | 752,837 |
| **APPLICATION OF FUNDS** | | | |
| Investments | 2(c), 6 & 15 | **572,844** | 730,449 |
| Deposits with scheduled banks | | **80,000** | - |
| Other current assets | 7 | **23,228** | 22,388 |
| | | **676,072** | 752,837 |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | **2007** | 2006 |
|---|---|---|---|
| **INCOME** | | | |
| Dividend | 2(d) | **918** | 873 |
| Interest | 2(d) & 8 | **31,253** | 23,155 |
| Profit on sale/redemption of investments, net | 2(d) | **65,734** | 22,068 |
| | | **97,905** | 46,096 |
| **EXPENSES AND LOSSES** | | | |
| Provision for net unrealised loss in value of investments | 2(c) & 6(ii) | **5,184** | 14 |
| Loss on inter-scheme transfer/sale of investments, net | 2(d) | **1,631** | 444 |
| Management fee | 9 | **7,818** | 6,016 |
| Trusteeship fee | 9 | **24** | 22 |
| Custodian service charges | | **356** | 344 |
| Registrar service charges | | **680** | 582 |
| Commission to distributors | | **6,045** | 6,586 |
| Publicity expenses | | **335** | 367 |
| Audit fee | | **50** | 76 |
| Other operating expenses | | **1,130** | 868 |
| Expenses reimbursed by the AMC | 10 | **(2,364)** | (4,033) |
| | | **20,889** | 11,286 |
| Surplus for the period | | **77,016** | 34,810 |
| Equalisation Credit | 2(e) | **11,227** | 18,558 |
| Transfer from unit premium reserve | | **19,993** | 5,554 |
| Income distribution on capital account | | **(27,636)** | (26,551) |
| Income-tax on distributed income | | **(4,882)** | (5,066) |
| Surplus transferred to the balance sheet | | **75,718** | 27,305 |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

# SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

## 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Monthly Income Plan ('the Scheme') was launched as an open ended income 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 Securities and Exchange Board of India ('SEBI') (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of ABN AMRO Trustee (India) Private Limited ('the Trustee') has appointed ABN AMRO Asset Management (India) Limited ('the AMC') to manage the Fund's affairs and operate its Schemes.

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

The Scheme offers its investors the following Plans :

- Growth

- Monthly Dividend

- Quarterly Dividend (collectively 'the Plans').

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

(b) Unit capital

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

(c) Investments

Accounting for investment transactions

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

Valuation of investments

- Investments in equity shares which have traded during a period of thirty days (prior to the balance sheet date) are stated at the closing prices on the balance sheet date or the last trading day before the balance sheet date, as may be applicable, on The National Stock Exchange of India Limited (Principal Exchange). When on a particular valuation day, a security has not been traded on the principal stock exchange, the value at which it is traded on The Bombay Stock Exchange Limited , 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 2007** | Quantity 2006 | **Amount (Rs.in '000) 2007** | Amount (Rs.in '000) 2006 |
|---|---|---|---|---|
| Units of Rs 10 each fully paid up | | | | |
| **Growth** | | | | |
| Outstanding, beginning of year | **17,158,860.277** | 11,767,708.206 | **171,589** | 117,677 |
| Issued | | | | |
| -new fund offer | **-** | - | **-** | - |
| -during the year | **15,587,823.723** | 23,768,755.532 | **155,878** | 237,687 |
| Redeemed during the year | **(11,843,998.694)** | (18,377,603.461) | **(118,440)** | (183,776) |
| Outstanding, end of year | **20,902,685.306** | 17,158,860.277 | **209,027** | 171,588 |
| **Monthly Dividend** | | | | |
| Outstanding, beginning of year | **33,999,517.748** | 2,620,801.110 | **339,995** | 26,208 |
| Issued | | | | |
| -new fund offer | **-** | - | **-** | - |
| -during the year | **25,751,712.684** | 46,184,178.861 | **257,517** | 461,842 |
| Redeemed during the year | **(34,353,046.160)** | (14,805,462.223) | **(343,530)** | (148,055) |
| Outstanding, end of year | **25,398,184.272** | 33,999,517.748 | **253,982** | 339,995 |
| **Quarterly Dividend** | | | | |
| Outstanding, beginning of year | **16,850,261.744** | 2,417,346.093 | **168,503** | 24,174 |
| Issued | | | | |
| -new fund offer | **-** | - | **-** | - |
| -during the year | **6,774,608.400** | 19,003,246.860 | **67,746** | 190,032 |
| Redeemed during the year | **(11,500,793.454)** | (4,570,331.209) | **(115,008)** | (45,703) |
| Outstanding, end of year | **12,124,076.690** | 16,850,261.744 | **121,241** | 168,503 |
| **Total** | | | | |
| Outstanding, beginning of year | **68,008,639.769** | 16,805,855.409 | **680,086** | 168,059 |

**3. UNIT CAPITAL (Contd.)**

| | **Quantity 2007** | Quantity 2006 | **Amount (Rs.in '000) 2007** | Amount (Rs.in '000) 2006 |
|---|---|---|---|---|
| Issued | | | | |
| -new fund offer | **-** | - | - | - |
| -during the year | **48,114,144.807** | 88,956,181.253 | **481,141** | 889,561 |
| Redeemed during the year | **(57,697,838.308)** | (37,753,396.893) | **(576,978)** | (377,534) |
| Outstanding, end of year | **58,424,946.268** | 68,008,639.769 | **584,249** | 680,086 |

**4. RESERVES AND SURPLUS**

| | **Amount (Rs.in '000) 2007** | Amount (Rs.in '000) 2006 |
|---|---|---|
| Unit premium reserve | | |
| Balance, beginning of year | **1,075** | 60 |
| Net premium on issue/redemption of units | **7,637** | 25,127 |
| Equalisation, net | **(11,227)** | (18,558) |
| Transfer to revenue account | **(19,993)** | (5,554) |
| Balance, end of year | **(22,508)** | 1,075 |
| Unrealised appreciation reserve | | |
| Balance, beginning of year | **18,161** | 1,792 |
| Change in net appreciation in the value of investment | **(18,161)** | 16,369 |
| Net unrealised appreciation in value of investments | | |
| Balance, end of year | **-** | 18,161 |
| Retained surplus | | |
| Balance, beginning of year | **32,680** | 5,375 |
| Surplus transferred from revenue account | **75,718** | 27,305 |
| Balance, end of year | **108,398** | 32,680 |
| Total reserves and surplus | **85,890** | 51,916 |
| The share of the plans in the reserves and surplus is as follows: | | |
| Regular Growth | **61,553** | 29,166 |
| Regular Monthly Dividend | **17,283** | 15,843 |
| Regular Quarterly Dividend | **7,054** | 6,907 |
| | **85,890** | 51,916 |

**5. CURRENT LIABILITIES**

| | | |
|---|---|---|
| Amount due to AMC for management fees | **638** | 778 |
| Trusteeship fee payable | **10** | 12 |
| - Lateral shifts | **-** | 3,029 |
| - Others | - | 2,417 |
| Load pending utilisation | - | 35 |
| Contract for purchase of investments | **-** | 7,907 |
| Dividend payable on units | **2,495** | 4,125 |
| Brokerage payable on Distribution of units | **1,518** | - |
| Units Dividend tax payable | **709** | - |
| Other current liabilities | **563** | 2,532 |
| | **5,933** | 20,835 |

| | | Amount (Rs.in '000) 2007 | Amount (Rs.in '000) 2006 |
|---|---|---|---|
| **6.** | **INVESTMENTS** | | |
| | Equity shares | **78,987** | 100,808 |
| | Privately placed debentures and bonds | **182,079** | 427,375 |
| | Other debentures and bonds | **245,709** | 1,597 |
| | Commercial paper | **1,977** | - |
| | Certificates of deposit | **15,842** | 200,669 |
| | Government Securities | **48,250** | - |
| | | **572,844** | 730,449 |

(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 | **7,685** | 18,161 |
| - depreciation | **11,612** | - |
| *Privately placed debentures and bonds* | | |
| - appreciation | **-** | 4 |
| - depreciation | **122** | 17 |
| *Other debentures and bonds* | | |
| - appreciation | **-** | - |
| - depreciation | **999** | 8 |
| *Central Government securities* | | |
| - appreciation | **-** | - |
| - depreciation | **158** | - |

(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 | **4,464,691** | 6,518,356 |
| - as a percentage of average daily net assets | **713.84** | 1,354.46 |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | | |
| - amount | **4,664,181** | 5,961,753 |
| - as a percentage of average daily net assets | **745.73** | 1,238.80 |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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(Excluding Certificates of Deposit and Commercial Paper)as on March 31, 2007 valued in good faith | **427,788** | 428,972 |

| | | | |
|---|---|---|---|
| **7.** | **OTHER CURRENT ASSETS** | | |
| | Sundry debtors for units issued to investors | | |
| | - Lateral shifts | **-** | 1,259 |
| | - Others | **3,409** | 3,045 |
| | Balances with banks in current accounts | **1,887** | 6,882 |
| | Receivable from AMC | **2,367** | 1,235 |
| | Collateralised Lending | **5,593** | - |
| | Outstanding and accrued income | **9,949** | 9,944 |
| | Inter Scheme receivable | **23** | 23 |
| | | **23,228** | 22,388 |

| | **Amount** | Amount |
|---|---|---|

| | | (Rs.in '000) 2007 | (Rs.in '000) 2006 |
|---|---|---|---|
| **8.** | **INTEREST** | | |
| | Debentures and bonds | **19,703** | 7,698 |
| | Central government securities | **2,435** | 3,060 |
| | Money market instruments | **3,414** | 5,718 |
| | Deposits | **584** | - |
| | Collateralised Lending | **5,117** | 6,679 |
| | | **31,253** | 23,155 |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) under an agreement with the AMC, which provides for computation of such fee at an annual rate of 1.25 per cent of the Scheme's average daily net assets up to Rs 1 billion and at an annual rate of 1 per cent of the average daily net assets in excess of that amount (2005-06 — 1.25 per cent of the Scheme's average daily net assets up to Rs 1 billion and at an annual rate of 1 per cent of the average daily net assets in excess of that amount), after excluding the net asset value of the AMC's investment in the Scheme and the net asset value of the investments made in other schemes, if any.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for computation of such fee at 0.01 per cent (2006-0.01 per cent (annualised)) of the Scheme's average daily net assets, subject to a maximum of Rs. 10 lakhs per annum.

**10.** The AMC has borne Rs.23.64 lakhs (2006 -Rs. 40.33 lakhs) of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/Offer document, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

| | | | |
|---|---|---|---|
| *Income* | | | |
| - | amount | **97,905** | 46,096 |
| - | as a percentage of average daily net assets | **15.65** | 9.58 |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | | | |
| - | amount | **14,073** | 10,828 |
| - | 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

| Associate | Nature of transactions | 2007 (Rs.in '000) | 2006 (Rs.in '000) |
|---|---|---|---|
| ABN AMRO Bank N.V | Bank charges | **9** | 14 |
| | Commission paid for procuring unit capital | **5,977** | 4,687 |
| ABN AMRO Asia Equities (India) Ltd | Brokerage | **101** | 67 |

**13. NET ASSET VALUE**

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

| | 2007 | 2006 |
|---|---|---|
| Growth | **Rs. 12.9447** | Rs. 11.6998 |
| Monthly Dividend | **Rs. 10.6805** | Rs. 10.4660 |
| Quarterly Dividend | **Rs. 10.5819** | Rs. 10.4099 |

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**

Prior year amounts have been reclassified & regrouped wherever applicable, to conform to current year's presentation.

**15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **EQUITY SHARES** | | | | |
| **Finance** | **64,299** | **6,706** | **1.00** | **8.49** |
| Power Finance Corporation Ltd. | 64,299 | 6,706 | 1.00 | 8.49 |
| **Industrial Capital Goods** | **71,961** | **22,385** | **3.34** | **28.33** |
| Elecon Engineering Company Ltd. | 21,824 | 8,570 | 1.28 | 10.85 |
| Genus Overseas Electronics Ltd. | 21,000 | 5,390 | 0.80 | 6.82 |
| RPG Transmission Ltd. | 24,537 | 4,790 | 0.71 | 6.06 |
| Texmaco Ltd. | 4,600 | 3,635 | 0.55 | 4.60 |
| Industrial Products | 148,500 | 9,234 | 1.38 | 11.69 |
| Sintex Industries Ltd. | 27,500 | 5,779 | 0.86 | 7.32 |
| Paramount Communications Ltd. | 121,000 | 3,455 | 0.52 | 4.37 |
| **Media & Entertainment** | **11,500** | **3,576** | **0.53** | **4.53** |
| NDTV Ltd. | 11,500 | 3,576 | 0.53 | 4.53 |
| **Pharmaceuticals** | **42,600** | **11,888** | **1.77** | **15.05** |
| SMS Pharmaceuticals Ltd. | 42,600 | 11,888 | 1.77 | 15.05 |
| **Power** | **4,300** | **4,681** | **0.70** | **5.93** |
| Kalpataru Power Transmission Ltd. | 4,300 | 4,681 | 0.70 | 5.93 |
| **Software** | **58,708** | **20,517** | **3.06** | **25.98** |
| Aptech Ltd. | 36,800 | 8,033 | 1.20 | 10.17 |
| NIIT Technologies Ltd. | 16,381 | 7,195 | 1.07 | 9.11 |
| Nucleus Software Exports Ltd. | 5,527 | 5,289 | 0.79 | 6.70 |
| **Total** | **401,868** | **78,987** | **11.78** | **100.00** |
| **DEBENTURES AND BONDS** | | | | |
| **(a) Privately placed debentures and bonds** | | | | |
| **Finance** | **500,000** | **50,067** | **7.47** | **27.50** |
| Mahindra & Mahindra Financial Services Ltd.* | 500,000 | 50,067 | 7.47 | 27.50 |
| **Finance (Asset Backed Securities)** | **15** | **71,878** | **10.73** | **39.48** |
| IBS Trust* | 5 | 50,070 | 7.47 | 27.50 |
| Indian Retail ABS Trust* | 10 | 21,808 | 3.26 | 11.98 |
| **Non Banking Finance** | **600,000** | **60,134** | **8.97** | **33.02** |
| Rabo India Finance Pvt. Ltd.* | 600,000 | 60,134 | 8.97 | 33.03 |
| **Total** | **1,100,015** | **182,079** | **27.17** | **100.00** |
| **(b) Other debentures and bonds** | | | | |
| **Banks** | **600,000** | **60,083** | **8.97** | **24.45** |
| ICICI Bank Ltd.* | 600,000 | 60,083 | 8.97 | 24.45 |
| **Finance** | **1,365,000** | **135,546** | **20.23** | **55.17** |
| Housing Development Finance Corporation Ltd.* | 750,000 | 74,023 | 11.05 | 30.13 |
| Cholamandalam DBS Finance Ltd.* | 600,000 | 60,018 | 8.96 | 24.43 |
| Power Finance Corporation Ltd.* | 15,000 | 1,505 | 0.22 | 0.61 |
| **Non Banking Finance** | **500,000** | **50,080** | **7.47** | **20.38** |
| Citifinancial Consumer Finance India Ltd.* | 500,000 | 50,080 | 7.47 | 20.38 |
| **Total** | **2,465,000** | **245,709** | **36.67** | **100.00** |

| Industry and Company Particulars | Quantity | Amount | Percentage to | Percentage to |
|---|---|---|---|---|

(An open-ended income scheme. Monthly income is not assured and is subject to availability of distributable surplus)

| | | (Rs.in '000) | Net Assets | Investment category |
|---|---|---|---|---|
| **CERTIFICATE OF DEPOSITS** | | | | |
| **Banks** | **160,000** | **15,842** | **2.36** | **100.00** |
| ING Vysya Bank * | 160,000 | 15,842 | 2.36 | 100.00 |
| **Total** | **160,000** | **15,842** | **2.36** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **Non Banking Finance Company** | **20,000** | **1,977** | **0.30** | **100.00** |
| DSP Merill Lynch Capital Ltd. * | 20,000 | 1,977 | 0.30 | 100.00 |
| **Total** | **20,000** | **1,977** | **0.30** | **100.00** |
| **GOVERNMENT SECURITIES** | **500,000** | **48,250** | **7.20** | **100.00** |
| 7.37% GOI 2014* | 500,000 | 48,250 | 7.20 | 100.00 |
| **Total** | **500,000** | **48,250** | **7.20** | **100.00** |
| **DEPOSITS** | | **80,000** | **11.94** | |
| **OTHER CURRENT ASSETS** | | **23,228** | **3.47** | |
| **TOTAL ASSETS** | | **676,072** | **100.89** | |
| **LESS: CURRENT LIABILITIES** | | **5,933** | **0.89** | |
| **NET ASSETS** | | **670,139** | **100.00** | |

* Non traded / thinly traded investments

(An open-ended income scheme. Monthly income is not assured and is subject to availability of distributable surplus)

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | **as on 31.03.07** | as on 31.03.06 | as on 31.03.05 |
|---|---|---|---|
| (a) Net Asset Value, per unit | | | |
| Growth | **12.9447** | 11.6998 | 10.5179 |
| Monthly Dividend | **10.6805** | 10.4660 | 10.2337 |
| Quarterly Dividend | **10.5819** | 10.4099 | 10.2156 |
| (b) Gross Income: | | | |
| i) Income other than profit on sale of investment,per unit | **0.5506** | 0.3533 | 0.2641 |
| ii) Profit on interscheme sale/transfer of investment,per unit | **(0.0279)** | - | - |
| iii) Profit on sale of investment to third party,per unit | **1.1251** | 0.3245 | 0.2249 |
| iv) Transfer to Revenue Account from past year's reserve per unit | | | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.2409** | 0.1657 | 0.1216 |
| (d) Net unrealised depreciation in value of investments | **0.0887** | 0.0002 | 0.0004 |
| (e) Net Income, per unit | **1.3182** | 0.5119 | 0.3670 |
| (f) i ) Highest traded price | | | |
| ii ) Lowest traded price | | | |
| iii) Highest repurchase price/NAV | | | |
| Growth | **13.2002** | 11.7001 | 10.5440 |
| Monthly Dividend | **11.0323** | 10.6211 | 10.3089 |
| Quarterly Dividend | **11.0459** | 10.7472 | 10.3914 |
| iv) Highest resale price | | | |
| Growth | **13.2169** | 11.7001 | 10.5440 |
| Monthly Dividend | **11.1190** | 10.6306 | 10.3089 |
| Quarterly Dividend | **11.0598** | 10.7528 | 10.3914 |
| v) Lowest repurchase price/NAV | | | |
| Growth | 11.3422 | 10.5159 | 10.0165 |
| Monthly Dividend | **10.0508** | 10.2261 | 10.0164 |
| Quarterly Dividend | **10.0012** | 10.2420 | 10.0164 |
| vi) Lowest resale price | | | |
| Growth | **11.5708** | 10.5241 | 10.0165 |
| Monthly Dividend | **10.1439** | 10.2600 | 10.0164 |
| Quarterly Dividend | **10.1022** | 10.2427 | 10.0164 |
| vii) Price Earning Ratio | | | |
| viii) Ratio of Expenses to Average Net Assets(%) | | | |
| Regular Plan | **2.25%** | 2.25% | 2.25% |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **11.66%** | 9.58% | 9.85% |

## 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 2006-2007.

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| ALLAHABAD BANK | AAEF | AAEF | 1,064.00 | - |
| | | AAMIP | 72.77 | - |
| | | AACF | 3,965.58 | - |
| | | AAFTP4-QPA | 1,965.96 | - |
| | | AAFLF | 1,811.84 | - |
| | | AATAP | 499.22 | - |
| | | AADYF | 1,578.82 | - |
| | | AAOF | 702.74 | - |
| | | AAFRF | 1,000.00 | - |
| BAJAJ AUTO LTD. | AAFTP2-QPB | AATAP | 1,072.06 | - |
| | | AADYF | 180.12 | - |
| | | AAOF | 859.80 | - |
| | | AAMIP | 48.60 | - |
| | | AAEF | 1,548.87 | - |
| BANK OF BARODA | AACF | AAOF | 249.99 | 213.33 |
| | | AADYF | 297.67 | - |
| BANK OF INDIA | AAFRF | AATAP | 769.51 | - |
| | | AAFLF | 1,686.81 | - |
| | | AADYF | 256.30 | - |
| | | AAOF | 1,399.19 | - |
| | | AACF | 500.00 | - |
| | | AAMIP | 581.48 | - |
| | | AAEF | 1,640.79 | 396.09 |
| BHARTI TELE VENTURES LTD. | AAFLF | AAEF | 1,628.16 | 763.90 |
| | AALTFRF | AAOF | 734.44 | - |
| | AACF | AATAP | 140.13 | 139.79 |
| | | AAMIP | 42.59 | - |
| CUMMINS INDIA LTD | AAFTP3-QPF | AAFLF | 1,155.81 | - |
| | | AADYF | 109.96 | 104.60 |
| GLAXOSMITHKLINE PHARMACEUTICALS LTD. | AAFDF | AADYF | 171.31 | - |
| GRASIM INDUSTRIES LTD. | AAFTP2-QPC | AAEF | 1,947.69 | - |
| | AALTFRF | AAOF | 1,405.44 | - |
| | AAFTP3-QPA | AAFLF | 1,368.40 | - |
| | AAFTP3-QPE | AAFTP1 | 3,500.00 | - |
| | | AATAP | 996.54 | - |
| | | AAFRF | 1,900.00 | - |
| | | AAFDF | 3,400.00 | - |
| | | AAMIP | 110.07 | - |
| | | AACF | 3,000.00 | - |
| GREAT EASTERN SHIPPING CO. LTD. | AAFTP2-QPE | AAEF | 681.52 | - |
| | | AATAP | 544.29 | - |
| | | AADYF | 2,436.03 | - |
| | | AAMIP | 89.82 | - |
| HCL TECHNOLOGIES LTD. | AAFTP3-YP | AAOF | 1,295.26 | - |
| | | AAFLF | 1,042.52 | - |
| | | AATAP | 330.96 | - |
| | | AADYF | 2,370.97 | 95.58 |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| | | AAEF | 85.63 | - |
| HDFC BANK LTD. | AACF | AALTFR | 1,500.00 | - |
| | AAFRF | AAFTP5-14MP | 1,000.00 | 1,000.00 |
| | | AAFTP2-QPA | 2,448.01 | - |
| | | AATAP | 494.41 | - |
| | | AAFTP4-QPC | 9,771.18 | 9,951.69 |
| | | AAFTP3-QPF | 4,908.03 | - |
| | | AAFTP3-QPE | 4,908.15 | - |
| | | AAFRF | 3,690.82 | - |
| | | AAFDF | 468.18 | - |
| | | AACF | 27,423.10 | - |
| HERO HONDA MOTORS LTD. | AAFTP2-QPH | AADYF | 3,097.16 | - |
| | AAFTP2-QPB | | - | - |
| | AAFTP2-QPC | | - | - |
| | AAFTP2-QPE | | - | - |
| | AAFTP3-QPA | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPF | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-HYA | | - | - |
| | AADAF-PLAN A | | - | - |
| HINDALCO INDUSTRIES LTD. | AAFTP2-QPH | AAEF | 1,369.73 | - |
| | AAFTP2-QPB | AAOF | 1,119.94 | - |
| | AAFTP2-QPE | AAFLF | 233.31 | - |
| | AALTFRF | AATAP | 252.75 | - |
| | AAFTP3-QPE | AADYF | 96.93 | - |
| | AAFTP3-QPF | AAMIP | 193.85 | - |
| | AAFTP3-QPG | | - | - |
| | AAFDF | | - | - |
| | AAFTP6-QPB | | - | - |
| HINDUJA TMT | AAFRF | AAMIP | 62.75 | - |
| | AACF | AAOF | 1,140.66 | 196.94 |
| | AAFTP5-13MP | AATAP | 649.01 | 366.66 |
| | | AAFLF | 2,024.85 | 646.04 |
| HINDUSTAN LEVER LTD. | AAFTP2-QPH | AAEF | 612.91 | - |
| | AAFTP2-QPB | AAOF | 49.59 | - |
| | AACF | AADYF | 496.41 | 89.36 |
| | AAFTP3-YP | AAFRF | - | - |
| | AAFTP3-QPB | AAMIP | 48.94 | - |
| | AAFTP3-QPD | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-QPA | | - | - |
| | AAFTP5-13MP | | - | - |
| HINDUSTAN ZINC LTD | AAFDF | AAEF | 951.20 | - |
| | AALTFRF | AAOF | 1,469.12 | - |
| | AACF | AAFLF | 1,192.11 | - |
| | AAFTP3-QPA | AATAP | 846.35 | - |
| | AAFTP3-YP | AAMIP | 120.69 | - |
| | AAFTP3-QPD | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPG | | - | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| IDFC | AACF | AAEF | 857.26 | 422.85 |
| | | AAFDF | 2,400.00 | - |
| | | AAOF | 746.21 | 464.70 |
| | | AAFTP4-16M | 900.00 | - |
| | | AAFTP4-17MP | 1,700.00 | - |
| | | AAFTPS2-13A | 507.50 | - |
| | | AATAP | 249.63 | 193.77 |
| | | AAMIP | 38.67 | - |
| IFCI LTD | AAFRF | AAFLF | 999.87 | 758.18 |
| IPCL | AAFTP3-QPD | AAOF | 287.07 | - |
| | AAFTP3-QPE | AADYF | 239.77 | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-HYA | | - | - |
| | AAFTP3-QPG | | - | - |
| ITC LTD. | AAFRF | AAEF | 2,376.34 | - |
| | AAFTP2-QPH | AAOF | 1,114.07 | - |
| | AAFTP2-QPE | AATAP | 966.13 | - |
| | AAFTP3-YP | AAMIP | 49.35 | - |
| | AAFTP3-QPC | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP3-QPH | | - | - |
| | AAFTP4-QPA | | - | - |
| JINDAL STAINLESS LTD | AACF | AAFDF | 490.82 | - |
| LARSEN & TOUBRO LTD. | AAEF | AATAP | 1,260.66 | 583.24 |
| | AACF | AAOF | 1,564.70 | 549.21 |
| | AAFTP3-QPE | AACF | 2,500.00 | - |
| | | AAMIP | 49.67 | - |
| | | AAEF | 1,644.89 | 792.23 |
| MAHINDRA & MAHINDRA LTD. | AAFDF | AAEF | 1,210.53 | 314.70 |
| | AAFTP2-QPB | AAFRF | 5,701.60 | 300.03 |
| | AALTFRF | AAFLF | 5,000.00 | - |
| | | AAFTP1 | 1,500.00 | 1,199.48 |
| | | AATAP | 978.73 | - |
| | | AALTFR | 2,100.00 | - |
| | | AADYF | 2,172.07 | - |
| | | AAOF | 960.68 | - |
| | | AAFTP3-QPC | 998.66 | - |
| | | AAFTP3-YP | 700.00 | - |
| | | AAFTP4-17MP | 1,500.00 | 195.53 |
| | | AAFTP3-QPG | 3,200.00 | - |
| | | AACF | 19,763.28 | 2,502.41 |
| | | AAMIP | 80.19 | - |
| | | AAMIP | - | 500.67 |
| | | ABN-DAF-BS1 | - | 48.88 |
| | | ABN-DAF | - | 1,222.04 |
| MARUTI UDYOG LIMITED | AAFRF | AAEF | 3,132.46 | 369.09 |
| | AAFTP3-QPB | AAOF | 1,813.35 | - |
| | AAFTP3-QPC | AATAP | 704.65 | - |
| | AAFTP2-QPH | AAMIP | 155.22 | - |
| | AAFTP4-YP | | | |
| | AAFTP5-13MP | | | |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| MOTOR INDUSTRIES CO LTD | AAFTP3-QPC | AAEF | 657.74 | - |
| | AAFTP4-YP | | | |
| | AAFTP5-13MP | | | |
| RAYMOND LTD | AAFTP2-QPH | AALTFR | 2,000.00 | - |
| | AACF | AAFTPS2-13A | 1,000.00 | - |
| | AAFTP3-QPF | AAFTP3-QPD | 300.00 | - |
| | | AAFDF | 1,500.00 | - |
| | | AACF | 12,500.00 | - |
| | | AAFRF | 4,000.00 | - |
| RELIANCE INDUSTRIES LTD | AACF | AAEF | 5,487.05 | 733.11 |
| | AAFRF | AATAP | 1,651.06 | 248.71 |
| | | AAOF | 4,254.61 | - |
| | | AACF | 1,036.97 | - |
| | | AAMIP | 71.33 | - |
| STATE BANK OF BIKANER & JAIPUR | AACF | AAFDF | 1,500.00 | 200.00 |
| | AAFRF | AACF | 17,843.81 | - |
| | | AALTFR | 197.13 | - |
| | | AAFTP2-QPE | 1,489.82 | - |
| | | AAFTP6-QPB | 975.00 | 977.93 |
| | | AAFRF | 5,813.88 | - |
| | | AAMIP | - | 800.00 |
| STATE BANK OF HYDERABAD | AALTFRF | AAFTP2-QPC | 10,000.00 | - |
| | | AAFTP6-QPB | 858.27 | 860.85 |
| | | AAFTP4-16M | 117.04 | 117.39 |
| STATE BANK OF INDORE | AAFRF | AACF | 2,361.85 | - |
| | | AAFTP2-QPA | 2,451.82 | - |
| | | AAFTP3-QPG | 969.75 | - |
| | | AAFTP4-17MP | 1,939.50 | - |
| | | AAFTP4-QPB | 2,446.32 | - |
| STERLITE INDUSTRIES LTD. | AACF | AAEF | 2,672.25 | - |
| | AALTFRF | AACF | 13,900.00 | - |
| | | AAFRF | 6,700.00 | - |
| | | AAMIP | 1,000.00 | - |
| | | AAFDF | 5,200.00 | - |
| | | AAOF | 3,144.63 | - |
| | | AAFTP2-QPC | 4,200.00 | - |
| | | AAFLF | 4,725.63 | - |
| | | AAFTPS2-13A | 2,100.00 | - |
| | | AAFTP1 | 800.00 | - |
| | | AATAP | 1,400.93 | - |
| | | AAFTP4-17MP | 200.00 | - |
| | | AAFTP3-QPE | 3,200.00 | - |
| | | AAFTP3-QPB | 100.00 | - |
| | | AAFTP3-YP | 1,400.00 | - |
| | | AAFTP3-QPA | 800.00 | - |
| TATA CONSULTANCY LTD | AALTFRF | AAEF | 2,819.31 | 660.85 |
| | AAFTP2-QPC | AAMIP | 24.56 | - |
| | AAFTP2-QPB | AAOF | 1,379.44 | - |
| | | AAFLF | 600.21 | - |
| | | AATAP | 499.64 | - |
| TECH MAHINDRA | AAFTP3-QPC | AAEF | 869.84 | - |
| | | AAMIP | 67.05 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| | | AAOF | 415.52 | - |
| | | AADYF | 7.59 | - |
| | | AATAP | 13.16 | - |
| | | AAFLF | 54.13 | - |
| ULTRATECH CEMCO LTD | AAFTP2-QPH | AAOF | 96.53 | - |
| | AAFTP3-QPA | AAMIP | 48.27 | - |
| | AALTFRF | AAEF | 96.53 | - |
| | | AAFLF | 834.77 | - |
| UNION BANK OF INDIA | AAFRF | AAEF | 216.78 | - |
| | | AAFDF | 980.55 | - |
| | | AAMIP | 2,455.25 | - |
| | | AAOF | 30.28 | - |
| | | AALTFR | 7,989.46 | - |
| | | AAFTPS2-13A | 980.55 | - |
| | | AAFTP3-QPD | 980.55 | - |
| | | AAFTP3-QPE | 1,274.72 | - |
| | | AAFTP4-17MP | 4,902.77 | - |
| | | AAFTP4-QPD | 1,999.14 | - |
| | | AAFTP5-13MP | 903.34 | 904.14 |
| VIDESH SANCHAR NIGAM LTD. | AAFTP2-QPH | AAEF | 329.74 | 231.72 |
| | AAFTP2-QPB | | | |
| | AAFTP2-QPC | | | |
| | AALTFRF | | | |
| | AAFTP3-QPA | | | |
| | AAFTP3-QPB | | | |
| | AAFTP3-QPG | | | |
| | AAFTP4-YP | | | |
| WIPRO LTD. | AAFTP2-QPB | AAEF | 1,316.85 | - |
| | AAFTP2-QPC | AAMIP | 25.05 | - |
| | AAFTP2-QPE | AAOF | 1,108.22 | - |
| | AAFTP3-QPB | AADYF | 151.06 | - |
| | AAFTP3-QPC | AATAP | 463.37 | - |
| | AAFTP3-QPD | AAFLF | 1,456.46 | - |
| | AAFTP3-QPF | | | |
| | AAFTP3-QPG | | | |
| | AAFTP2-QPH | | | |
| | AAFTP4-QPA | | | |
| | AAFTP4-HYA | | | |
| | AAFTP6-QPB | | | |

**AACF** – ABN AMRO Cash Fund, **AAFRF** – ABN AMRO Floating Rate Fund, **AAFDF** – ABN AMRO Flexi Debt Fund, **AAEF** – ABN AMRO Equity Fund, **AAMIP** – ABN AMRO Monthly Income Plan, **AAOF** – ABN AMRO Opportunities Fund, **AADYF** – ABN AMRO Dividend Yield Fund, **AALTFRF** – ABN AMRO Long Term Floating Rate Fund, **AATAP** – ABN AMRO Tax Advantage Plan (ELSS), **AAFTP-1** – ABN AMRO Fixed Term Plan Series - 1, **AAFTP-2-13M** – ABN AMRO Fixed Term Plan Series 2-13 Months Plan, **AAMMF** – ABN AMRO Multi Manager Fund, **AAFLF** – ABN AMRO Future Leaders Fund, **AAFTP-3-YPA** – ABN AMRO Fixed Term Plan - Series 3: Yearly Plan A, **AADAF-B-S1** – ABN AMRO Dual Advantage Fund Plan B Series 1, **AAFTP-S4-17M** – ABN AMRO Fixed Term Plan - Series 4: Seventeen Months Plan, **AAFTP-4-QPC** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan C, **AAFTP-4-16M** – ABN AMRO Fixed Term Plan - Series 4: Sixteen Months Plan, **AAFTP-4-QPD** – ABN AMRO Fixed Term Plan – Series 4: Quarterly Plan D**, AAFTP-4-HYPA** – ABN AMRO Fixed Term Plan – Series 4: Half Yearly Plan A, **AAFTP-4-QPE** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan E, **AAMMF-2A** – ABN AMRO Multi Manager Fund - Series 2A, **AAMMF-3** – ABN AMRO Multi Manager Fund - Series 3, **AAMMF-2B** – ABN AMRO Multi Manager Fund - Series 2B**, AAFTP-5-13M,** ABN AMRO Fixed Term Plan – Series 5: Thirteen Months Plan, **AAFTP-6-QPB** – ABN AMRO Fixed Term Plan – Series 6: Quarterly Plan B, **AAFTP-2-QPE** – ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan E, **AAFTP-2-HYP** – ABN AMRO Fixed Term Plan - Series 2: Half Yearly Plan A, **AAFTP3-QPA** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan A, **AAFTP-3-QPB** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan B, **AAFTP-3-QPC** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan C**, AAFTP-3-QPD** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan D, **AAFTP-3-QPE-** ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan E, **AAFTP-3-QPF** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan F**, AAFTP-3-QPG** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan G, **AAFTP-3-QPH** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan H, **AAFTP-4-QPA** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan A, **AAFTP-4-QPB** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan B, **AADAF** – ABN AMRO Dual Advantage Fund - Plan A - Series 1.

# TRUSTEE REPORT

Dear Sir / Madam,

ABN AMRO Mutual Fund (the "Fund") commenced its operations in the month of August 2004. The Fund manages 29 Schemes as on March 31, 2007 with Assets under Management of Rs.5191.91 Crores, which have increased from Rs.2769.27 Crores as on March 31, 2006 showing an increase of 87%. It gives us pleasure in presenting the Third Annual Report of the Schemes of the Fund for the year ended March 31, 2007.

## 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, biased 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 well-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 Managers the recent tightening measures by Central Bank have led to moderation in credit growth, stabilisation in asset prices and softening of the inflation. Recent turbulence of sub prime market in US has led to significant volatility in Global market including moderation in the market, valuation parameters. Current economic indicator suggests a slow down in US economy going forward. Market participants now expect FED to cut interest rates before the end of the year. Accordingly interest rates are expected to be stable with downward biases in the immediate future.

## DIRECTORS OF THE ABN AMRO ASSET MANAGEMENT (INDIA) LIMITED:

| | |
|---|---|
| **Mr. Romesh Sobti** | Associate Director |
| **Mr. Arne Lindman** | Associate Director |
| **Mr. Nikhil Johri** | Associate Director |
| **Mr. Rajan Ray** | Independent Directors |
| **Mr. Arun Nanda** | Independent Director |
| **Mr. Ninad Karpe** | Independent Director |

## DIRECTORS OF THE ABN AMRO TRUSTEE (INDIA) PRIVATE LIMITED:

| | |
|---|---|
| **Mr. Pradip Nayak** | Independent Director |
| **Mr. Pradyumna Naware** | Independent Director |
| **Mr. Shariq Contractor** | Independent Director |
| **Mr. Gururajan Sethu** | Independent Director |
| **Mr. Kalpathi Sridhar** | Associate Director |
| **Mr. A. Dhananjaya*** | Associate Director |

* Appointed as an Associate Director w.e.f. July 31, 2007.

**Risk Management System:**

SEBI vide its circular dated September 30, 2002, has mandated the establishment of a full- fledged risk- management framework for mutual funds in India. In the opinion of the Trustees and to the best of their knowledge, the management system in ABN AMRO Mutual Fund is adequate.

## PERFORMANCE OF THE SCHEMES AS ON MARCH 31, 2007

### 1. ABN AMRO Multi Manager Fund

The Investment objective of the scheme is to seek to provide long term capital appreciation by investing in a portfolio of diversified equity schemes and liquid/short term/floating rate schemes of mutual funds registered with SEBI

| | Since Inception (% Absolute) |
|---|---|
| AAMMF - Regular Plan - Growth Option | 2.40 |
| CRISIL Balanced Fund Index | 5.95 |

Period: April 20, 2006 - March 30, 2007. 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 fund follows a dynamic asset allocation strategy even though funds returns are lower than the benchmark during the year; this is in line with the fund's dynamic asset allocation strategy and the under performance to benchmark should not be considered relevant.

**2. ABN AMRO Multi Manager Fund - Series 2A**

The Investment objective of the scheme is to seek to provide long term capital appreciation by investing in a portfolio of equity schemes and liquid/short term/floating rate schemes of mutual funds registered with SEBI. The Scheme does not guarantee / indicate any returns.

| | Since Inception (% Absolute) |
|---|---|
| AAMMF SERIES 2A - Regular Plan - Growth Option | 1.23 |
| CRISIL MIP Blended index | 1.30 |

Period: October 13, 2006 - March 30, 2007. 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 fund follows a dynamic asset allocation strategy even though funds returns are lower than the benchmark during the year; this is in line with the fund's dynamic asset allocation strategy and the under performance to benchmark should not be considered relevant.

**3. ABN AMRO Multi Manager Fund - Series 3**

To seek to provide long term capital appreciation by investing in a portfolio of equity schemes and liquid/short term/floating rate schemes of mutual funds registered with SEBI.

| | Since Inception (% Absolute) |
|---|---|
| AAMMF Series 3 - Regular Plan - Growth Option | - 0.84 |
| CRISIL MIP Blended index | - 0.61 |

Period: December 18, 2006 - March 30, 2007. 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 fund follows a dynamic asset allocation strategy even though funds returns are lower than the benchmark during the year; this is in line with the fund's dynamic asset allocation strategy and the under performance to benchmark should not be considered relevant.

**4. ABN AMRO Multi Manager Fund - Series 2B**

TThe Investment objective of the scheme is to seek to provide long term capital appreciation by investing in a portfolio of equity schemes and liquid / short term / floating rate schemes of mutual funds registered with SEBI. The Scheme does not guarantee / indicate any returns.

| | Since Inception (% Absolute) |
|---|---|
| AAMMF Series 2B - Regular Plan - Growth Option | 0.48 |
| CRISIL MIP Blended index | 0.34 |

Period: March 12, 2007 - March 30, 2007. 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.

ABN AMRO Multi Manager Fund - Series 2B performance was satisfactory.

**5. ABN AMRO Dual Advantage Fund Plan A Series I (AADAF - A SR I)**

The Objective of the scheme is to generate income by investing in the Debt & Money instruments and to generate capital appreciation by investing in equity index options. 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) |
|---|---|
| AADAF - Plan A Sr I - Regular Plan - Growth Option | - 0.70 |
| AADAF - Plan A Sr. I - Regular Plan - Institutional Growth Option | - 0.60 |
| CRISIL MIP Blended Index | - 1.56 |

Period: February 09, 2007 - March 30, 2007. 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 do not take in to Account the load, if any. Since inception returns are calculated on Rs. 10/- invested at inception

AADAF - A Sr. I has done reasonably well in volatile market.

**6. ABN AMRO Dual Advantage Fund Plan B series I (AADAF - B SR.I)**

The Objective of the Scheme is to generate income by investing in the Debt & Money Market instrument and to generate capital appreciation by investing in equity index options. 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) |
|---|---|
| AADAF - Plan B Sr I -Regular Plan - Growth Option | - 2.88 |
| CRISIL Balanced Index | - 5.75 |

Period: February 09, 2007 - March 30, 2007. 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

AADAF - B Sr. I has done reasonably well in volatile market.

**INVESTMENT IN FOREIGN SECURITIES BY MUTUAL FUNDS**

No Scheme has invested in foreign securities yet.

In term of SEBI's letter dated December 8, 2006 having reference No.IMD/81816/06 and subsequent updation, prevailing limits of foreign investments by ABN AMRO Mutual Fund is as follows:

(1) ADRs / GDRs / Foreign Securities - 10% of the net assets managed as on March 31, 2007 i.e. Rs. 519.19 Crores.

(2) Overseas ETFs - US $50 million.

**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 28, 2007

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO MULTI MANAGER FUND

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO MULTI MANAGER FUND ('the Scheme') as at March 31, 2007 and also the revenue account for the period from March 21, 2006 to March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **872,406** |
| Reserves and surplus | 2(b) & 4 | **20,722** |
| Current liabilities | 5 | **620** |
| | | **893,748** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 16 | **865,658** |
| Other current assets | 7 | **2,718** |
| Deferred Revenue Expenditure | 2(e) & 9 | **25,372** |
| | | **893,748** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Prateek Agrawal**
*Fund Manager*
**R. Sivakumar**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | MARCH 21, 2006 TO MARCH 31, 2007 |
|---|---|---|
| **INCOME** | | |
| Dividend | 2(d) | **16,426** |
| Interest | 2(d) & 8 | **1,056** |
| Profit on sale/redemption of investments, net | 2(d) | **47,012** |
| Load Income | | **10,591** |
| | | **75,085** |
| **EXPENSES AND LOSSES** | | |
| "Provision for net unrealised loss in "value of investments" | 2(c) & 6(ii) | **14,549** |
| Management fee | 10 | **6,355** |
| Trusteeship fee | 10 | **6** |
| Custodian service charges | | **62** |
| Registrar service charges | | **318** |
| Publicity expenses | | **221** |
| Audit fee | | **50** |
| Deferred revenue expenditure amortised | 2(e) & 9 | **26,028** |
| Other operating expenses | | **999** |
| Expenses reimbursed by the AMC | 11 | **(68)** |
| | | **48,520** |
| Surplus for the period | | **26,565** |
| Surplus transferred to the balance sheet | 4 | **26,565** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Prateek Agrawal**
*Fund Manager*
**R. Sivakumar**
*Fund Manager*

# SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

## 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Multi Manager Fund ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on March 21, 2006 and the initial offer closed on March 31, 2006. Units under the Scheme will be compulsorily and without any further act by the unitholder(s) be redeemed on the Maturity Date unless rolled over as per SEBI guidelines. Maturity date of the Regular Plan is 3 years from date of allotment.

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

The Investment objective of the scheme is to seek to provide long term capital appreciation by investing in a portfolio of diversified equity schemes and liquid/short term/floating rate schemes of mutual funds registered with SEBI.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - Dividend Option With Compulsory Dividend Reinvestment (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.
- 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 fixed income securities other than Cental 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.
  - Investments in mutual fund units are valued at the respective scheme's per unit net asset value on the balance sheet date.

(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.
- Dividend income is recognised on the record date.

(e) Deferred revenue expenditure

The scheme amortises New Fund Offer ('NFO') expenses on a straight line basis over a period of three years from the date of first allotment of units in addition to accerelated amortisation of NFO expenses based on net redemptions in proportion to net assets of the scheme.

**3. UNIT CAPITAL**

| | **(Rs. in 000's)** | **(Rs. in 000's)** |
|---|---|---|
| | **Quantity 2007** | **Amount 2007** |
| Units of Rs 10 each fully paid up | | |
| **Growth Plan** | | |
| Issued | | |
| -new fund offer | **82,751,917.660** | **827,519** |
| Redeemed during the year | **(25,839,512.231)** | **(258,395)** |
| Outstanding, end of period | **56,912,405.429** | **569,124** |
| **Regular - Dividend Option With Compulsory Dividend Reinvestment** | | |
| Issued | | |
| -new fund offer | **38,189,732.230** | **381,897** |
| Redeemed during the year | **(7,861,503.187)** | **(78,615)** |
| Outstanding, end of period | **30,328,229.043** | **303,282** |
| **Total** | | |
| Issued | | |
| -new fund offer | **120,941,649.890** | **1,209,416** |
| Redeemed during the period | **(33,701,015.418)** | **(337,010)** |
| Outstanding, end of period | **87,240,634.472** | **872,406** |

## 4. RESERVES AND SURPLUS

(Rs. in 000's)

| | Amount 2007 |
|---|---|
| **Unit premium reserve** | |
| Net premium on issue/redemption of units | **(5,843)** |
| Balance, end of year | **(5,843)** |
| **Retained surplus** | |
| Surplus transferred from revenue account | **26,565** |
| Balance, end of year | **26,565** |
| Balance, end of period | **20,722** |
| **The share of the plans in the reserves and surplus is as follows:** | |
| Regular - Growth | **13,522** |
| Regular - Dividend Option With Compulsory Dividend Reinvestment | **7,200** |
| | **20,722** |

## 5. CURRENT LIABILITIES

| | |
|---|---|
| Amount due to AMC for management fees | **426** |
| Service tax payble | **56** |
| Deferred revenue expenses payable | **23** |
| Other current liabilities | **115** |
| | **620** |

## 6. INVESTMENTS

| | |
|---|---|
| Mutual Fund - Units | **865,658** |
| | **865,658** |

(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:

| | |
|---|---|
| Mutual Fund - Units | |
| - appreciation | **5,683** |
| - depreciation | **20,232** |

(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 | **4,255,805** |
| - as a percentage of average daily net assets | **380.72** |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | |
| - amount | **3,422,766** |
| - as a percentage of average daily net assets | **306.19** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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

| | |
|---|---|
| Sundry debtors for units issued to investors | |
| Balances with banks in current accounts | **2,270** |

(Rs. in 000's)

| | Amount 2007 |
|---|---|
| Receivable from AMC | **14** |
| Collateralised Lending | **433** |
| Outstanding and accrued income | **1** |
| | **2,718** |

**8. INTEREST**

| | |
|---|---|
| Collateralised Lending | **1,056** |
| | **1,056** |

**9. DEFERRED REVENUE EXPENDITURE**

| | |
|---|---|
| Incurred during the period | **51,400** |
| Less: Amortised during the period | **(26,028)** |
| Closing Balance | **25,372** |

**10. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme ,if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.60 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**11.** The AMC has borne Rs. 0.68 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/Offer document, chargeable to the Scheme.

**12. 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 | **75,085** |
| - as a percentage of average daily net assets | **7.09** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | **7,943** |
| - as a percentage of average daily net assets | **0.75** |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V | Bank charges | **22** |
| | Commission paid for procuring unit capital | **39,052** |

**14. NET ASSET VALUE**

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

| | |
|---|---|
| Regular - Growth | **Rs. 10.2376** |
| Regular - Dividend Option With Compulsory Dividend Reinvestment | **Rs. 10.2374** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **MUTUAL FUND- UNITS** | **58,226,749** | **865,658** | **96.93** | **100.00** |
| ABN AMRO Long Term Floating Rate Fund Institutional Plan-Growth Option | 47,972,622 | 529,258 | 59.26 | 61.14 |
| Kotak 30 - Growth Option | 1,025,478 | 66,653 | 7.46 | 7.70 |
| DSP ML Equity Fund - Growth Option | 1,731,229 | 64,710 | 7.25 | 7.48 |
| Birla Sun Life Equity Fund-Plan B-Growth Option | 367,288 | 64,000 | 7.17 | 7.39 |
| ABN AMRO Opportunities Fund-Growth Option | 3,194,620 | 62,531 | 7.00 | 7.22 |
| Kotak Liquid Fund-Instituitonal Premium Plan-Growth Option | 1,741,333 | 26,378 | 2.95 | 3.05 |
| SBI Premier Liquid Fund - Institutional - Growth Option | 2,170,423 | 26,148 | 2.93 | 3.02 |
| DSP Merril Lynch Liq-Inst Plan Growth Option | 23,756 | 25,980 | 2.91 | 3.00 |
| **TOTAL** | **58,226,749** | **865,658** | **96.93** | **100.00** |
| **OTHER CURRENT ASSETS** | | **2,718** | **0.30** | |
| **DEFERRED REVENUE EXPENDITURE** | | **25,372** | **2.84** | |
| **TOTAL ASSETS** | | **893,748** | **100.07** | |
| **LESS: CURRENT LIABILITIES** | | **620** | **0.07** | |
| **NET ASSETS** | | **893,128** | **100.00** | |

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | as on 31.03.07 |
|---|---|
| (a) Net Asset Value, per unit | |
| Growth | **Rs. 10.2376** |
| Dividend | **Rs. 10.2374** |
| (b) Gross Income: | |
| i) Income other than profit on sale of investment,per unit | **0.3218** |
| ii) profit on interscheme sale/transfer of investment,per unit | **-** |
| iii) profit on sale of investment to third party,per unit | **0.5389** |
| iv) transfer to Revenue Account from past year's reserve per unit | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.3894** |
| (d) Net unrealised depreciation in value of investments | **0.1668** |
| (e) Net Income, per unit | **0.3045** |
| (f) i ) Highest traded price | |
| ii ) Lowest traded price | |
| iii) Highest repurchase price/NAV | |
| Growth | **10.3096** |
| Dividend | **10.3094** |
| iv) Highest resale price | |
| Growth | **10.0000** |
| Dividend | **10.0000** |
| v) Lowest repurchase price/NAV | |
| Growth | **9.7065** |
| Dividend | **9.4539** |
| 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 | **0.75%** |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **5.42%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO MULTI MANAGER FUND-SERIES 2A

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO MULTI MANAGER FUND-SERIES 2A ('the Scheme') as at March 31, 2007 and also the revenue account for the period from September 7, 2006 to March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **524,676** |
| Reserves and surplus | 2(b) & 4 | **6,454** |
| Current liabilities | 5 | **1,000** |
| | | **532,130** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 16 | **510,200** |
| Other current assets | 7 | **3,090** |
| Deferred Revenue Expenditure | 2(e) & 9 | **18,840** |
| | | **532,130** |

The accompanying schedules are an integral part of this balance sheet.

As per our report of even date
FFor **S.R. Batliboi & Co.**
**Chartered Accountants**
**Per Viren H. Mehta**
*Partner*
Membership No. 048749
*Mumbai*
Date: August 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Prateek Agrawal**
*Fund Manager*
**R. Sivakumar**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | MARCH 21, 2006 TO MARCH 31, 2007 |
|---|---|---|
| **INCOME** | | |
| Dividend | 2(d) | **6,162** |
| Interest | 2(d) & 8 | **1,217** |
| Profit on sale/redemption of investments, net | 2(d) | **11,035** |
| oad Income | | **3,382** |
| | | **21,796** |
| **EXPENSES AND LOSSES** | | |
| "Provision for net unrealised loss in ''value of investments" | 2(c) & 6(ii) | **5,659** |
| Management fee | 10 | **1,577** |
| Trusteeship fee | 10 | **6** |
| Custodian service charges | | **20** |
| Registrar service charges | | **94** |
| Publicity expenses | | **64** |
| Audit fee | | **50** |
| Deferred revenue expenditure amortised | 2(e) & 9 | **7,195** |
| Other operating expenses | | **224** |
| Expenses reimbursed by the AMC | 11 | **(64)** |
| | | **14,825** |
| Surplus for the period | | **6,971** |
| Surplus transferred to the balance sheet | | **6,971** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Prateek Agrawal**
*Fund Manager*
**R. Sivakumar**
*Fund Manager*

# SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

## 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Multi Manager Fund - Series 2A ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on September 7, 2006 and the initial offer closed on September 18, 2006.Units under the Scheme will be compulsorily and without any further act by the unitholder(s) be redeemed on the Maturity Date unless rolled over as per SEBI guidelines. Maturity date of the Regular Plan is 3 years from date of allotment.

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

ThThe Investment objective of the scheme is to seek to provide long term capital appreciation by investing in a portfolio of equity schemes and liquid/short term/floating rate schemes of mutual funds registered with SEBI.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - Dividend Option With Compulsory Dividend Reinvestment (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 Cental 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.
  - Investments in mutual fund units are valued at the respective scheme's per unit net asset value on the balance sheet date.

(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.

- Dividend income is recognised on the record date.

(e) Deferred revenue expenditure

The scheme amortises New Fund Offer ('NFO') expenses on a straight line basis over a period of three years from the date of first allotment of units in addition to accerelated amortisation of NFO expenses based on net redemptions in proportion to net assets of the scheme.

**3. UNIT CAPITAL** **(Rs. in 000's)** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular - Growth** | | |
| Issued | | |
| -new fund offer | **47,404,395.640** | **474,044** |
| -during the year | **-** | **-** |
| Redeemed during the year | **(8,742,022.40)** | **(87,420)** |
| Outstanding, end of period | **38,662,373.237** | **386,624** |
| **Regular - Dividend Option With Compulsory Dividend Reinvestment** | | |
| Issued | | |
| -new fund offer | **13,855,265.220** | **138,553** |
| -during the year | **-** | **-** |
| Redeemed during the year | **(50,000.00)** | **(500)** |
| Outstanding, end of period | **13,805,265.220** | **138,053** |
| **Total** | | |
| Issued | | |
| -new fund offer | **61,259,660.860** | **612,597** |
| -during the year | **-** | **-** |
| Redeemed during the year | **(8,792,022.403)** | **(87,920)** |
| Outstanding, end of period | **52,467,638.457** | **524,676** |

## 4. RESERVES AND SURPLUS

(Rs. in 000's)

| | Amount 2007 |
|---|---|
| **Unit premium reserve** | |
| Net premium on issue/redemption of units | **(517)** |
| Balance, end of year | **(517)** |
| **Retained surplus** | |
| Surplus transferred from revenue account | **6,971** |
| Balance, end of year | **6,971** |
| Balance, end of period | **6,454** |
| **The share of the plans in the reserves and surplus is as follows:** | |
| Regular - Growth | **4,756** |
| Regular - Dividend Option With Compulsory Dividend Reinvestment | **1,698** |
| | **6,454** |

## 5. CURRENT LIABILITIES

| | |
|---|---|
| Amount due to AMC for management fees | **246** |
| Trusteeship fee payable | **5** |
| Service tax payable | **33** |
| Dividend payable on units | **625** |
| Other current liabilities | **91** |
| | **1,000** |

## 6. INVESTMENTS

| | |
|---|---|
| Mutual Fund - Units | **510,200** |
| | **510,200** |

(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:

| | |
|---|---|
| Mutual Fund - Units | |
| - appreciation | **3,608** |
| - depreciation | **9,267** |

(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 | **1,562,096** |
| - as a percentage of average daily net assets | **276.78** |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | |
| - amount | **1,057,246** |
| - as a percentage of average daily net assets | **187.33** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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 | **1,626** |
| Receivable from AMC | **40** |
| Collateralised Lending | **1,422** |
| Outstanding and accrued income | **2** |
| | **3,090** |

**8. INTEREST**

| | |
|---|---|
| Collateralised Lending | **1,217** |
| | **1,217** |

**9. DEFERRED REVENUE EXPENDITURE**

| | |
|---|---|
| Incurred during the period | **26,035** |
| Less: Amortised during the period | **(7,195)** |
| Closing Balance | **18,840** |

**10. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme ,if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.60 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000.

**11.** The AMC has borne Rs. 0.64 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/ Offer document, chargeable to the Scheme.

**12. 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 | **21,796** |
| - as a percentage of average daily net assets | **8.29** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | **1,970** |
| - as a percentage of average daily net assets | **0.75** |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V | Bank charges | **8** |
| | Commission paid for procuring unit capital | **21,804** |

**14. NET ASSET VALUE**

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

| | |
|---|---|
| Regular - Growth | **Rs. 10.1230** |
| Regular - Dividend Option With Compulsory Dividend Reinvestment | **Rs. 10.1230** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **MUTUAL FUND- UNITS** | **37,334,272** | **510,200** | **96.07** | **100.00** |
| ABN AMRO Long Term Floating Rate Fund Institutional Plan-Growth Option | 33,093,118 | 365,100 | 68.74 | 71.56 |
| Kotak 30 - Growth | 440,616 | 28,638 | 5.39 | 5.61 |
| DSP ML Equity Fund - Growth Option | 762,458 | 28,499 | 5.37 | 5.59 |
| Birla Sun Life Equity Fund-Plan B-Growth Option | 160,689 | 28,000 | 5.27 | 5.49 |
| ABN AMRO Opportunities Fund-Growth Option | 1,412,961 | 27,657 | 5.21 | 5.42 |
| DSP Merril Lynch Liq-Inst Plan Growth Option | 11,708 | 12,804 | 2.41 | 2.51 |
| Kotak Liquid Fund-Instituitonal Premium Plan-Growth Option | 640,476 | 9,702 | 1.83 | 1.90 |
| SBI Premier Liquid Fund - Institutional - Growth Option | 796,980 | 9,602 | 1.81 | 1.88 |
| SBI Magnam Insta Cash Fund - Liquid Floater Plan - Growth Option | 15,266 | 198 | 0.04 | 0.04 |
| **TOTAL** | **37,334,272** | **510,200** | **96.07** | **100.00** |
| **OTHER CURRENT ASSETS** | | **3,090** | **0.58** | |
| **DEFERRED REVENUE EXPENDITURE** | | **18,840** | **3.55** | |
| **TOTAL ASSETS** | | **532,130** | **100.19** | |
| **LESS: CURRENT LIABILITIES** | | **1,000** | **0.19** | |
| **NET ASSETS** | | **531,130** | **100.00** | |

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | as on 31.03.07 |
|---|---|
| (a) Net Asset Value, per unit | |
| Growth | **Rs. 10.1230** |
| Dividend Option With Compulsory Dividend Reinvestment | **Rs. 10.1230** |
| (b) Gross Income: | |
| i) Income other than profit on sale of investment,per unit | **0.2051** |
| ii) profit on interscheme sale/transfer of investment,per unit | **-** |
| iii) profit on sale of investment to third party,per unit | **0.2103** |
| iv) transfer to Revenue Account from past year's reserve per unit | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.1747** |
| (d) Net unrealised depreciation in value of investments | **0.1079** |
| (e) Net Income, per unit | **0.1328** |
| (f) i ) Highest traded price | |
| ii ) Lowest traded price | |
| iii) Highest repurchase price/ NAV | |
| Growth | **9.9981** |
| Dividend Option With Compulsory Dividend Reinvestment | **9.8444** |
| iv) Highest resale price | |
| Growth | **10.0000** |
| Dividend Option With Compulsory Dividend Reinvestment | **10.0000** |
| v) Lowest repurchase price/ NAV | |
| Growth | **9.6170** |
| Dividend Option With Compulsory Dividend Reinvestment | **9.8444** |
| vi) Lowest resale price | |
| Growth | **10.0000** |
| Dividend Option With Compulsory Dividend Reinvestment | **10.0000** |
| vii) Price Earning Ratio | **NA** |
| viii) Ratio of Expenses to Average Net Assets(%) | |
| Regular Plan | **0.75%** |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **2.86%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO MULTI MANAGER FUND SERIES 3

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO MULTI MANAGER FUND SERIES 3 ('the Scheme') as at March 31, 2007 and also the revenue account for the period from October 30, 2006 to March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; and
      b) in the case of the revenue account, of the deficit for the period ended on that date.

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

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

Mumbai, August 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **1,802,862** |
| Reserves and surplus | 2(b) & 4 | **(14,874)** |
| Current liabilities | 5 | **20,454** |
| | | **1,808,442** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 16 | **1,687,237** |
| Other current assets | 7 | **23,298** |
| Deferred Revenue Expenditure | 2(e) & 9 | **97,907** |
| | | **1,808,442** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee (India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Prateek Agrawal** *Fund Manager*
**Mahendra Jajoo** *Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | MARCH 21, 2006 TO MARCH 31, 2007 |
|---|---|---|
| **INCOME** | | |
| Dividend | 2(d) | **39,157** |
| Interest | 2(d) & 8 | **651** |
| Other Income | | **3** |
| | | **39,811** |
| **EXPENSES AND LOSSES** | | |
| "Provision for net unrealised loss in "value of investments" | 2(c) & 6(ii) | **39,235** |
| Loss on sale/redemption of investments, net | 2(d) | **1,244** |
| Management fee | 10 | **2,964** |
| Trusteeship fee | 10 | **6** |
| Custodian service charges | | **14** |
| Registrar service charges | | **171** |
| Publicity expenses | | **140** |
| Audit fee | | **50** |
| Deferred revenue expenditure amortised | 2(e) & 9 | **10,295** |
| Other operating expenses | | **436** |
| Expenses reimbursed by the AMC | 11 | **(76)** |
| | | **54,479** |
| Surplus for the period | | **(14,668)** |
| Surplus transferred to the balance sheet | 4 | **(14,668)** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee (India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Prateek Agrawal** *Fund Manager*
**Mahendra Jajoo** *Fund Manager*

# SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

## 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Multi Manager Fund - Series 3 ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on October 30, 2006 and the initial offer closed on November 28, 2006. Units under the Scheme will be compulsorily and without any further act by the unitholder(s) be redeemed on the Maturity Date unless rolled over as per SEBI guidelines. Maturity date of the Regular Plan is 3 years from date of allotment.

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

To seek to provide long term capital appreciation by investing in a portfolio of equity schemes and liquid/short term/floating rate schemes of mutual funds registered with SEBI.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - Dividend Option With Compulsory Dividend Reinvestment (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 Cental 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.
- Investments in mutual fund units are valued at the respective scheme's per unit net asset value on the balance sheet date.

(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.

- Dividend income is recognised on the record date.

(e) Deferred revenue expenditure

The scheme amortises New Fund Offer ('NFO') expenses on a straight line basis over a period of three years from the date of first allotment of units in addition to accerelated amortisation of NFO expenses based on net redemptions in proportion to net assets of the scheme.

| 3. UNIT CAPITAL | (Rs. in 000's) | (Rs. in 000's) |
|---|---|---|
| | Quantity 2007 | Amount 2007 |
| Units of Rs 10 each fully paid up | | |
| **Growth Plan** | | |
| Issued | | |
| -new fund offer | **120,575,209.021** | **1,205,752** |
| Redeemed during the year | **(519,077.000)** | **(5,191)** |
| Outstanding, end of period | **120,056,132.021** | **1,200,561** |
| **Regular - Dividend Option With Compulsory Dividend Reinvestment** | | |
| Issued | | |
| -new fund offer | **60,634,073.459** | **606,341** |
| Redeemed during the year | **(404,000.000)** | **(4,040)** |
| Outstanding, end of period | **60,230,073.459** | **602,301** |
| **Total** | | |
| Issued | | |
| -new fund offer | **181,209,282.480** | **1,812,093** |
| Redeemed during the period | **(923,077.000)** | **(9,231)** |
| Outstanding, end of period | **180,286,205.480** | **1,802,862** |

**4. RESERVES AND SURPLUS** **(Rs. in 000's)**

| | Amount 2007 |
|---|---|
| **Unit premium reserve** | |
| Net premium on issue/redemption of units | **(206)** |
| Balance, end of year | **(206)** |
| **Retained surplus** | |
| Surplus transferred from revenue account | **(14,668)** |
| Balance, end of year | **(14,668)** |
| Balance, end of period | **(14,874)** |
| **The share of the plans in the reserves and surplus is as follows:** | |
| Regular - Growth | **(9,905)** |
| Regular - Dividend Option With Compulsory Dividend Reinvestment | **(4,969)** |
| | **(14,874)** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **799** |
| Trusteeship fee payable | **5** |
| Service tax payable | **106** |
| Deferred Revenue Expenses payable | **18,878** |
| Other current liabilities | **666** |
| | **20,454** |

**6. INVESTMENTS**

| | |
|---|---|
| Mutual Fund - Units | **1,687,237** |
| | **1,687,237** |

(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:

| | |
|---|---|
| Mutual Fund - Units | |
| - appreciation | **698** |
| - depreciation | **39,934** |

(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 | **5,034,755** |
| - as a percentage of average daily net assets | **290.38** |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | |
| - amount | **3,307,042** |
| - as a percentage of average daily net assets | **190.74** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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**

| | |
|---|---|
| Sundry debtors for units issued to investors | |
| - Others | **14** |
| Balances with banks in current accounts | **507** |
| Collateralised Lending | **22,747** |
| Outstanding and accrued income | **30** |
| | **23,298** |

**8. INTEREST**

| | |
|---|---|
| Collateralised Lending | **651** |
| | **651** |

**9. DEFERRED REVENUE EXPENDITURE**

| | |
|---|---|
| Incurred during the period | **108,202** |
| Less: Amortised during the period | **(10,295)** |
| Closing Balance | **97,907** |

**10. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme ,if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.60 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000.

**11.** The AMC has borne Rs. 0.64 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/Offer document, chargeable to the Scheme.

**12. 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 | **39,811** |
| - as a percentage of average daily net assets | **8.06** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | **3,705** |
| - as a percentage of average daily net assets | **0.75** |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V | Bank charges | **2** |
| | Commission paid for procuring unit capital | **36,154** |

**14. NET ASSET VALUE**

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

| | |
|---|---|
| Regular - Growth | **Rs. 9.9175** |
| Regular - Dividend Option With Compulsory Dividend Reinvestment | **Rs. 9.9175** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **MUTUAL FUND- UNITS** | **113,052,434** | **1,687,237** | **94.37** | **100.00** |
| ABN AMRO Long Term Floating Rate Fund-Institutional Plan-Growth Option | 90,704,593 | 1,000,698 | 55.97 | 59.31 |
| SBI Magnum Equity Fund- Growth Option | 6,570,290 | 174,835 | 9.78 | 10.36 |
| Kotak 30 - Growth Option | 2,670,374 | 173,566 | 9.71 | 10.29 |
| DSP ML Equity Fund - Growth Option | 4,581,931 | 171,264 | 9.58 | 10.15 |
| ABN AMRO Opportunities Fund-Growth Option | 8,525,246 | 166,874 | 9.33 | 9.89 |
| **TOTAL** | **113,052,434** | **1,687,237** | **94.37** | **100.00** |
| **OTHER CURRENT ASSETS** | | **23,298** | **1.30** | |
| **DEFERRED REVENUE EXPENDITURE** | | **97,907** | **5.47** | |
| **TOTAL ASSETS** | | **1,808,442** | **101.14** | |
| **LESS: CURRENT LIABILITIES** | | **20,454** | **1.14** | |
| **NET ASSETS** | | **1,787,988** | **100.00** | |

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | | as on 31.03.07 |
|---|---|---|---|
| (a) | Net Asset Value, per unit | | |
| | | Growth | **Rs. 9.9175** |
| | | Dividend Reinvestment | **Rs. 9.9175** |
| (b) | Gross Income: | | |
| | i) | Income other than profit on sale of investment,per unit | **0.2208** |
| | ii) | profit on interscheme sale/transfer of investment,per unit | **0.0000** |
| | iii) | profit on sale of investment to third party,per unit | **(0.0069)** |
| | iv) | transfer to Revenue Account from past year's reserve per unit | |
| (c) | Aggregate of expenses,write offs amortisation and charges,per unit | | **0.0777** |
| (d) | Net unrealised depreciation in value of investments | | **0.2176** |
| (e) | Net Income, per unit | | **(0.0814)** |
| (f) | i ) | Highest traded price | |
| | ii ) | Lowest traded price | |
| | iii) | Highest repurchase price/NAV | |
| | | Growth | **9.9585** |
| | | Dividend Reinvestment | **9.9585** |
| | iv) | Highest resale price | |
| | | Growth | **10.0000** |
| | | Dividend Reinvestment | **10.0000** |
| | v) | Lowest repurchase price/ NAV | |
| | | Growth | **9.1480** |
| | | Dividend Reinvestment | **9.1480** |
| | vi) | Lowest resale price | |
| | | Growth | **10.0000** |
| | | Dividend Reinvestment | **10.0000** |
| | vii) | Price Earning Ratio | **NA** |
| | viii) | Ratio of Expenses to Average Net Assets(%) | |
| | | Regular Plan | **0.75%** |
| | ix) | Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **(0.0004)** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO MULTI MANAGER FUND-SERIES 2B

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND - ABN AMRO MULTI MANAGER FUND-SERIES 2B ('the Scheme') as at March 31, 2007 and also the revenue account for the period from February 9, 2007 to March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **651,249** |
| Reserves and surplus | 2(b) & 4 | **3,053** |
| Current liabilities | 5 | **39,240** |
| | | **693,542** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 16 | **653,037** |
| Other current assets | 7 | **2,143** |
| Deferred Revenue Expenditure | 2(e) & 9 | **38,362** |
| | | **693,542** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Prateek Agrawal** *Fund Manager*
**Mahendra Jajoo** *Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | FEBRUARY 09, 2007 TO MARCH 31, 2007 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **982** |
| | | **982** |
| **EXPENSES AND LOSSES** | | |
| Management fee | 10 | **202** |
| Trusteeship fee | 10 | **6** |
| Registrar service charges | | **16** |
| Audit fee | | **50** |
| Deferred revenue expenditure amortised | 2(e) & 9 | **713** |
| Other operating expenses | | **96** |
| Expenses reimbursed by the AMC | 11 | **(117)** |
| | | **966** |
| Surplus for the period | | **16** |
| Surplus transferred to the balance sheet | 4 | **16** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Prateek Agrawal** *Fund Manager*
**Mahendra Jajoo** *Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Multi Manager Fund - Series 2B ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on February 09, 2007 and the initial offer closed on February 28, 2007. Units under the Scheme will be compulsorily and without any further act by the unitholder(s) be redeemed on the Maturity Date unless rolled over as per SEBI guidelines. Maturity date of the Regular Plan is 3 years from date of allotment.

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

The Investment objective of the scheme is to seek to provide long term capital appreciation by investing in a portfolio of equity schemes and liquid/short term/floating rate schemes of mutual funds registered with SEBI.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - Dividend Option With Compulsory Dividend Reinvestment (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 Cental 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.
  - Investments in mutual fund units are valued at the respective scheme's per unit net asset value on the balance sheet date.

(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.

- Dividend income is recognised on the record date.

(e) Deferred revenue expenditure

The scheme amortises New Fund Offer ('NFO') expenses on a straight line basis over a period of three years from the date of first allotment of units in addition to accerelated amortisation of NFO expenses based on net redemptions in proportion to net assets of the scheme.

**3. UNIT CAPITAL** **(Rs. in 000's)** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Growth Plan** | | |
| Issued | | |
| -new fund offer | **38,366,016.906** | **383,660** |
| Outstanding, end of period | **38,366,016.906** | **383,660** |
| **Regular - Dividend Option With Compulsory Dividend Reinvestment** | | |
| Issued | | |
| -new fund offer | **26,758,930.526** | **267,589** |
| Outstanding, end of period | **26,758,930.526** | **267,589** |
| **Total** | | |
| Issued | | |
| -new fund offer | **65,124,947.432** | **651,249** |
| Outstanding, end of period | **65,124,947.432** | **651,249** |

## 4. RESERVES AND SURPLUS

(Rs. in 000's)

| | Amount 2007 |
|---|---|
| **Unit premium reserve** | |
| Net premium on issue/redemption of units | **3,037** |
| Balance, end of year | **3,037** |
| **Retained surplus** | |
| Surplus transferred from revenue account | **16** |
| Balance, end of year | **16** |
| Balance, end of period | **3,053** |
| **The share of the plans in the reserves and surplus is as follows:** | |
| Regular - Growth | **1,798** |
| Regular - Dividend Option With Compulsory Dividend Reinvestment | **1,255** |
| | **3,053** |

## 5. CURRENT LIABILITIES

| | |
|---|---|
| Amount due to AMC for management fees | **189** |
| Trusteeship fee payable | **6** |
| Service tax payable | **25** |
| Deferred Revenue Expenses payable | **38,820** |
| Other current liabilities | **200** |
| | **39,240** |

## 6. INVESTMENTS

| | |
|---|---|
| Mutual Fund - Units | **653,037** |
| | **653,037** |

(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:

Mutual Fund - Units

| | |
|---|---|
| - appreciation | **3,037** |
| - 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 | **650,000** |
| - as a percentage of average daily net assets | **105.80** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regula tions. 1996 and the fair value of such investments as at March 31, 2007 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

| | |
|---|---|
| Sundry debtors for units issued to investors | **45** |
| Balances with banks in current accounts | **1,002** |
| Receivable from AMC | **117** |
| Collateralised Lending | **978** |
| Outstanding and accrued income | **1** |
| | **2,143** |

**8. INTEREST**

| | |
|---|---|
| Collateralised Lending | **982** |
| | **982** |

**9. DEFERRED REVENUE EXPENDITURE**

| | |
|---|---|
| Incurred during the period | **39,075** |
| Less: Amortised during the period | **(713)** |
| Closing Balance | **38,362** |

**10. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme ,if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.60 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**11.** The AMC has borne Rs. 1.17 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/Offer document, chargeable to the Scheme.

**12. 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 | **982** |
| - as a percentage of average daily net assets | **2.92** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | **252** |
| - as a percentage of average daily net assets | **0.75** |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| NIL | | |

**14. NET ASSET VALUE**

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

| | |
|---|---|
| Regular - Growth | **Rs. 10.0469** |
| Regular - Dividend Option With Compulsory Dividend Reinvestment | **Rs. 10.0469** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **MUTUAL FUND- UNITS** | **59,192,074** | **653,037** | **99.81** | **100.00** |
| ABN AMRO Long Term Floating Rate Fund-Institutional Plan-Growth Option | 59,192,074 | 653,037 | 99.81 | 100.00 |
| **TOTAL** | **59,192,074** | **653037** | **99.81** | **100.00** |
| **OTHER CURRENT ASSETS** | | **2,143** | **0.33** | |
| **DEFERRED REVENUE EXPENDITURE** | | **38,362** | **5.86** | |
| **TOTAL ASSETS** | | **693,542** | **106.00** | |
| **LESS: CURRENT LIABILITIES** | | **39,240** | **6.00** | |
| **NET ASSETS** | | **654,302** | **100.00** | |

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | | as on 31.03.07 |
|---|---|---|---|
| (a) | Net Asset Value, per unit | | |
| | Growth | | **Rs. 10.0469** |
| | Dividend Reinvestment | | **Rs. 10.0469** |
| (b) | Gross Income: | | |
| | i) | Income other than profit on sale of investment,per unit | **0.0151** |
| | ii) | profit on interscheme sale/transfer of investment,per unit | **-** |
| | iii) | profit on sale of investment to third party,per unit | **-** |
| | iv) | transfer to Revenue Account from past year's reserve per unit | |
| (c) | Aggregate of expenses,write offs, amortisation and charges,per unit | | **0.0148** |
| (d) | Net unrealised depreciation in value of investments | | **-** |
| (e) | Net Income, per unit | | **0.0003** |
| (f) | i ) | Highest traded price | |
| | ii ) | Lowest traded price | |
| | iii) | Highest repurchase price/NAV | |
| | | Growth | **-** |
| | | Dividend Reinvestment | **-** |
| | iv) | Highest resale price | |
| | | Growth | **10.0000** |
| | | Dividend Reinvestment | **10.0000** |
| | V) | Lowest repurchase price/ NAV | |
| | | Growth | **-** |
| | | Dividend Reinvestment | **-** |
| | Vi) | Lowest resale price | |
| | | Growth | **10.0000** |
| | | Dividend Reinvestment | **10.0000** |
| | vii) | Price Earning Ratio | **NA** |
| | viii) | Ratio of Expenses to Average Net Assets(%) | |
| | | Regular Plan | **0.75%** |
| | ix) | Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **0.66%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND- ABN AMRO DUAL ADVANTAGE FUND PLAN A SERIES I

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND- ABN AMRO DUAL ADVANTAGE FUND PLAN A SERIES I ('the Scheme') as at March 31, 2007 and also the revenue account for the period from December 18, 2006 to March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; and
      b) in the case of the revenue account, of the deficit for the period ended on that date.

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

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

Mumbai, August 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **1,056,223** |
| Reserves and surplus | 2(b) & 4 | **(6,694)** |
| Current liabilities | 5 | **10,475** |
| | | **1,060,004** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | **1,025,602** |
| Other current assets | 7 | **24,946** |
| Deferred revenue expenditure | 2(e) & 9 | **9,456** |
| | | **1,060,004** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee (India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | DECEMBER 18, 2006 TO MARCH 31, 2007 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **13,083** |
| | | **13,083** |
| **EXPENSES AND LOSSES** | | |
| Provision for net unrealised loss in value of investments | 2(c) & 6(ii) | **1,786** |
| Loss on sale/redemption of investments, net | 2(d) | **13,974** |
| Loss on inter-scheme transfer/sale of investments, net | 2(d) | **1,291** |
| Management fee | 10 | **540** |
| Trusteeship fee | 10 | **5** |
| Registrar service charges | | **46** |
| Publicity expenses | | **893** |
| Audit fee | | **50** |
| Deferred revenue expenditure amortised | 2(e) & 9 | **1,106** |
| Other operating expenses | | **86** |
| | | **19,777** |
| Surplus for the period | | **(6,694)** |
| Surplus transferred to the balance sheet | 4 | **(6,694)** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee (India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Dual Advantage Fund Plan A Series I ('the Scheme') a 16 month close-ended scheme was launched as a close ended fixed term income scheme with no assured returns on December 18, 2006 and the initial offer closed on January 30, 2007.

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

The Objective of the Scheme is to generate income by investing in the Debt & Money Market instrument and to generate capital appreciation by investing in equity index options.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - Dividend

Institutional - Growth (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 Cental 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.
- "Equity Derivatives" The traded derivatives shall be valued at market price in conformity with the stipulations of sub clauses (i) to (v) of clause 1" of the Eighth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from time to time."

(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) Deferred revenue expenditure

The scheme has amortised Deferred Revenue Expense till the maturity of scheme in addition to accerelated amortisation of NFO expenses based on net redemptions in proportion to net assets of the scheme.

**3. UNIT CAPITAL** **(Rs. in 000's)** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular - Growth** | | |
| Issued | | |
| -new fund offer | **41,918,200.000** | **419,182** |
| **Outstanding, end of period** | **41,918,200.000** | **419,182** |
| **Regular - Dividend** | | |
| Issued | | |
| -new fund offer | **9,704,052.119** | **97,041** |
| **Outstanding, end of period** | **9,704,052.119** | **97,041** |
| **Institutional - Growth** | | |
| Issued | | |
| -new fund offer | **54,000,000.000** | **540,000** |
| **Outstanding, end of period** | **54,000,000.000** | **540,000** |
| **Total** | | |
| Issued | | |
| -new fund offer | **105,622,252.119** | **1,056,223** |
| **Outstanding, end of period** | **105,622,252.119** | **1,056,223** |

## 4. RESERVES AND SURPLUS

| | |
|---|---|
| **Retained surplus** | |
| Surplus transferred from revenue account | **(6,694)** |
| Balance, end of period | **(6,694)** |
| **Balance, end of period** | **(6,694)** |
| The share of the plans in the reserves and surplus is as follows: | |
| Regular - Growth | **(2,877)** |
| Regular - Dividend | **(666)** |
| Institutional - Growth | **(3,151)** |
| | **(6,694)** |

## 5. CURRENT LIABILITIES

| | |
|---|---|
| Amount due to AMC for management fees | **307** |
| Trusteeship fee payable | **5** |
| Brokerage payable on distribution of units | **6,395** |
| Service tax payable on Brokerage | **783** |
| Deferred revenue expenses payable | **1,949** |
| Other current liabilities | **1,036** |
| | **10,475** |

## 6. INVESTMENTS

| | |
|---|---|
| Privately placed debentures and bonds | **538,246** |
| Certificates of deposit | **487,356** |
| | **1,025,602** |

(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 | **1,786** |

(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 | **2,592,197** |
| - as a percentage of average daily net assets | **249.63** |
| *Purchases (Futures & Options)* | |
| - amount | **14,162** |
| - as a percentage of average daily net assets | **1.36** |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | |
| - amount | **1,569,146** |
| - as a percentage of average daily net assets | **151.11** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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(Excluding Certificates of Deposit) as on March 31, 2007 valued in good faith **538,246**

**7. OTHER CURRENT ASSETS**

| | |
|---|---|
| Sundry debtors for units issued to investors | **100** |
| Balances with banks in current accounts | **1,005** |
| Collateralised Lending | **15,309** |
| Outstanding and accrued income | **8,532** |
| | **24,946** |

**8. INTEREST**

| | |
|---|---|
| Debentures and bonds | **5,918** |
| Money market instruments | **5,284** |
| Collateralised Lending | **1,669** |
| Others | **212** |
| | **13,083** |

**9. DEFERRED REVENUE EXPENDITURE**

| | |
|---|---|
| Incurred during the period | **10562.23** |
| Less:Amortised during the period | **(1106.11)** |
| **Closing Balance** | **9456.12** |

**10. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.37 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**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 | **13,083** |
| - as a percentage of average daily net assets | **9.02** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | **1,620** |
| - as a percentage of average daily net assets | **1.12** |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| NIL | | |

**13. NET ASSET VALUE**

| | 2007 |
|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | |
| Regular - Growth | **Rs. 9.9314** |
| Regular - Dividend | **Rs. 9.9314** |
| Institutional - Growth | **Rs. 9.9420** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **Finance** | **1,250,000** | **122,204** | **11.64** | **22.70** |
| Mahindra & Mahindra Financial Services Ltd.* | 1,250,000 | 122,204 | 11.64 | 22.70 |
| **Non Banking Finance** | **4,200,000** | **416,042** | **39.64** | **77.30** |
| DSP Merill Lynch Capital Ltd.* | 1,500,000 | 149,853 | 14.28 | 27.84 |
| L & T Finance Ltd.* | 1,400,000 | 137,732 | 13.12 | 25.59 |
| GE Money Financial Services Ltd.* | 800,000 | 78,957 | 7.52 | 14.67 |
| GE Capital Services Ltd.* | 500,000 | 49,500 | 4.72 | 9.20 |
| **Total** | **5,450,000** | **538,246** | **51.28** | **100.00** |
| **CERTIFICATE OF DEPOSITS** | | | | |
| **Banks** | **5,050,000** | **487,356** | **46.44** | **100.00** |
| UCO Bank * | 1,500,000 | 148,385 | 14.14 | 30.45 |
| ICICI Bank Ltd.* | 1,600,000 | 145,983 | 13.91 | 29.95 |
| ING Vysya Bank * | 1,450,000 | 143,570 | 13.68 | 29.46 |
| Kotak Mahindra Bank Ltd. * | 500,000 | 49,418 | 4.71 | 10.14 |
| **Total** | **5,050,000** | **487,356** | **46.44** | **100.00** |
| **DEPOSITS** | | **-** | **-** | |
| **OTHER CURRENT ASSETS** | | **24,946** | **2.38** | |
| **DEFERRED REVENUE EXPENDITURE** | | **9,456** | **0.90** | |
| **TOTAL ASSETS** | | **1,060,004** | **101.00** | |
| **LESS: CURRENT LIABILITIES** | | **10,475** | **1.00** | |
| **NET ASSETS** | | **1,049,529** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | as on 31.03.07 |
|---|---|---|
| (a) | Net Asset Value, per unit | |
| | Regular Growth | **Rs. 9.9314** |
| | Regular Dividend | **Rs. 9.9314** |
| | Institutional Growth | **Rs. 9.9420** |
| (b) | Gross Income: | |
| | i) Income other than profit on sale of investment,per unit | **0.1239** |
| | ii) profit on interscheme sale/transfer of investment,per unit | **(0.0122)** |
| | iii) profit on sale of investment to third party,per unit | **(0.1323)** |
| | iv) transfer to Revenue Account from past year's reserve per unit | |
| (c) | Aggregate of expenses,write offs, amortisation and charges,per unit | **0.0258** |
| (d) | Net unrealised depreciation in value of investments | **0.0169** |
| (e) | Net Income, per unit | **(0.0633)** |
| (f) | i ) Highest traded price | |
| | ii ) Lowest traded price | |
| | iii) Highest repurchase price/NAV | |
| | Regular Growth | **-** |
| | Regular Dividend | **-** |
| | Institutional Growth | **-** |
| | iv) Highest resale price | |
| | Regular Growth | **10.0000** |
| | Regular Dividend | **10.0000** |
| | Institutional Growth | **10.0000** |
| | v) Lowest repurchase price/ NAV | |
| | Regular Growth | **-** |
| | Regular Dividend | **-** |
| | Institutional Growth | **-** |
| | vi) Lowest resale price | |
| | Regular Growth | **10.0000** |
| | Regular Dividend | **10.0000** |
| | Institutional Growth | **10.0000** |
| | vii) Price Earning Ratio | **NA** |
| | viii) Ratio of Expenses to Average Net Assets(%) | |
| | Regular Plan | **1.12%** |
| | ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **-0.38%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO DUAL ADVANTAGE FUND PLAN B SERIES 1

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO DUAL ADVANTAGE FUND PLAN B SERIES 1 ('the Scheme') as at March 31, 2007 and also the revenue account for the period from December 18, 2006 to March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; and

      b) in the case of the revenue account, of the deficit for the period ended on that date.

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

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

Mumbai, August 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **84,056** |
| Reserves and surplus | 2(b) & 4 | **(2,413)** |
| Current liabilities | 5 | **1,868** |
| | | **83,511** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | **68,518** |
| Other Current Assets | 7 | **13,488** |
| Deferred Revenue Expenditure | 2(e) & 9 | **1,505** |
| | | **83,511** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee (India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | DECEMBER 18, 2006 TO MARCH 31, 2007 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **999** |
| | | **999** |
| **EXPENSES AND LOSSES** | | |
| Provision for net unrealised loss in value of investments | 2(c) & 6(ii) | **16** |
| Loss on sale/redemption of investments, net | 2(d) | **2,923** |
| Loss on inter-scheme transfer/sale of investments, net | 2(d) | **128** |
| Management fee | 10 | **56** |
| Trusteeship fee | 10 | **5** |
| Registrar service charges | | **4** |
| Publicity expenses | | **38** |
| Audit fee | | **50** |
| Deferred revenue expenditure amortised | 2(e) & 9 | **176** |
| Other operating expenses | | **16** |
| | | **3,412** |
| Surplus for the period | | **(2,413)** |
| Surplus transferred to the balance sheet | 4 | **(2,413)** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee (India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Dual Advantage Fund Plan B Series 1 ('the Scheme') a 16 month close-ended scheme was launched as a close ended fixed term income scheme with no assured returns on December 18, 2006 and the initial offer closed on January 30, 2007.

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

The Objective of the Scheme is to generate income by investing in the Debt & Money Market instrument and to generate capital appreciation by investing in equity index options.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - 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 Cental 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.
- "Equity Derivatives"

  The traded derivatives shall be valued at market price in conformity with the stipulations of sub clauses (i) to (v) of clause 1" of the Eighth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from time to time."

(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) Deferred revenue expenditure

The scheme has amortised Deferred Revenue Expense till the maturity of scheme in addition to accerelated amortisation of NFO expenses based on net redemptions in proportion to net assets of the scheme.

**3. UNIT CAPITAL** **(Rs. in 000's)** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular - Growth** | | |
| Issued | | |
| -new fund offer | **3,116,671.534** | **31,167** |
| **Outstanding, end of period** | **3,116,671.534** | **31,167** |
| **Regular - Dividend** | | |
| Issued | | |
| -new fund offer | **5,288,945.978** | **52,889** |
| **Outstanding, end of period** | **5,288,945.978** | **52,889** |
| **Total** | | |
| Issued | | |
| -new fund offer | **8,405,617.512** | **84,056** |
| **Outstanding, end of period** | **8,405,617.512** | **84,056** |

## 4. RESERVES AND SURPLUS

| | |
|---|---|
| **Retained surplus** | |
| Surplus transferred from revenue account | **(2,413)** |
| **Balance, end of period** | **(2,413)** |
| Balance, end of period | **(2,413)** |
| The share of the plans in the reserves and surplus is as follows: | |
| Regular - Growth | **(895)** |
| Regular - Dividend | **(1,518)** |
| | **(2,413)** |

## 5. CURRENT LIABILITIES

| | |
|---|---|
| Amount due to AMC for management fees | **32** |
| Trusteeship fee payable | **5** |
| Sundry creditors for units redeemed by investors | **100** |
| Deferred revenue expenses Payable | **109** |
| Service tax payable on brokerage | **166** |
| Brokerage payable on distribution of units | **1,353** |
| Other current liabilities | **103** |
| | **1,868** |

## 6. INVESTMENTS

| | |
|---|---|
| Privately placed debentures and bonds | **24,716** |
| Certificates of deposit | **43,802** |
| | **68,518** |

(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 | **15.56** |

(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 | **99,094** |
| - as a percentage of average daily net assets | **122.87** |
| *Purchases (Futures & Options)* | |
| - amount | **3,278** |
| - as a percentage of average daily net assets | **4.06** |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | |
| - amount | **30,672** |
| - as a percentage of average daily net assets | **38.03** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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(Excluding Certificates of Deposit) as on March 31, 2007 valued in good faith **24,716**

**7. OTHER CURRENT ASSETS**

| | |
|---|---|
| Margin money | |
| Balances with banks in current accounts | **1,001** |
| Receivable from AMC | **14** |
| Collateralised Lending | **12,074** |
| Outstanding and accrued income | **399** |
| | **13,488** |

**8. INTEREST**

| | |
|---|---|
| Debentures and bonds | **276** |
| Money market instruments | **152** |
| Collateralised Lending | **571** |
| | **999** |

**9. DEFERRED REVENUE EXPENDITURE**

| | |
|---|---|
| Incurred during the period | **1681** |
| Less:Amortised during the period | **(176)** |
| **Closing Balance** | **1505** |

**10. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.50 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**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 | **999** |
| - as a percentage of average daily net assets | **8.86** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | **169** |
| - as a percentage of average daily net assets | **1.50** |

**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

| **Associate** | **Nature of transactions** | **2007 (Rs.in '000)** |
|---|---|---|
| NIL | | |

**13. NET ASSET VALUE** **2007**

| Net asset value of each unit of Rs 10 of the Scheme | |
|---|---|
| Regular - Growth | **Rs. 9.7129** |
| Regular - Dividend | **Rs. 9.7129** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **Finance** | **50,000** | **4,888** | **5.99** | **19.78** |
| Mahindra & Mahindra Financial Services Ltd.* | 50,000 | 4,888 | 5.99 | 19.78 |
| **Non Banking Finance** | **200,000** | **19,828** | **24.29** | **80.22** |
| DSP Merill Lynch Capital Ltd.* | 100,000 | 9,990 | 12.24 | 40.42 |
| L & T Finance Ltd.* | 100,000 | 9,838 | 12.05 | 39.80 |
| **Total** | **250,000** | **24,716** | **30.28** | **100.00** |
| **CERTIFICATE OF DEPOSITS** | | | | |
| **Banks** | **450,000** | **43,802** | **53.65** | **100.00** |
| ING Vysya Bank * | 350,000 | 34,655 | 42.45 | 79.12 |
| ICICI Bank Ltd.* | 100,000 | 9,147 | 11.20 | 20.88 |
| **Total** | **450,000** | **43,802** | **53.65** | **100.00** |
| **DEPOSITS** | | **-** | **-** | |
| **OTHER CURRENT ASSETS** | | **13,488** | **16.52** | |
| **DEFERRED REVENUE EXPENDITURE** | | **1,505** | **1.84** | |
| **TOTAL ASSETS** | | **83,511** | **102.29** | |
| **LESS: CURRENT LIABILITIES** | | **1,868** | **2.29** | |
| **NET ASSETS** | | **81,643** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | | as on 31.03.07 |
|---|---|---|---|
| (a) | Net Asset Value, per unit | | |
| | Growth | | **Rs. 9.7129** |
| | Dividend | | **Rs. 9.7129** |
| (b) | Gross Income: | | |
| | i) | Income other than profit on sale of investment,per unit | **0.1188** |
| | ii) | profit on interscheme sale/transfer of investment,per unit | **(0.0152)** |
| | iii) | profit on sale of investment to third party,per unit | **(0.3478)** |
| | iv) | transfer to Revenue Account from past year's reserve per unit | **-** |
| (c) | Aggregate of expenses,write offs, amortisation and charges,per unit | | **0.0411** |
| (d) | Net unrealised depreciation in value of investments | | **0.0019** |
| (e) | Net Income, per unit | | **(0.2872)** |
| (f) | i ) | Highest traded price | |
| | ii ) | Lowest traded price | |
| | iii) | Highest repurchase price/NAV | |
| | | Growth | **-** |
| | | Dividend | **-** |
| | iv) | Highest resale price | |
| | | Growth | **10.0000** |
| | | Dividend | **10.0000** |
| | v) | Lowest repurchase price/NAV | |
| | | Growth | **-** |
| | | Dividend | **-** |
| | 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 | **1.50%** |
| | ix) | Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **-2.56%** |

## 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 2006-2007.

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| ALLAHABAD BANK | AAEF | AAEF | 1,064.00 | - |
| | | AAMIP | 72.77 | - |
| | | AACF | 3,965.58 | - |
| | | AAFTP4-QPA | 1,965.96 | - |
| | | AAFLF | 1,811.84 | - |
| | | AATAP | 499.22 | - |
| | | AADYF | 1,578.82 | - |
| | | AAOF | 702.74 | - |
| | | AAFRF | 1,000.00 | - |
| BAJAJ AUTO LTD. | AAFTP2-QPB | AATAP | 1,072.06 | - |
| | | AADYF | 180.12 | - |
| | | AAOF | 859.80 | - |
| | | AAMIP | 48.60 | - |
| | | AAEF | 1,548.87 | - |
| BANK OF BARODA | AACF | AAOF | 249.99 | 213.33 |
| | | AADYF | 297.67 | - |
| BANK OF INDIA | AAFRF | AATAP | 769.51 | - |
| | | AAFLF | 1,686.81 | - |
| | | AADYF | 256.30 | - |
| | | AAOF | 1,399.19 | - |
| | | AACF | 500.00 | - |
| | | AAMIP | 581.48 | - |
| | | AAEF | 1,640.79 | 396.09 |
| BHARTI TELE VENTURES LTD. | AAFLF | AAEF | 1,628.16 | 763.90 |
| | AALTFRF | AAOF | 734.44 | - |
| | AACF | AATAP | 140.13 | 139.79 |
| | | AAMIP | 42.59 | - |
| CUMMINS INDIA LTD | AAFTP3-QPF | AAFLF | 1,155.81 | - |
| | | AADYF | 109.96 | 104.60 |
| GLAXOSMITHKLINE PHARMACEUTICALS LTD. | AAFDF | AADYF | 171.31 | - |
| GRASIM INDUSTRIES LTD. | AAFTP2-QPC | AAEF | 1,947.69 | - |
| | AALTFRF | AAOF | 1,405.44 | - |
| | AAFTP3-QPA | AAFLF | 1,368.40 | - |
| | AAFTP3-QPE | AAFTP1 | 3,500.00 | - |
| | | AATAP | 996.54 | - |
| | | AAFRF | 1,900.00 | - |
| | | AAFDF | 3,400.00 | - |
| | | AAMIP | 110.07 | - |
| | | AACF | 3,000.00 | - |
| GREAT EASTERN SHIPPING CO. LTD. | AAFTP2-QPE | AAEF | 681.52 | - |
| | | AATAP | 544.29 | - |
| | | AADYF | 2,436.03 | - |
| | | AAMIP | 89.82 | - |
| HCL TECHNOLOGIES LTD. | AAFTP3-YP | AAOF | 1,295.26 | - |
| | | AAFLF | 1,042.52 | - |
| | | AATAP | 330.96 | - |
| | | AADYF | 2,370.97 | 95.58 |
| | | AAEF | 85.63 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| HDFC BANK LTD. | AACF | AALTFR | 1,500.00 | - |
| | AAFRF | AAFTP5-14MP | 1,000.00 | 1,000.00 |
| | | AAFTP2-QPA | 2,448.01 | - |
| | | AATAP | 494.41 | - |
| | | AAFTP4-QPC | 9,771.18 | 9,951.69 |
| | | AAFTP3-QPF | 4,908.03 | - |
| | | AAFTP3-QPE | 4,908.15 | - |
| | | AAFRF | 3,690.82 | - |
| | | AAFDF | 468.18 | - |
| | | AACF | 27,423.10 | - |
| HERO HONDA MOTORS LTD. | AAFTP2-QPH | AADYF | 3,097.16 | - |
| | AAFTP2-QPB | | - | - |
| | AAFTP2-QPC | | - | - |
| | AAFTP2-QPE | | - | - |
| | AAFTP3-QPA | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPF | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-HYA | | - | - |
| | AADAF-PLAN A | | - | - |
| HINDALCO INDUSTRIES LTD. | AAFTP2-QPH | AAEF | 1,369.73 | - |
| | AAFTP2-QPB | AAOF | 1,119.94 | - |
| | AAFTP2-QPE | AAFLF | 233.31 | - |
| | AALTFRF | AATAP | 252.75 | - |
| | AAFTP3-QPE | AADYF | 96.93 | - |
| | AAFTP3-QPF | AAMIP | 193.85 | - |
| | AAFTP3-QPG | | - | - |
| | AAFDF | | - | - |
| | AAFTP6-QPB | | - | - |
| HINDUJA TMT | AAFRF | AAMIP | 62.75 | - |
| | AACF | AAOF | 1,140.66 | 196.94 |
| | AAFTP5-13MP | AATAP | 649.01 | 366.66 |
| | | AAFLF | 2,024.85 | 646.04 |
| HINDUSTAN LEVER LTD. | AAFTP2-QPH | AAEF | 612.91 | - |
| | AAFTP2-QPB | AAOF | 49.59 | - |
| | AACF | AADYF | 496.41 | 89.36 |
| | AAFTP3-YP | AAFRF | - | - |
| | AAFTP3-QPB | AAMIP | 48.94 | - |
| | AAFTP3-QPD | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-QPA | | - | - |
| | AAFTP5-13MP | | - | - |
| HINDUSTAN ZINC LTD | AAFDF | AAEF | 951.20 | - |
| | AALTFRF | AAOF | 1,469.12 | - |
| | AACF | AAFLF | 1,192.11 | - |
| | AAFTP3-QPA | AATAP | 846.35 | - |
| | AAFTP3-YP | AAMIP | 120.69 | - |
| | AAFTP3-QPD | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPG | | - | - |
| IDFC | AACF | AAEF | 857.26 | 422.85 |
| | | AAFDF | 2,400.00 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| | | AAOF | 746.21 | 464.70 |
| | | AAFTP4-16M | 900.00 | - |
| | | AAFTP4-17MP | 1,700.00 | - |
| | | AAFTPS2-13A | 507.50 | - |
| | | AATAP | 249.63 | 193.77 |
| | | AAMIP | 38.67 | - |
| IFCI LTD | AAFRF | AAFLF | 999.87 | 758.18 |
| IPCL | AAFTP3-QPD | AAOF | 287.07 | - |
| | AAFTP3-QPE | AADYF | 239.77 | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-HYA | | - | - |
| | AAFTP3-QPG | | - | - |
| ITC LTD. | AAFRF | AAEF | 2,376.34 | - |
| | AAFTP2-QPH | AAOF | 1,114.07 | - |
| | AAFTP2-QPE | AATAP | 966.13 | - |
| | AAFTP3-YP | AAMIP | 49.35 | - |
| | AAFTP3-QPC | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP3-QPH | | - | - |
| | AAFTP4-QPA | | - | - |
| JINDAL STAINLESS LTD | AACF | AAFDF | 490.82 | - |
| LARSEN & TOUBRO LTD. | AAEF | AATAP | 1,260.66 | 583.24 |
| | AACF | AAOF | 1,564.70 | 549.21 |
| | AAFTP3-QPE | AACF | 2,500.00 | - |
| | | AAMIP | 49.67 | - |
| | | AAEF | 1,644.89 | 792.23 |
| MAHINDRA & MAHINDRA LTD. | AAFDF | AAEF | 1,210.53 | 314.70 |
| | AAFTP2-QPB | AAFRF | 5,701.60 | 300.03 |
| | AALTFRF | AAFLF | 5,000.00 | - |
| | | AAFTP1 | 1,500.00 | 1,199.48 |
| | | AATAP | 978.73 | - |
| | | AALTFR | 2,100.00 | - |
| | | AADYF | 2,172.07 | - |
| | | AAOF | 960.68 | - |
| | | AAFTP3-QPC | 998.66 | - |
| | | AAFTP3-YP | 700.00 | - |
| | | AAFTP4-17MP | 1,500.00 | 195.53 |
| | | AAFTP3-QPG | 3,200.00 | - |
| | | AACF | 19,763.28 | 2,502.41 |
| | | AAMIP | 80.19 | - |
| | | AAMIP | - | 500.67 |
| | | ABN-DAF-BS1 | - | 48.88 |
| | | ABN-DAF | - | 1,222.04 |
| MARUTI UDYOG LIMITED | AAFRF | AAEF | 3,132.46 | 369.09 |
| | AAFTP3-QPB | AAOF | 1,813.35 | - |
| | AAFTP3-QPC | AATAP | 704.65 | - |
| | AAFTP2-QPH | AAMIP | 155.22 | - |
| | AAFTP4-YP | | | |
| | AAFTP5-13MP | | | |
| MOTOR INDUSTRIES CO LTD | AAFTP3-QPC | AAEF | 657.74 | - |
| | AAFTP4-YP | | | |
| | AAFTP5-13MP | | | |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| RAYMOND LTD | AAFTP2-QPH | AALTFR | 2,000.00 | - |
| | AACF | AAFTPS2-13A | 1,000.00 | - |
| | AAFTP3-QPF | AAFTP3-QPD | 300.00 | - |
| | | AAFDF | 1,500.00 | - |
| | | AACF | 12,500.00 | - |
| | | AAFRF | 4,000.00 | - |
| RELIANCE INDUSTRIES LTD | AACF | AAEF | 5,487.05 | 733.11 |
| | AAFRF | AATAP | 1,651.06 | 248.71 |
| | | AAOF | 4,254.61 | - |
| | | AACF | 1,036.97 | - |
| | | AAMIP | 71.33 | - |
| STATE BANK OF BIKANER & JAIPUR | AACF | AAFDF | 1,500.00 | 200.00 |
| | AAFRF | AACF | 17,843.81 | - |
| | | AALTFR | 197.13 | - |
| | | AAFTP2-QPE | 1,489.82 | - |
| | | AAFTP6-QPB | 975.00 | 977.93 |
| | | AAFRF | 5,813.88 | - |
| | | AAMIP | - | 800.00 |
| STATE BANK OF HYDERABAD | AALTFRF | AAFTP2-QPC | 10,000.00 | - |
| | | AAFTP6-QPB | 858.27 | 860.85 |
| | | AAFTP4-16M | 117.04 | 117.39 |
| STATE BANK OF INDORE | AAFRF | AACF | 2,361.85 | - |
| | | AAFTP2-QPA | 2,451.82 | - |
| | | AAFTP3-QPG | 969.75 | - |
| | | AAFTP4-17MP | 1,939.50 | - |
| | | AAFTP4-QPB | 2,446.32 | - |
| STERLITE INDUSTRIES LTD. | AACF | AAEF | 2,672.25 | - |
| | AALTFRF | AACF | 13,900.00 | - |
| | | AAFRF | 6,700.00 | - |
| | | AAMIP | 1,000.00 | - |
| | | AAFDF | 5,200.00 | - |
| | | AAOF | 3,144.63 | - |
| | | AAFTP2-QPC | 4,200.00 | - |
| | | AAFLF | 4,725.63 | - |
| | | AAFTPS2-13A | 2,100.00 | - |
| | | AAFTP1 | 800.00 | - |
| | | AATAP | 1,400.93 | - |
| | | AAFTP4-17MP | 200.00 | - |
| | | AAFTP3-QPE | 3,200.00 | - |
| | | AAFTP3-QPB | 100.00 | - |
| | | AAFTP3-YP | 1,400.00 | - |
| | | AAFTP3-QPA | 800.00 | - |
| TATA CONSULTANCY LTD | AALTFRF | AAEF | 2,819.31 | 660.85 |
| | AAFTP2-QPC | AAMIP | 24.56 | - |
| | AAFTP2-QPB | AAOF | 1,379.44 | - |
| | | AAFLF | 600.21 | - |
| | | AATAP | 499.64 | - |
| TECH MAHINDRA | AAFTP3-QPC | AAEF | 869.84 | - |
| | | AAMIP | 67.05 | - |
| | | AAOF | 415.52 | - |
| | | AADYF | 7.59 | - |
| | | AATAP | 13.16 | - |
| | | AAFLF | 54.13 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| ULTRATECH CEMCO LTD | AAFTP2-QPH | AAOF | 96.53 | - |
| | AAFTP3-QPA | AAMIP | 48.27 | - |
| | AALTFRF | AAEF | 96.53 | - |
| | | AAFLF | 834.77 | - |
| UNION BANK OF INDIA | AAFRF | AAEF | 216.78 | - |
| | | AAFDF | 980.55 | - |
| | | AAMIP | 2,455.25 | - |
| | | AAOF | 30.28 | - |
| | | AALTFR | 7,989.46 | - |
| | | AAFTPS2-13A | 980.55 | - |
| | | AAFTP3-QPD | 980.55 | - |
| | | AAFTP3-QPE | 1,274.72 | - |
| | | AAFTP4-17MP | 4,902.77 | - |
| | | AAFTP4-QPD | 1,999.14 | - |
| | | AAFTP5-13MP | 903.34 | 904.14 |
| VIDESH SANCHAR NIGAM LTD. | AAFTP2-QPH | AAEF | 329.74 | 231.72 |
| | AAFTP2-QPB | | | |
| | AAFTP2-QPC | | | |
| | AALTFRF | | | |
| | AAFTP3-QPA | | | |
| | AAFTP3-QPB | | | |
| | AAFTP3-QPG | | | |
| | AAFTP4-YP | | | |
| WIPRO LTD. | AAFTP2-QPB | AAEF | 1,316.85 | - |
| | AAFTP2-QPC | AAMIP | 25.05 | - |
| | AAFTP2-QPE | AAOF | 1,108.22 | - |
| | AAFTP3-QPB | AADYF | 151.06 | - |
| | AAFTP3-QPC | AATAP | 463.37 | - |
| | AAFTP3-QPD | AAFLF | 1,456.46 | - |
| | AAFTP3-QPF | | | |
| | AAFTP3-QPG | | | |
| | AAFTP2-QPH | | | |
| | AAFTP4-QPA | | | |
| | AAFTP4-HYA | | | |
| | AAFTP6-QPB | | | |

**AACF** – ABN AMRO Cash Fund, **AAFRF** – ABN AMRO Floating Rate Fund, **AAFDF** – ABN AMRO Flexi Debt Fund, **AAEF** – ABN AMRO Equity Fund, **AAMIP** – ABN AMRO Monthly Income Plan, **AAOF** – ABN AMRO Opportunities Fund, **AADYF** – ABN AMRO Dividend Yield Fund, **AALTFRF** – ABN AMRO Long Term Floating Rate Fund, **AATAP** – ABN AMRO Tax Advantage Plan (ELSS), **AAFTP-1** – ABN AMRO Fixed Term Plan Series - 1, **AAFTP-2-13M** – ABN AMRO Fixed Term Plan Series 2-13 Months Plan, **AAMMF** – ABN AMRO Multi Manager Fund, **AAFLF** – ABN AMRO Future Leaders Fund, **AAFTP-3-YPA** – ABN AMRO Fixed Term Plan - Series 3: Yearly Plan A, **AADAF-B-S1** – ABN AMRO Dual Advantage Fund Plan B Series 1, **AAFTP-S4-17M** – ABN AMRO Fixed Term Plan - Series 4: Seventeen Months Plan, **AAFTP-4-QPC** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan C, **AAFTP-4-16M** – ABN AMRO Fixed Term Plan - Series 4: Sixteen Months Plan, **AAFTP-4-QPD** – ABN AMRO Fixed Term Plan – Series 4: Quarterly Plan D**, AAFTP-4-HYPA** – ABN AMRO Fixed Term Plan – Series 4: Half Yearly Plan A, **AAFTP-4-QPE** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan E, **AAMMF-2A** – ABN AMRO Multi Manager Fund - Series 2A, **AAMMF-3** – ABN AMRO Multi Manager Fund - Series 3, **AAMMF-2B** – ABN AMRO Multi Manager Fund - Series 2B**, AAFTP-5-13M,** ABN AMRO Fixed Term Plan – Series 5: Thirteen Months Plan, **AAFTP-6-QPB** – ABN AMRO Fixed Term Plan – Series 6: Quarterly Plan B, **AAFTP-2-QPE** – ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan E, **AAFTP-2-HYP** – ABN AMRO Fixed Term Plan - Series 2: Half Yearly Plan A, **AAFTP3-QPA** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan A, **AAFTP-3-QPB** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan B, **AAFTP-3-QPC** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan C**, AAFTP-3-QPD** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan D, **AAFTP-3-QPE-** ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan E, **AAFTP-3-QPF** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan F**, AAFTP-3-QPG** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan G, **AAFTP-3-QPH** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan H, **AAFTP-4-QPA** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan A, **AAFTP-4-QPB** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan B, **AADAF** – ABN AMRO Dual Advantage Fund - Plan A - Series 1.

# TRUSTEE REPORT

Dear Sir / Madam,

ABN AMRO Mutual Fund (the "Fund") commenced its operations in the month of August 2004. The Fund manages 29 Schemes as on March 31, 2007 with Assets under Management of Rs.5191.91 Crores, which have increased from Rs.2769.27 Crores as on March 31, 2006 showing an increase of 87%. It gives us pleasure in presenting the Third Annual Report of the Schemes of the Fund for the year ended March 31, 2007.

## 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, biased 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 well-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 Managers the recent tightening measures by Central Bank have led to moderation in credit growth, stabilisation in asset prices and softening of the inflation. Recent turbulence of sub prime market in US has led to significant volatility in Global market including moderation in the market, valuation parameters. Current economic indicator suggests a slow down in US economy going forward. Market participants now expect FED to cut interest rates before the end of the year. Accordingly interest rates are expected to be stable with downward biases in the immediate future.

## DIRECTORS OF THE ABN AMRO ASSET MANAGEMENT (INDIA) LIMITED :

| | |
|---|---|
| **Mr. Romesh Sobti** | Associate Director |
| **Mr. Arne Lindman** | Associate Director |
| **Mr. Nikhil Johri** | Associate Director |
| **Mr. Rajan Ray** | Independent Directors |
| **Mr. Arun Nanda** | Independent Director |
| **Mr. Ninad Karpe** | Independent Director |

## DIRECTORS OF THE ABN AMRO TRUSTEE (INDIA) PRIVATE LIMITED :

| | |
|---|---|
| **Mr. Pradip Nayak** | Independent Director |
| **Mr. Pradyumna Naware** | Independent Director |
| **Mr. Shariq Contractor** | Independent Director |
| **Mr. Gururajan Sethu** | Independent Director |
| **Mr. Kalpathi Sridhar** | Associate Director |
| **Mr. A. Dhananjaya*** | Associate Director |

* Appointed as an Associate Director w.e.f. July 31, 2007.

**Risk Management System :**

SEBI vide its circular dated September 30, 2002, has mandated the establishment of a full- fledged risk- management framework for mutual funds in India. In the opinion of the Trustees and to the best of their knowledge, the management system in ABN AMRO Mutual Fund is adequate.

**PERFORMANCE OF THE SCHEMES AS ON MARCH 31, 2007**

**1. 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.

| | Compounded Annual Growth Rate (%) Since Inception | Compounded Annual Growth Rate (%) Last one year |
|---|---|---|
| AAFTP-1 - Regular Plan - Growth Option | 7.61 | 7.67 |
| Crisil Short – Term Bond Fund Index | 5.19 | 5.68 |

Period: February 14, 2006 – March 30, 2007. 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 as it generates high yield due to rising interest rate at the time of investment.

**2. 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).

| | Compounded Annual Growth Rate (%) Since Inception | Compounded Annual Growth Rate (%) Last one year |
|---|---|---|
| AAFTP-2: TM - Regular Plan - Growth Option | 8.25 | 8.25 |
| Crisil Short – Term Bond Fund Index | 5.77 | 5.68 |

Period: March 13, 2006 – March 30, 2007. 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 performed satisfactorily during the period under review. Tight liquidity conditions at the time of the launch of the fund aided the performance as it generates high yield due to rising interest rate at the time of investment.

**3. 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.

| | Since Inception(% Absolute) |
|---|---|
| ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan A - Regular Sub-Plan - Growth Option | 1.94 |
| CRISIL Liquid Fund Index | 1.70 |

Period: March 1, 2006 – May 30, 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 scheme closed with a satisfactory performance outperforming the benchmark.

**4. ABN AMRO Fixed Term Plan: Series 2- Half Yearly 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) / series thereunder. The Scheme does not guarantee / indicate any returns.

| | Since Inception(% Absolute) |
|---|---|
| ABN AMRO Fixed Term Plan - Series 2: Half Yearly Plan - Regular Sub-Plan - Growth Option | 3.65 |
| CRISIL Liquid Fund Index | 2.82 |

Period: April 29, 2006 – October 30, 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 scheme closed with a satisfactory performance outperforming the benchmark.

**5. ABN AMRO Fixed Term Plan: Series 2- Quarterly Plan B**

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.

| | **Since Inception(% Absolute)** |
|---|---|
| ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan B- Regular Sub-Plan - Growth Option | 1.70 |
| CRISIL Liquid Fund Index | 1.33 |

Period: May 9, 2006 – August 7, 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 scheme closed with a satisfactory performance outperforming the benchmark.

**6. ABN AMRO Fixed Term Plan: Series 2- Quarterly Plan C**

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.

| | **Since Inception(% Absolute)** |
|---|---|
| ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan C- Regular Sub-Plan - Growth Option | 1.67 |
| CRISIL Liquid Fund Index | 1.31 |

Period: May 31, 2006 – August 29, 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 scheme closed with a satisfactory performance outperforming the benchmark.

**7. ABN AMRO Fixed Term Plan: Series 2- Quarterly Plan D**

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 plans / series thereunder. The scheme does not guarantee/ indicate any returns

| | **Since Inception(% Absolute)** |
|---|---|
| ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan D - Regular Sub-Plan - Growth Option | 1.73 |
| CRISIL Liquid Fund Index | 1.36 |

Period: June 30, 2006 – September 26, 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 scheme closed with a satisfactory performance outperforming the benchmark.

**8. ABN AMRO Fixed Term Plan: Series 2- Quarterly Plan E**

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 plans / series thereunder. The scheme does not guarantee/ indicate any returns.

| | Since Inception(% Absolute) |
|---|---|
| ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan E- Regular Sub-Plan - Growth Option | 1.75 |
| CRISIL Liquid Fund Index | 1.39 |

Period: July 21, 2006 – October 19, 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 scheme closed with a satisfactory performance outperforming the benchmark.

**9. ABN AMRO Fixed Term Plan - Series 3: Yearly Plan A (AAFTP- 3: YA)**

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.

| | Since Inception (% Absolute) |
|---|---|
| AAFTP -3:YA – Regular Plan – Growth Option | 4.48 |
| CRISIL Short Term Bond Fund index | 2.65 |

Period: August 24, 2006 - March 30, 2007. 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 – 3YA performed satisfactorily during the period under review. Tight liquidity conditions at the time of the launch of the fund aided the performance as it generates high yield due to rising interest rate at the time of investment.

**10. ABN AMRO Fixed Term Plan: Series 3- 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 and fixed income derivatives in line with the duration of the respective plans / series thereunder. The scheme does not guarantee/ indicate any returns

| | Since Inception(% Absolute) |
|---|---|
| ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan A- Regular Sub-Plan - Growth Option | 1.74 |
| CRISIL Liquid Fund Index | 1.41 |

Period: August 8, 2006 – November 06, 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 scheme closed with a satisfactory performance outperforming the benchmark

**11. ABN AMRO Fixed Term Plan: Series 3- Quarterly Plan B**

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 and fixed income derivatives in line with the duration of the respective plans / series thereunder. The scheme does not guarantee/ indicate any returns.

| | Since Inception(% Absolute) |
|---|---|
| ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan B- Regular Sub-Plan - Growth Option | 1.80 |
| CRISIL Liquid Fund Index | 1.45 |

Period: August 31, 2006 – November 29, 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 scheme closed with a satisfactory performance outperforming the benchmark

**12. ABN AMRO Fixed Term Plan: Series 3- Quarterly Plan C**

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 and fixed income derivatives in line with the duration of the respective plans / series thereunder. The scheme does not guarantee/ indicate any returns

| | Since Inception(% Absolute) |
|---|---|
| ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan C- Regular Sub-Plan - Growth Option | 1.80 |
| CRISIL Liquid Fund Index | 1.44 |

Period: September 15, 2006 – December 14, 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 scheme closed with a satisfactory performance outperforming the benchmark

**13. ABN AMRO Fixed Term Plan: Series 3- Quarterly Plan D**

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 and fixed income derivatives in line with the duration of the respective plans / series thereunder. The scheme does not guarantee/ indicate any returns

| | Since Inception(% Absolute) |
|---|---|
| ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan D- Regular Sub-Plan - Growth Option | 1.87 |
| CRISIL Liquid Fund Index | 1.43 |

Period: September 28, 2006 – December 27, 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 scheme closed with a satisfactory performance outperforming the benchmark.

**14. ABN AMRO Fixed Term Plan: Series 3- Quarterly Plan E**

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 and fixed income derivatives in line with the duration of the respective plans / series thereunder. The scheme does not guarantee/ indicate any returns

| | Since Inception(% Absolute) |
|---|---|
| ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan E- Regular Sub-Plan - Growth Option | 1.88 |
| CRISIL Liquid Fund Index | 1.52 |

Period: October 20, 2006 – January 18, 2007. 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 scheme closed with a satisfactory performance outperforming the benchmark.

**15. ABN AMRO Fixed Term Plan: Series 3- Quarterly Plan F**

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 and fixed income derivatives in line with the duration of the respective plans / series thereunder. The scheme does not guarantee/ indicate any returns.

| | Since Inception(% Absolute) |
|---|---|
| ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan F - Regular Sub-Plan - Growth Option | 1.93 |
| CRISIL Liquid Fund Index | 1.60 |

Period: October 31, 2006 – February 1, 2007. Past performance may or may not be sustained in future and should not be used as the basis of comparison with other investments. Returns do not take into a account the load, if any. Since inception returns are calculated on Rs. 10/- invested at inception.

The scheme closed with a satisfactory performance outperforming the benchmark

**16. ABN AMRO Fixed Term Plan: Series 3- Quarterly Plan G**

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 and fixed income derivatives in line with the duration of the respective plans / series thereunder. The scheme does not guarantee/ indicate any returns.

| | **Since Inception(% Absolute)** |
|---|---|
| ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan G-<br>Regular Sub-Plan - Growth Option | 1.93 |
| CRISIL Liquid Fund Index | 1.56 |

Period: November 08, 2006 – February 6, 2007. 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

Do not take in to Account the load, if any. Since inception returns are calculated on Rs. 10/- invested at inception

The scheme closed with a satisfactory performance outperforming the benchmark.

**17. ABN AMRO Fixed Term Plan: Series 3- Quarterly Plan H**

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 and fixed income derivatives in line with the duration of the respective plans / series thereunder. The scheme does not guarantee/ indicate any returns.

| | **Since Inception(% Absolute)** |
|---|---|
| ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan H-<br>Regular Sub-Plan - Growth Option | 1.93 |
| CRISIL Liquid Fund Index | 1.51 |

Period: November 30, 2006 – February 28, 2007. 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 scheme closed with a satisfactory performance outperforming the benchmark

**18. ABN AMRO Fixed Term Plan - Series 4: Half Yearly Plan A (AAFTP- 4: HYPA)**

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.

| | **Since Inception (% Absolute)** |
|---|---|
| AAFTP- 4 : HYPA- Regular Plan - Growth Option | 1.34 |
| CRISIL Liquid Fund Index | 0.99 |

Period: February 07, 2007 - March 30, 2007. 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-4: HYPA performed satisfactorily during the period under review. Tight liquidity conditions at the time of the launch of the fund aided the performance as it generates high yield due to rising interest rate at the time of investment.

**19. ABN AMRO Fixed Term Plan: Series 4- Quarterly Plan A**

The Investment objective of the scheme and the plan launched hereunder would be to achieve growth of capital through investments made in a basket of fixed income securities in the line with the duration of the plan(s) thereunder. The Scheme does not guarantee / indicate any returns.

| | Since Inception(% Absolute) |
|---|---|
| ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan A- Regular Sub-Plan - Growth Option | 1.95 |
| CRISIL Liquid Fund Index | 1.59 |

Period: December 15, 2006 - March 15, 2007. 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 scheme closed with a satisfactory performance outperforming the benchmark.

**20. ABN AMRO Fixed Term Plan: Series 4- Quarterly Plan B**

The Investment objective of the scheme and the plan launched hereunder would be to achieve growth of capital through investments made in a basket of fixed income securities in the line with the duration of the plan(s) thereunder. The Scheme does not guarantee / indicate any returns

| | Since Inception(% Absolute) |
|---|---|
| ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan B- Regular Sub-Plan - Growth Option | 2.17 |
| CRISIL Liquid Fund Index | 1.72 |

Period: December 28, 2006 – March 28, 2007. 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 scheme closed with a satisfactory performance outperforming the benchmark.

**21. ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan C (AAFTP- 4: QC)**

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.

| | Since Inception (% Absolute) |
|---|---|
| AAFTP- 4 : QC- Regular Plan - Growth Option | 1.78 |
| CRISIL Liquid Fund Index | 1.33 |

Period: January 19, 2007 - March 30, 2007. 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-4 QC performed satisfactorily during the period under review. Tight liquidity conditions at the time of the launch of the fund aided the performance as it generates high yield due to rising interest rate at the time of investment.

**22. ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan D (AAFTP- 4: QD)**

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.

| | Since Inception (% Absolute) |
|---|---|
| AAFTP- 4 : QD- Regular Plan - Growth Option | 1.43 |
| CRISIL Liquid Fund Index | 1.08 |

Period: February 02, 2007 - March 30, 2007. 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-4 QD performed satisfactorily during the period under review. Tight liquidity conditions at the time of the launch of the fund aided the performance as it generates high yield due to rising interest rate at the time of investment.

**23. ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan E (AAFTP- 4: QE)**

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.

| | Since Inception (% Absolute) |
|---|---|
| AAFTP- 4 : QE- Regular Plan - Growth Option | 0.88 |
| CRISIL Liquid Fund Index | 0.65 |

Period: March 02, 2007 - March 30, 2007. 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-4 QE performed satisfactorily during the period under review. Tight liquidity conditions at the time of the launch of the fund aided the performance as it generates high yield due to rising interest rate at the time of investment.

**24. ABN AMRO Fixed Term Plan - Series 6: Quarterly Plan B (AAFTP- 6: QB)**

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.

| | Since Inception (% Absolute) |
|---|---|
| AAFTP- 6 : QB- Regular Plan - Growth Option | 0.47 |
| CRISIL Liquid Fund Index | 0.38 |

Period: March 16, 2007 - March 30, 2007. 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-6 QB performed satisfactorily during the period under review. Tight liquidity conditions at the time of the launch of the fund aided the performance as it generates high yield due to rising interest rate at the time of investment.

**25. ABN AMRO Fixed Term Plan - Series 6: Quarterly Plan C (AAFTP- 6: QC)**

The Scheme was launched towards the end of the period under review and the allotment was done on March 30, 2007 and was still in the process of investing, hence the performance details can not be provided.

**INVESTMENT IN FOREIGN SECURITIES BY MUTUAL FUNDS.**

No Scheme has invested in foreign securities yet.

In term of SEBI's letter dated December 8, 2006 having reference No.IMD/81816/06 and subsequent updation, prevailing limits of foreign investments by ABN AMRO Mutual Fund is as follows:

(1) ADRs /GDRs /Foreign Securities - 10% of the net assets managed as on March 31, 2007 i.e. Rs. 519.19 Crores.

(2) Overseas ETFs - US $50 million.

**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 28, 2007

## 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, 2007 and also the revenue account for the year ended March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | 2006 |
|---|---|---|---|
| **SOURCES OF FUNDS** | | | |
| Unit capital | 2(b) & 3 | **2,526,130** | 2,528,872 |
| Reserves and surplus | 2(b) & 4 | **217,312** | 21,466 |
| Current liabilities | 5 | **1,182** | 695 |
| | | **2,744,624** | 2,551,033 |
| **APPLICATION OF FUNDS** | | | |
| Investments | 2(c),6 & 15 | **1,330,317** | 1,534,222 |
| Deposits with scheduled banks | | **1,300,000** | 1,000,000 |
| Other current assets | 7 | **114,307** | 16,811 |
| | | **2,744,624** | 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:

For and on behalf of
**ABN AMRO Trustee (India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Alok Singh**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | FEB 06, 2006 TO MARCH 31, 2006 |
|---|---|---|---|
| **INCOME** | | | |
| Interest | 2(d) & 8 | **198,246** | 25,963 |
| Profit on sale/redemption of investments, net | 2(d) | **5,470** | 4 |
| | | **203,716** | 25,967 |
| **EXPENSES AND LOSSES** | | | |
| Change in provision for net unrealised loss in value of investments | 2(c) & 6(ii) | **(2,937)** | 3,050 |
| Loss on inter-scheme transfer/sale of investments, net | 2(d) | **400** | 170 |
| Management fee | 9 | **9,212** | 480 |
| Trusteeship fee | 9 | **5** | 13 |
| Custodian service charges | | **139** | 190 |
| Registrar service charges | | **854** | 189 |
| Commission to distributors | | **-** | 2,907 |
| Publicity expenses | | **7** | 1 |
| Audit fee | | **20** | 22 |
| Other operating expenses | | **1,249** | 97 |
| Expenses reimbursed by the AMC | 10 | **(894)** | (2,618) |
| | | **8,055** | 4,501 |
| Surplus for the period | | **195,661** | 21,466 |
| Income distribution on capital account | | **(153)** | - |
| Income-tax on distributed income | | **(21)** | - |
| Surplus transferred to the balance sheet | | **195,487** | 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 28, 2007

For and on behalf of
**ABN AMRO Trustee (India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Alok Singh**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

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

The investment objective of the scheme is to 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.

The Scheme offers its investors the following plans :

Regular Growth

Regular 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 principallytraded), are stated at the last traded price.
  - Money market instruments and floating rate bonds not traded on the balance sheetdate are valued at amortised cost based on purchase price or last quoted market price, which include discount/premium accruedon 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** **(Rs. in 000's)**

| | **Quantity 2007** | Quantity 2006 | **Amount (Rs.in '000) 2007** | Amount (Rs.in '000) 2006 |
|---|---|---|---|---|
| Units of Rs 10 each fully paid up | | | | |
| **Regular Growth** | | | | |
| Outstanding, beginning of year | **252,627,159.947** | - | **2,526,272** | - |
| Issued | | | | |
| -new fund offer | **-** | 252,627,159.947 | **-** | 2,526,272 |
| **-**during the year | | | | |
| Redeemed during the year | **(274,802.244)** | - | **(2,748)** | - |
| Outstanding, end of year | **252,352,357.703** | 252,627,159.947 | **2,523,524** | 2,526,272 |
| **Regular Dividend** | | | | |
| Outstanding, beginning of year | **260,000.000** | - | **2,600** | - |
| Issued | | | | |
| -new fund offer | **-** | 260,000.000 | **-** | 2,600 |
| -during the year | **576.832** | - | **6** | - |
| Redeemed during the year | **-** | - | **-** | - |
| Outstanding, end of year | **260,576.832** | 260,000.000 | **2,606** | 2,600 |
| **Total** | | | | |
| Outstanding, beginning of year | **252,887,159.947** | - | **2,528,872** | - |
| Issued | | | | |
| -new fund offer | **-** | 252,887,159.947 | **-** | 2,528,872 |
| -during the year | **576.832** | - | **6** | - |
| Redeemed during the year | **(274,802.244)** | **-** | **(2,748)** | - |
| Outstanding, end of year | **252,612,934.535** | 252,887,159.947 | **2,526,130** | 2,528,872 |

**4. RESERVES AND SURPLUS** **(Rs. in 000's)**

| | Amount 2007 | Amount 2006 |
|---|---|---|
| Unit premium reserve | | |
| Balance, beginning of year | **-** | **-** |
| Net premium on issue/redemption of units | **(206)** | **-** |
| Equalisation, net | **-** | **-** |
| Balance, end of year | **(206)** | **-** |
| Unrealised appreciation reserve | | |
| Balance, beginning of year | **-** | **-** |
| Change in unrealised appreciation in value of investments | **565** | **-** |
| Balance, end of year | **565** | **-** |
| Retained surplus | | |
| Balance, beginning of year | **21,466** | **-** |
| **S**urplus transferred from revenue account | **195,487** | 21,466 |
| Balance, end of year | **216,953** | 21,466 |
| Total reserves and surplus | **217,312** | 21,466 |
| The share of the plans in the reserves and surplus is as follows: | | |
| Regular Growth | **217,262** | 21,444 |
| Regular Dividend | **50** | 22 |
| | **217,312** | 21,466 |

**5. CURRENT LIABILITIES**

| | | |
|---|---|---|
| Amount due to AMC for management fees | **760** | 324 |
| Trusteeship fee payable | **-** | 12 |
| Other current liabilities | **422** | 359 |
| | **1,182** | 695 |

**6. INVESTMENTS**

| | | |
|---|---|---|
| Privately placed debentures and bonds | **420,579** | 586,086 |
| Listed debentures and bonds | **100,487** | - |
| Commercial paper | **17,835** | 224,731 |
| Certificates of deposit | **791,416** | 723,405 |
| | **1,330,317** | 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 | **905** | - |
| - depreciation | **340** | 3,050 |
| *Listed debentures and bonds* | | |
| - appreciation | **-** | - |
| - depreciation | **113** | - |

(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 | **4,198,761** | 2,897,371 |
| - as a percentage of average daily net assets | **158.56** | 114.06 |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | | |
| - amount | **4,324,126** | 1,367,216 |
| - as a percentage of average daily net assets | **163.29** | 53.82 |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. and the fair value of such investments as at March 31, 2007 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(Excluding Certificates of Deposit and Commercial Paper)as on March 31, 2007 valued in good faith **521,066** 586,086

**7. OTHER CURRENT ASSETS** **(Rs. in 000's)**

| | **Amount (Rs.in '000) 2007** | Amount (Rs.in '000) 2006 |
|---|---|---|
| Balances with banks in current accounts | **60** | 206 |
| Receivable from AMC | **242** | 218 |
| Collateralised Lending | **118** | 445 |
| Outstanding and accrued income | **113,887** | 15,942 |
| | **114,307** | 16,811 |

**8. INTEREST**

| | | |
|---|---|---|
| Debentures and bonds | **47,465** | 6,419 |
| Central government securities | **58** | - |
| Money market instruments | **59,600** | 7,402 |
| Deposits | **85,472** | 10,959 |
| Others | **5,651** | 1,183 |
| | **198,246** | 25,963 |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.35 per cent (2006 - 0.15 per cent).
The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10.** The AMC has borne Rs. 8.94 lakhs (2006 - Rs. 26.18 lakhs) of the Scheme's expenses, being expenses in excess of the limits specified in the Offer document/Internal limit, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

| | | |
|---|---|---|
| *Income* | | |
| - amount | **203,716** | 25,967 |
| - as a percentage of average daily net assets | **7.69** | 8.11 |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | | |
| - amount | **10,592** | 1,281 |
| - as a percentage of average daily net assets | **0.40** | 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**

| **Associate** | **Nature of transactions** | **2007 (Rs.in '000)** | 2006 (Rs.in '000) |
|---|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | **33** | 5 |
| | Commission paid for procuring unit capital | **-** | 219 |

**13. NET ASSET VALUE**

| | **2007** | 2006 |
|---|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | | |
| Regular Growth | **Rs. 10.8609** | Rs. 10.0849 |
| Regular Dividend | **Rs. 10.1907** | 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 the prior period was from February 06, 2006 to March 31, 2006, the corresponding figures for the previous period are not comparable with those of the current year. Further, prior period's amounts have been reclassified and regrouped, wherever applicable, to conform to current year's presentation.

**15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **DEBENTURES AND BONDS** | | | | |
| **(a) Privately Placed Debentures and Bonds** | | | | |
| **Finance** | **1,200,000** | **119,949** | **4.37** | **28.52** |
| Mahindra & Mahindra Financial Services Ltd.* | 1,200,000 | 119,949 | 4.37 | 28.52 |
| Finance (Asset Backed Security | **35** | **150,728** | **5.50** | **35.84** |
| Das Trust * | 15 | 150,034 | 5.47 | 35.67 |
| VE Trust * | 20 | 694 | 0.03 | 0.17 |
| Non Banking Finance Company | **1,500,000** | **149,902** | **5.46** | **35.64** |
| Citifinancial Consumer Finance India Ltd.* | 1,500,000 | 149,902 | 5.46 | 35.64 |
| **Total** | **2,700,035** | **420,579** | **15.33** | **100.00** |
| **(b) Listed Debentures and Bonds** | | | | |
| **Finance** | **1,000,000** | **100,487** | **3.66** | **100.00** |
| Bajaj Auto Finance Ltd.* | 1,000,000 | 100,487 | 3.66 | 100.00 |
| **Total** | **1,000,000** | **100,487** | **3.66** | **100.00** |
| **CERTIFICATE OF DEPOSITS** | | | | |
| **Banks** | **7,980,000** | **791,416** | **28.85** | **100.00** |
| ICICI Bank Ltd. * | 4,000,000 | 396,819 | 14.46 | 50.15 |
| UCO Bank * | 2,500,000 | 247,911 | 9.04 | 31.32 |
| Kotak Mahindra Bank Ltd. * | 1,400,000 | 138,765 | 5.06 | 17.53 |
| ING Vysya Bank * | 80,000 | 7,921 | 0.29 | 1.00 |
| **Total** | **7,980,000** | **791,416** | **28.85** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **Finance** | **180,000** | **17,835** | **0.65** | **100.00** |
| Reliance Capital Ltd.* | **180,000** | **17,835** | **0.65** | **100.00** |
| **Total** | **180,000** | **17,835** | **0.65** | **100.00** |
| **DEPOSITS** | | **1,300,000** | **47.39** | |
| **OTHER CURRENT ASSETS** | | **114,307** | **4.16** | |
| **TOTAL ASSETS** | | **2,744,624** | **100.04** | |
| **LESS: CURRENT LIABILITIES** | | **1,182** | **0.04** | |
| **NET ASSETS** | | **2,743,442** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | | **as on 31.03.07** | as on 31.03.06 |
|---|---|---|---|---|
| (a) | Net Asset Value, per unit | | | |
| | | Growth | **10.8609** | 10.0849 |
| | | Dividend | **10.1907** | 10.0846 |
| (b) | Gross Income: | | | |
| | i) | Income other than profit on sale of investment,per unit | **0.7848** | 0.1027 |
| | ii) | profit on interscheme sale/transfer of investment,per unit | **(0.0016)** | 0.0000 |
| | iii) | profit on sale of investment to third party,per unit | **0.0217** | 0.0000 |
| | iv) | transfer to Revenue Account from past year's reserve per unit | | |
| (c) | Aggregate of expenses,write offs, amortisation and charges,per unit | | **0.0419** | 0.0057 |
| (d) | Net unrealised depreciation in value of investments | | **(0.0116)** | 0.0121 |
| (e) | Net Income, per unit | | **0.7746** | 0.0849 |
| (f) | i ) | Highest traded price | | |
| | ii ) | Lowest traded price | | |
| | iii) | Highest repurchase price/NAV | | |
| | | Growth | **10.6975** | - |
| | | Dividend | **-** | - |
| | iv) | Highest resale price | | |
| | | Growth | **-** | 10.0000 |
| | | Dividend | **-** | 10.0000 |
| | v) | Lowest repurchase price/NAV | | |
| | | Growth | **9.8002** | - |
| | | Dividend | **-** | - |
| | vi) | Lowest resale price | | |
| | | Growth | **-** | 10.0000 |
| | | Dividend | **-** | 10.0000 |
| | vii) | Price Earning Ratio | **NA** | NA |
| | viii) | Ratio of Expenses to Average Net Assets(%) | | |
| | | Regular Plan | **0.40%** | 0.40% |
| | ix) | Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **7.83%** | 7.32% |

## 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, 2007 and also the revenue account for the year ended March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | 2006 |
|---|---|---|---|
| Unit capital | 2(b) & 3 | **2,361,429** | 2,360,430 |
| Reserves and surplus | 2(b) & 4 | **203,515** | 9,374 |
| Current liabilities | 5 | **1,523** | 354 |
| | | **2,566,467** | 2,370,158 |
| **APPLICATION OF FUNDS** | | | |
| Investments | 2(c),6 & 15 | **1,504,347** | 2,182,994 |
| Deposits with scheduled banks | | **1,000,000** | - |
| Other current assets | 7 | **62,120** | 187,164 |
| | | **2,566,467** | 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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Alok Singh**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 | March 08, 2006 to March 31, 2006 |
|---|---|---|---|
| **INCOME** | | | |
| Interest | 2(d) & 8 | **186,129** | 8,699 |
| Profit on sale/redemption of investments, net | 2(d) | **5,936** | - |
| Profit on inter-scheme transfer/sale of investments, net | 2(d) | **10,572** | - |
| | | **202,637** | 8,699 |
| **EXPENSES AND LOSSES** | | | |
| Change in provision for net unrealised loss in value of investments | 2(c) & 6(ii) | **770** | - |
| Loss on sale/redemption of investments, net | 2(d) | **-** | 82 |
| Management fee | 9 | **2,462** | 123 |
| Trusteeship fee | 9 | **5** | 5 |
| Custodian service charges | | **119** | 85 |
| Registrar service charges | | **610** | 12 |
| Commission to distributors | | **2,710** | - |
| Publicity expenses | | **7** | 1 |
| Audit fee | | **20** | 22 |
| Other operating expenses | | **413** | 42 |
| Expenses reimbursed by the AMC | 10 | **(1,422)** | (45) |
| | | **5,694** | 327 |
| Surplus for the period | | **196,943** | 8,372 |
| Income distribution on capital account | | **(1,577)** | - |
| Income-tax on distributed income | | **(244)** | - |
| Surplus transferred to the balance sheet | 4 | **195,122** | 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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
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For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Alok Singh**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan Series-2 Thirteen 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 Securities and Exchange Board of India ('SEBI') (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of ABN AMRO Trustee (India) Private Limited ('the Trustee') has appointed ABN AMRO Asset Management (India) Limited ('the AMC') to manage the Fund's affairs and operate its Schemes.

The investment objective of the scheme is to 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.

The Scheme offers its investors the following plans :

Regular Growth

Regular 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 Cental 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 2007** | Quantity 2006 | **Amount (Rs.in '000) 2007** | Amount (Rs.in '000) 2006 |
|---|---|---|---|---|
| Units of Rs 10 each fully paid up | | | | |
| **Regular Growth** | | | | |
| Outstanding, beginning of year | **233,325,504.612** | **-** | **2,333,255** | - |
| Issued | | | | |
| - new fund offer | **-** | 233,325,504.612 | **-** | 2,333,255 |
| - during the year | **-** | - | **-** | - |
| Redeemed during the year | **(50,000.000)** | - | **(500)** | - |
| **Outstanding, end of year** | **233,275,504.612** | 233,325,504.612 | **2,332,755** | 2,333,255 |
| **Regular Dividend** | | | | |
| Outstanding, beginning of year | **2,717,500.000** | - | **27,175** | **-** |
| Issued | | | | |
| - new fund offer | **-** | 2,717,500.000 | **-** | 27,175 |
| - during the year | **149,886.611** | - | **1,499** | - |
| Redeemed during the year | **-** | - | **-** | - |
| **Outstanding, end of period** | **2,867,386.611** | 2,717,500.000 | **28,674** | 27,175 |
| **Total** | | | | |
| **Outstanding, beginning of year** | **236,043,004.612** | - | **2,360,430** | **-** |
| Issued | | | | |
| - new fund offer | **-** | 236,043,004.612 | - | 2,360,430 |
| - during the year | **149,886.611** | **-** | **1,499** | - |
| Redeemed during the year | **(50,000.000)** | - | **(500)** | - |
| **Outstanding, end of period** | **236,142,891.223** | 236,043,004.612 | **2,361,429** | 2,360,430 |

| | | (Rs.in '000) Amount 2007 | (Rs.in '000) Amount 2006 |
|---|---|---|---|
| **4.** | **RESERVES AND SURPLUS** | | |
| | Unit premium reserve | | |
| | Net premium on issue/redemption of units | **21** | - |
| | Equalisation, net | **-** | - |
| | Balance, end of year | **21** | - |
| | Unrealised appreciation reserve | | |
| | Balance, beginning of year | **1,002** | - |
| | Change in unrealised appreciation in value of investments | **(1,002)** | 1,002 |
| | Balance, end of year | **-** | 1,002 |
| | Retained surplus | | |
| | Balance, beginning of year | **8,372** | - |
| | Surplus transferred from revenue account | **195,122** | 8,372 |
| | Balance, end of year | **203,494** | 8,372 |
| | Total reserves and surplus | **203,515** | 9,374 |
| | The share of the plans in the reserves and surplus is as follows : | | |
| | Regular Growth | **202,942** | 9,266 |
| | Regular Dividend | **573** | 108 |
| | | **203,515** | 9,374 |
| **5.** | **CURRENT LIABILITIES** | | |
| | Amount due to AMC for management fees | **203** | 123 |
| | - Others | **795** | |
| | Trusteeship fee payable | **-** | 5 |
| | Payable to other schemes | **63** | - |
| | Inter Scheme Payable | **-** | 63 |
| | Other current liabilities | **462** | 163 |
| | | **1,523** | 354 |
| **6.** | **INVESTMENTS** | | |
| | Privately placed debentures and bonds | **350,080** | 433,923 |
| | Other debentures and bonds | **-** | 144,517 |
| | Commercial paper | **645,658** | - |
| | Certificates of deposit | **508,609** | 1,604,555 |
| | | **1,504,347** | 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 | **770** | - |
| | Other debentures and bonds | | |
| | - appreciation | **-** | 859 |
| | - 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 | **9,945,820** | 3,869,665 |
| | - as a percentage of average daily net assets | **403.91** | 163.56 |
| | *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | | |
| | - amount | **10,618,202** | 1,690,139 |
| | - as a percentage of average daily net assets | **431.22** | 71.44 |
| | (iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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(Excluding Certificates of Deposit and Commercial Paper)as on March 31, 2007 valued in good faith | **350,080** | 578,439 |

(Rs.in '000)

| | Amount 2007 | Amount 2006 |
|---|---|---|
| **7. OTHER CURRENT ASSETS** | | |
| Balances with banks in current accounts | **19** | 5,201 |
| Receivable from AMC | **-** | 45 |
| Collateralised Lending | **27,382** | 169,499 |
| Outstanding and accrued income | **34,719** | 12,419 |
| | **62,120** | 187,164 |
| **8. INTEREST** | | |
| Debentures and bonds | **45,640** | 3,106 |
| Money market instruments | **87,975** | 2,549 |
| Deposits | **47,133** | - |
| Others | **5,381** | 3,044 |
| | **186,129** | 8,699 |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.10 per cent (2006 - 0.10 per cent).

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10.** The AMC has borne Rs. 2.44 lakhs (2006 - Rs. 0.45 lakhs) of the Scheme's expenses, being expenses in excess of the limits specified in the Offer document/Internal limit, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

| | | |
|---|---|---|
| *Income* | | |
| - amount | **202,637** | 8,699 |
| - as a percentage of average daily net assets | **8.23** | 7.06 |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | | |
| - amount | **4,924** | 245 |
| - as a percentage of average daily net assets | **0.20** | 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 | 2007 (Rs.in '000) | 2006 (Rs.in '000) |
|---|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | 31 | 6 |
| | Commission paid for procuring unit capital | 768 | - |

| **13. NET ASSET VALUE** | **2007** | 2006 |
|---|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | | |
| Regular Growth | Rs. 10.8700 | Rs. 10.0397 |
| Regular Dividend | Rs. 10.1997 | 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 the prior period was from March 08, 2006 to March 31, 2006, the corresponding figures for the previous period are not comparable with those of the current year. Further, prior period's amounts have been reclassified and regrouped, wherever applicable, to conform to current year's presentation.

**15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **Finance (Asset Backed Securities)** | **35** | **350,080** | **13.65** | **100.00** |
| Das Trust * | 35 | 350,080 | 13.65 | 100.00 |
| **Total** | **35** | **350,080** | **13.65** | **100.00** |
| **CERTIFICATE OF DEPOSITS** | | | | |
| **Banks** | **5,100,000** | **508,609** | **19.83** | **100.00** |
| ICICI Bank Ltd. * | 2,500,000 | 249,366 | 9.72 | 49.03 |
| American Express Bank * | 1,500,000 | 149,438 | 5.83 | 29.38 |
| Kotak Mahindra Bank Ltd. * | 1,100,000 | 109,805 | 4.28 | 21.59 |
| **Total** | **5,100,000** | **508,609** | **19.83** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **Non Banking Finance Company** | **6,500,000** | **645,658** | **25.17** | **100.00** |
| Kotak Securities Ltd. * | 6,500,000 | 645,658 | 25.17 | 100.00 |
| **Total** | **6,500,000** | **645,658** | **25.17** | **100.00** |
| **DEPOSITS** | | **1,000,000** | **38.99** | |
| **OTHER CURRENT ASSETS** | | **62,120** | **2.42** | |
| **TOTAL ASSETS** | | **2,566,467** | **100.06** | |
| **LESS: CURRENT LIABILITIES** | | **1,523** | **0.06** | |
| **NET ASSETS** | | **2,564,944** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | **as on 31.03.07** | as on 31.03.06 |
|---|---|---|
| (a) Net Asset Value, per unit | | |
| Growth | **10.8700** | 10.0397 |
| Dividend | **10.1997** | 10.0397 |
| (b) Gross Income : | | |
| i) Income other than profit on sale of investment,per unit | **0.7882** | 0.0369 |
| ii) profit on interscheme sale/transfer of investment,per unit | **0.0448** | 0.0000 |
| iii) profit on sale of investment to third party,per unit | **0.0251** | 0.0000 |
| iv) transfer to Revenue Account from past year's reserve per unit | | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.0209** | 0.0014 |
| (d) Net unrealised depreciation in value of investments | **0.0033** | 0.0000 |
| (e) Net Income, per unit | **0.8340** | 0.0355 |
| (f) i ) Highest traded price | | |
| ii ) Lowest traded price | | |
| iii) Highest repurchase price/NAV * | | |
| Growth | **9.8564** | - |
| Dividend | **-** | - |
| iv) Highest resale price * | | |
| Growth | **-** | 10.0000 |
| Dividend | **-** | 10.0000 |
| v) Lowest repurchase price/NAV* | | |
| Growth | **9.8564** | - |
| Dividend | **-** | - |
| vi) Lowest resale price* | | |
| Growth | **-** | 10.0000 |
| Dividend | **-** | 10.0000 |
| vii) Price Earning Ratio | **NA** | NA |
| viii) Ratio of Expenses to Average Net Assets(%) Regular Plan | **0.20%** | 0.20% |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **8.20%** | 7.46% |

## AUDITORS' REPORT

To the Trustee of

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

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 2: HALF YEARLY PLAN A ('the Scheme') as at March 31, 2007 and also the revenue account for the period from January 16, 2007 to March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT OCTOBER 30,2006

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **1,677,795** |
| Reserves and surplus | 2(b) & 4 | **14,871** |
| Current liabilities | 5 | **1,996** |
| | | **1,694,662** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | **169,937** |
| Other current assets | 7 | **1,524,725** |
| | | **1,694,662** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE PERIOD FROM APRIL 25, 2006 TO OCTOBER 30, 2006

(All amounts in thousands of Rupees)

| | Schedule | April 25, 2006 To October 30, 2006 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **61,752** |
| Profit on inter-scheme transfer/sale of investments, net | 2(d) | **15** |
| | | **61,767** |
| **EXPENSES AND LOSSES** | | |
| Management fee | 9 | **974** |
| Trusteeship fee | 9 | **5** |
| Custodian service charges | | **55** |
| Registrar service charges | | **238** |
| Commission to distributors | | **282** |
| Publicity expenses | | **13** |
| Audit fee | | **20** |
| Other operating expenses | | **148** |
| Expenses reimbursed by the AMC | 10 | **(49)** |
| | | **1,686** |
| Surplus for the period | | **60,081** |
| Income distribution on capital account | | **(36,928)** |
| Income-tax on distributed income | | **(8,274)** |
| Surplus transferred to the balance sheet | 4 | **14,879** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM APRIL 25, 2006 TO OCTOBER 30, 2006

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan- Series 2 Half Yearly Plan A ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on April 25,2006 and the initial offer closed on April 26,2006.

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

The investment objective of the scheme to generate reasonable return through investments made in a basket of fixed income securities in line with the duration of the respective plan(s)/series thereunder. The Scheme does not guarantee / indicate any returns.

The Scheme offers its investors the following plans :

Regular Plan - Growth

Regular Plan - 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 Cental 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.

(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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular Plan - Growth** | | |
| Issued | | |
| - new fund offer | **40,720,000.000** | **407,200** |
| **Outstanding, end of period** | **40,720,000.000** | **407,200** |
| **Regular Plan - Dividend** | | |
| Issued | | |
| - new fund offer | **124,015,365.350** | **1,240,153** |
| - during the year | **3,544,176.180** | **35,442** |
| Redeemed during the year | **(500,000.000)** | **(5,000)** |
| **Outstanding, end of period** | **127,059,541.530** | **1,270,595** |
| **Total** | | |
| Issued | | |
| - new fund offer | **164,735,365.350** | **1,647,353** |
| - during the year | **3,544,176.180** | **35,442** |
| Redeemed during the year | **(500,000.000)** | **(5,000)** |
| **Outstanding, end of period** | **167,779,541.530** | **1,677,795** |

## 4. RESERVES AND SURPLUS

(Rs. in 000's)

| | Amount 2007 |
|---|---|
| **Unit premium reserve** | |
| Net premium on issue/redemption of units | **(8)** |
| Balance, end of period | **(8)** |
| **Retained surplus** | |
| Surplus transferred from revenue account | **14,879** |
| Balance, end of period | **14,879** |
| **Total reserves and surplus** | **14,871** |
| The share of the plans in the reserves and surplus is as follows: | |
| Regular Plan - Growth | **14,871** |
| | **14,871** |

## 5. CURRENT LIABILITIES

| | |
|---|---|
| Amount due to AMC for management fees | **975** |
| Trusteeship fee payable | **5** |
| Dividend payable on units | **587** |
| Other current liabilities | **429** |
| | **1,996** |

## 6. INVESTMENTS

| | |
|---|---|
| Certificates of deposit | **169,937** |
| | **169,937** |

(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 is Nil.

(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 | **1,054,816** |
| - as a percentage of average daily net assets | **62.96** |

*Sales / Redemptions (excluding Collateralised lending & Fixed deposits)*

| | |
|---|---|
| - amount | **1,079,405** |
| - as a percentage of average daily net assets | **64.43** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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.

(Rs. in 000's)

| | Amount 2007 |
|---|---|
| **7. OTHER CURRENT ASSETS** | |
| Balances with banks in current accounts | **2,393** |
| Collateralised lending | **1,522,061** |
| Outstanding and accrued income | **271** |
| | **1,524,725** |
| **8. INTEREST** | |
| Debentures and bonds | **254** |
| Money market instruments | **34,923** |
| Deposits | **24,404** |
| Others | **2,171** |
| | **61,752** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the period ended October 30,2006, the Scheme has paid management fee at an average rate of 0.11 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10.** The AMC has borne Rs. 0.49 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/ Offer document, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

| | |
|---|---|
| *Income* | |
| - amount | **61,767** |
| - as a percentage of average daily net assets | **7.27** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | **1,686** |
| - 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**

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

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | **24** |
| ABN AMRO Trustee (India) Limited | Trustee Fees | **6** |

**13. NET ASSET VALUE**

| Net asset value of each unit of Rs 10 of the Scheme | 2007 |
|---|---|
| Regular Plan - Growth | **Rs. 10.3652** |
| Regular Plan - Dividend | **Rs. 10.0000** |

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

**14. PRIOR PERIOD COMPARATIVES**

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

**15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at October 30, 2006 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at October 30, 2006, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **CERTIFICATES OF DEPOSIT** | | | | |
| **Banks** | **1,700,000** | **169,937** | **10.04** | **100.00** |
| Yes Bank Ltd.* | 1,700,000 | 169,937 | 10.04 | 100.00 |
| **Total** | **1,700,000** | **169,937** | **10.04** | **100.00** |
| **DEPOSITS** | | - | - | |
| **OTHER CURRENT ASSETS** | | 1,524,725 | 90.08 | |
| **TOTAL ASSETS** | | **1,694,662** | **100.12** | |
| **LESS: CURRENT LIABILITIES** | | 1,996 | 0.12 | |
| **NET ASSETS** | | **1,692,666** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | As on 30-10-2006 |
|---|---|
| (a) Net Asset Value, per unit | |
| Growth | **Rs. 10.3652** |
| Dividend | **Rs. 10.0000** |
| (b) Gross Income: | |
| i) Income other than profit on sale of investment,per unit | **0.3681** |
| ii) profit on interscheme sale/transfer of investment,per unit | **0.0001** |
| iii) profit on sale of investment to third party,per unit | **-** |
| iv) transfer to Revenue Account from past year's reserve per unit | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.0101** |
| (d) Net unrealised depreciation in value of investments | **-** |
| (e) Net Income, per unit | **0.3581** |
| (f) i ) Highest traded price | |
| ii ) Lowest traded price | |
| iii) Highest repurchase price/NAV * | |
| Growth | **10.3652** |
| Dividend | **10.0000** |
| iv) Highest resale price * | |
| Growth | **10.0000** |
| Dividend | **10.0000** |
| v) Lowest repurchase price/NAV* | |
| Growth | **10.3652** |
| Dividend | **9.9836** |
| 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 (%) | **3.69%** |

## 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 May 30, 2006 and also the revenue account for the period from April 1, 2006 to May 30, 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 Ninth Schedule 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 May 30, 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 May 30, 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 28, 2007

## BALANCE SHEET

AS AT MAY 30, 2006

(All amounts in thousands of Rupees)

| | Schedule | 2007 | 2006 |
|---|---|---|---|
| **Unit capital** | 2(b) & 3 | **2,792,802** | 2,792,802 |
| Reserves and surplus | 2(b) & 4 | **13,446** | 6,041 |
| Current liabilities | 5 | **28,579** | 2,773 |
| | | **2,834,827** | 2,801,616 |
| **APPLICATION OF FUNDS** | | | |
| **Investments** | 2(c),6 & 15 | **460,000** | 1,722,983 |
| **Deposits with scheduled banks** | | **920,000** | 1,000,000 |
| **Other current assets** | 7 | **1,454,827** | 78,633 |
| | | **2,834,827** | 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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MAY 30, 2006

(All amounts in thousands of Rupees)

| | Schedule | April 01, 2006 to May 30, 2006 | February 23, 2006 to March 31, 2006 |
|---|---|---|---|
| **INCOME** | | | |
| Interest | 2(d) & 8 | **35,119** | 19,001 |
| Profit on sale/redemption of investments, net | 2(d) | **459** | - |
| Profit on inter-scheme transfer/sale of investments, net | 2(d) | **463** | - |
| | | **36,041** | 19,001 |
| **EXPENSES AND LOSSES** | | | |
| Loss on sale/redemption of investments, net | 2(d) | **-** | 1 |
| Management fee | 9 | **340** | 237 |
| Trusteeship fee | 9 | **5** | 9 |
| Custodian service charges | | **44** | 118 |
| Registrar service charges | | **68** | 12 |
| Commission to distributors | | **342** | 20 |
| Publicity expenses | | **1** | - |
| Audit fee | | **20** | 22 |
| Other operating expenses | | **48** | 55 |
| Expenses reimbursed by the AMC | | **10** | (194) |
| | | **674** | 474 |
| Surplus for the period | | **35,367** | 18,527 |
| Income distribution on capital account | | **(22,741)** | (10,348) |
| Income-tax on distributed income | | **(5,059)** | (2,302) |
| Surplus transferred to the balance sheet | | **4** | - |
| | | **7,567** | 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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM MAY 30, 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 a close ended fixed term income scheme 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 Securities and Exchange Board of India ('SEBI') (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of ABN AMRO Trustee (India) Private Limited ('the Trustee') has appointed ABN AMRO Asset Management (India) Limited ('the AMC') to manage the Fund's affairs and operate its Schemes.

The investment objective of the scheme is to generate reasonable returns through investments made in a basket of fixed income securities in line with the duration of the respective plan(s)/series thereunder.The Scheme does not guarantee / indicate any returns.

The Scheme offers its investors the following plans :

Regular - Growth

Regular 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 Cental 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 2007 | Amount (Rs.in '000) 2007 | Quantity 2006 | Amount (Rs.in '000) 2006 |
|---|---|---|---|---|
| Units of Rs 10 each fully paid up | | | | |
| **Regular - Growth** | | | | |
| Outstanding, beginning of year | **69,405,731.026** | **694,057** | - | - |
| Issued | | | | |
| - new fund offer | - | - | 69,405,731.026 | 694,057 |
| **Outstanding, end of period** | **69,405,731.026** | **694,057** | 69,405,731.026 | 694,057 |
| **Regular Dividend** | | | | |
| Outstanding, beginning of year | **209,874,481.441** | **2,098,745** | - | - |
| Issued | | | | |
| - new fund offer | - | - | 209,874,481.441 | 2,098,745 |
| **Outstanding, end of period** | **209,874,481.441** | **2,098,745** | 209,874,481.441 | 2,098,745 |
| **Total** | | | | |
| Outstanding, beginning of year | **279,280,212.467** | **2,792,802** | - | - |
| Issued | | | | |
| - new fund offer | - | - | 279,280,212.467 | 2,792,802 |
| **Outstanding, end of period** | **279,280,212.467** | **2,792,802** | 279,280,212.467 | 2,792,802 |

(Rs.in '000)

| | | Amount 2007 | Amount 2006 |
|---|---|---|---|
| **4.** | **RESERVES AND SURPLUS** | | |
| | **Unit premium reserve** | | |
| | Balance, beginning of the year | **2** | - |
| | Net premium on issue/redemption of units | **-** | 2 |
| | Balance, end of period | **2** | 2 |
| | **Unrealised appreciation reserve** | | |
| | Balance, beginning of the year | **162** | - |
| | Change in unrealised appreciation in value of investments | **(162)** | 162 |
| | Balance, end of period | - | 162 |
| | **Retained surplus** | | |
| | Balance, beginning of year | **5,877** | - |
| | Surplus transferred from revenue account | 7,567 | 5,877 |
| | Balance, end of period | **13,444** | 5,877 |
| | **Total reserves and surplus** | **13,446** | 6041 |
| | The share of the plans in the reserves and surplus is as follows : | | |
| | Regular - Growth | **13,446** | 4,657 |
| | Regular Dividend | **0** | 1,384 |
| | | **13,446** | 6,041 |
| **5.** | **CURRENT LIABILITIES** | | |
| | Amount due to AMC for management fees | **283** | 237 |
| | - Others | **37** | - |
| | Trusteeship fee payable | **5** | 9 |
| | Dividend payable on units | **22,741** | - |
| | Other current liabilities | **5,513** | 2,527 |
| | | **28,579** | 2,773 |
| **6.** | **INVESTMENTS** | | |
| | Privately placed debentures and bonds | **460,000** | 87,688 |
| | Commercial paper | **-** | 98,910 |
| | Certificates of deposit | **-** | 1,289,719 |
| | Bill-rediscounted | **-** | 246,666 |
| | | **460,000** | 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 period and these amounts as a percentage of average daily net assets are as follows : | | |
| | *Purchases (excluding Collateralised lending & Fixed deposits)* | | |
| | - amount | **1,563,866** | 2,895,028 |
| | - as a percentage of average daily net assets | **55.52** | 103.58 |
| | *Sales / Redemptions (excluding Collateralised lending & Fixed deposits)* | | |
| | - amount | **3,292,642** | 1,180,985 |
| | - as a percentage of average daily net assets | **116.90** | 42.25 |
| (iv) | The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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 May 30, 2006 valued in good faith | **460,000** | 87,688 |

(Rs.in '000)

| | | Amount 2007 | Amount 2006 |
|---|---|---|---|
| **7.** | **OTHER CURRENT ASSETS** | | |
| | Balances with banks in current accounts | **200** | 5,202 |
| | Collateralised lending | **1,431,947** | 65,980 |
| | Outstanding and accrued income | **22,680** | 7,451 |
| | | **1,454,827** | **78,633** |
| **8.** | **INTEREST** | | |
| | Debentures and bonds | **2,958** | 636 |
| | Money market instruments | **14,548** | 7,302 |
| | Deposits | **16,409** | 7,189 |
| | Others | **1,204** | 3,874 |
| | | **35,119** | **19,001** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended May 30, 2006, the Scheme has paid management fee at an average rate of 0.07 per cent (2006 - 0.10 per cent).

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10.** The AMC has borne Rs. 1.94 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/ Offer document, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

| | | | |
|---|---|---|---|
| | *Income* | | |
| - | amount | **36,041** | 19,001 |
| - | as a percentage of average daily net assets | **7.78** | 8.00 |
| | *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | | |
| - | amount | **674** | 473 |
| - | as a percentage of average daily net assets | **0.15** | 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 | 2007 (Rs.in '000) | 2006 (Rs.in '000) |
|---|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | **5** | 6 |
| ABN AMRO Bank N.V | Commission & distributions Expenses | **2** | 0 |

| **13. NET ASSET VALUE** | **2007** | 2006 |
|---|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | | |
| Regular - Growth | **Rs. 10.1937** | Rs. 10.0671 |
| Regular Dividend | **Rs. 10.0000** | 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.

**14. PRIOR PERIOD COMPARATIVES**

As the prior period was from February 23, 2006 to March 31, 2006, the corresponding figures for the previous period are not comparable with those of the current year. Further, prior period's amounts have been reclassified and regrouped, wherever applicable, to conform to current year's presentation.

**15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at May 30, 2006 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at May 30, 2006, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **Non Banking Finance** | **2,000,000** | **200,000** | **7.13** | **43.48** |
| Global Trade Finance Ltd.* | 1,500,000 | 150,000 | 5.35 | 32.61 |
| Global Trade Finance Ltd.* | 500,000 | 50,000 | 1.78 | 10.87 |
| **Pharmaceuticals** | **2,600,000** | **260,000** | **9.27** | **56.52** |
| Nicholas Piramal India Ltd. * | 2,600,000 | 260,000 | 9.27 | 56.52 |
| **Total** | **4,600,000** | **460,000** | **16.40** | **100.00** |
| **DEPOSITS** | | **920,000** | **32.78** | |
| **OTHER CURRENT ASSETS** | | **1,454,827** | **51.84** | |
| **TOTAL ASSETS** | | **2,834,827** | **101.02** | |
| **LESS: CURRENT LIABILITIES** | | **28,579** | **1.02** | |
| **NET ASSETS** | | **2,806,248** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | **as on 31.03.07** | as on 31.03.06 |
|---|---|---|
| (a) Net Asset Value, per unit | | |
| Growth | **10.1937** | 10.0671 |
| Dividend | **10.0000** | 10.0066 |
| (b) Gross Income : | | |
| i) Income other than profit on sale of investment,per unit | **0.1257** | 0.0680 |
| ii) profit on interscheme sale/transfer of investment,per unit | **0.0017** | 0.0000 |
| iii) profit on sale of investment to third party,per unit | **0.0016** | 0.0000 |
| iv) transfer to Revenue Account from past year's reserve per unit | | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.0024** | 0.0017 |
| (d) Net unrealised depreciation in value of investments | **-** | - |
| (e) Net Income, per unit | **0.1266** | 0.0663 |
| (f) i ) Highest traded price | | |
| ii ) Lowest traded price | | |
| iii) Highest repurchase price/NAV | | |
| Growth | **10.1937** | - |
| Dividend | **10.0000** | - |
| iv) Highest resale price | | |
| Growth | **0.0000** | 10.0000 |
| Dividend | **0.0000** | 10.0000 |
| v) Lowest repurchase price/NAV | | |
| Growth | **10.1937** | - |
| Dividend | **10.0000** | - |
| vi) Lowest resale price | | |
| Growth | **0.0000** | 10.0000 |
| Dividend | **0.0000** | 10.0000 |
| vii) Price Earning Ratio | **NA** | NA |
| viii) Ratio of Expenses to Average Net Assets(%) Regular Plan | **0.15%** | 0.20% |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **1.27%** | 8.27% |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 2 QUARTERLY PLAN B

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 2 QUARTERLY PLAN B ('the Scheme') as at August 7, 2006 and also the revenue account for the period from May 4, 2006 to August 7, 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 Ninth Schedule 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 August 7, 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 August 7, 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 28, 2007

## BALANCE SHEET

AS AT AUGUST 07, 2006

(All amounts in thousands of Rupees)

| | Schedule | AUGUST 07, 2006 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **1,756,364** |
| Reserves and surplus | 2(b) & 4 | **7,686** |
| Current liabilities | 5 | **23,027** |
| | | **1,787,077** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | **518,325** |
| Other current assets | 7 | **1,268,752** |
| | | **1,787,077** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE PERIOD FROM MAY 04, 2006 TO AUGUST 07, 2006

(All amounts in thousands of Rupees)

| | Schedule | MAY 04, 2006 TO AUGUST 07, 2006 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **30,644** |
| Profit on sale/redemption of investments, net | 2(d) | **203** |
| | | **30,847** |
| **EXPENSES AND LOSSES** | | |
| Management fee | 9 | **480** |
| Trusteeship fee | 9 | **5** |
| Custodian service charges | | **26** |
| Registrar service charges | | **120** |
| Commission to distributors | | **243** |
| Publicity expenses | | **16** |
| Audit fee | | **20** |
| Other operating expenses | | **74** |
| Expenses reimbursed by the AMC | 10 | **(62)** |
| | | **922** |
| Surplus for the period | | **29,925** |
| Income distribution on capital account | | **(18,178)** |
| Income-tax on distributed income | | **(4,061)** |
| Surplus transferred to the balance sheet | 4 | **7,686** |

**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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM FROM MAY 04,2006 TO AUGUST 07,2006

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan- Series 2 Quarterly Plan B ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on May 04,2006 and the initial offer closed on May 05,2006.

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

The investment objective of the scheme to generate reasonable return through investments made in a basket of fixed income securities in line with the duration of the respective plan(s)/series thereunder. The Scheme does not guarantee / indicate any returns.

The Scheme offers its investors the following plans :

Regular Plan - Growth

Regular - 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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular Plan - Growth** | | |
| Issued | | |
| - new fund offer | **45,109,000.000** | **451,090** |
| Outstanding, end of period | **45,109,000.000** | **451,090** |
| **Regular - Dividend** | | |
| Issued | | |
| - new fund offer | **130,527,361.290** | **1,305,274** |
| Outstanding, end of period | **130,527,361.290** | **1,305,274** |
| Total | | |
| Issued | | |
| - new fund offer | **175,636,361.290** | **1,756,364** |
| **Outstanding, end of period** | **175,636,361.290** | **1,756,364** |

## 4. RESERVES AND SURPLUS

(Rs. in 000's)

| | Amount 2007 |
|---|---|
| **Retained surplus** | |
| Surplus transferred from revenue account | **7,686** |
| Balance, end of period | **7,686** |
| **Total reserves and surplus** | **7,686** |
| The share of the plans in the reserves and surplus is as follows: | |
| Regular Plan - Growth | **7,686** |
| | **7,686** |

## 5. CURRENT LIABILITIES

| | |
|---|---|
| Amount due to AMC for management fees | **369** |
| Trusteeship fee payable | **5** |
| Dividend payable on units | **18,179** |
| Dividend Distribution tax payable | **4,061** |
| Other current liabilities | **413** |
| | **23,027** |

## 6. INVESTMENTS

| | |
|---|---|
| Privately placed debentures and bonds | **50,000** |
| Commercial paper | **299,441** |
| Certificates of deposit | **168,884** |
| | **518,325** |

(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 is Nil.

(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 | **1,854,550** |
| - as a percentage of average daily net assets | **104.68** |
| *Sales / Redemptions (excluding Collateralised lending & Fixed deposits)* | |
| - amount | **1,862,804** |
| - as a percentage of average daily net assets | **105.14** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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 (Excluding Certificates of Deposit and Commercial Paper) as on August 07,2006 valued in good faith **50,000**

(Rs. in 000's)

| | Amount 2007 |
|---|---|
| **7. OTHER CURRENT ASSETS** | |
| Balances with banks in current accounts | **59** |
| Receivable from AMC | **(24)** |
| Collateralised lending | **1,268,223** |
| Outstanding and accrued income | **494** |
| | **1,268,752** |
| **8. INTEREST** | |
| Debentures and bonds | **1,800** |
| Money market instruments | **16,626** |
| Deposits | **11,853** |
| Others | **365** |
| | **30,644** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes ,if any. During the period ended August 07,2006 the Scheme has paid management fee at an average rate of 0.11 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10.** The AMC has borne Rs. 0.62 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/ Offer document, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

| | |
|---|---|
| *Income* | |
| - amount | **30847** |
| - as a percentage of average daily net assets | **6.98** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | **922** |
| - as a percentage of average daily net assets | **0.21** |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | **16** |
| ABN AMRO Bank N.V. | Commission & distributions Expenses | **1** |

**13. NET ASSET VALUE**

| | 2007 |
|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | |
| Regular Plan - Growth | **Rs. 10.1704** |
| Regular - Dividend | **Rs. 10.0000** |

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

**14. PRIOR PERIOD COMPARATIVES**

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

**15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at August 07, 2006 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at August 07, 2006, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **AUTO ANCILLARIES** | **500,000** | **50,000** | **2.83** | **100.00** |
| Goetze (India) Ltd.* | 500,000 | 50,000 | 2.83 | **100.00** |
| **Total** | **500,000** | **50,000** | **2.83** | **100.00** |
| **CERTIFICATE OF DEPOSITS** | | | | |
| **BANK** | **1,700,000** | **168,884** | **9.57** | **100.00** |
| Bharat Overseas Bank* | 1,700,000 | 168,884 | 9.57 | 100.00 |
| **Total** | **1,700,000** | **168,884** | **9.57** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **Non Banking Finance** | **3,000,000** | **299,441** | **16.98** | **100.00** |
| JP Morgan Securities India Pvt. Ltd.* | 2,500,000 | 249,745 | 14.16 | 83.40 |
| Citicorp Finance India Ltd.* | 500,000 | 49,696 | 2.82 | 16.60 |
| **Total** | **3,000,000** | **299,441** | **16.98** | **100.00** |
| **DEPOSITS** | | **-** | - | |
| **OTHER CURRENT ASSETS** | | 1,268,752 | 71.93 | |
| **TOTAL ASSETS** | | **1,787,077** | **101.31** | |
| **LESS: CURRENT LIABILITIES** | | 23,027 | 1.31 | |
| **NET ASSETS** | | **1,764,050** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | As on 07.08.06 |
|---|---|---|
| (a) | Net Asset Value, per unit | |
| | Growth | **Rs. 10.1704** |
| | Dividend | **Rs. 10.0000** |
| (b) | Gross Income: | |
| i) | Income other than profit on sale of investment,per unit | **0.1745** |
| ii) | profit on interscheme sale/transfer of investment,per unit | **0.0000** |
| iii) | profit on sale of investment to third party,per unit | **0.0012** |
| iv) | transfer to Revenue Account from past year's reserve per unit | |
| (c) | Aggregate of expenses,write offs, amortisation and charges,per unit | **0.0052** |
| (d) | Net unrealised depreciation in value of investments | **-** |
| (e) | Net Income, per unit | **0.1705** |
| (f) | i ) Highest traded price | |
| | ii ) Lowest traded price | |
| | iii) Highest repurchase price/NAV | |
| | Growth | **10.1704** |
| | Dividend | **10.0000** |
| | iv) Highest resale price | |
| | Growth | **10.0000** |
| | Dividend | **10.0000** |
| v) | Lowest repurchase price/NAV | |
| | Growth | **10.1704** |
| | Dividend | **10.0000** |
| 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 | **0.21%** |
| ix) | Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **1.10%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 2 QUARTERLY PLAN C

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 2 QUARTERLY PLAN C ('the Scheme') as at August 29, 2006 and also the revenue account for the period from May 29, 2006 to August 29, 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 Ninth Schedule 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 August 29, 2006in 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 August 29, 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 28, 2007

## BALANCE SHEET

AS AT AUGUST 29, 2006

(All amounts in thousands of Rupees)

| | Schedule | AUGUST 29, 2006 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **2,493,473** |
| Reserves and surplus | 2(b) & 4 | **10,510** |
| Current liabilities | 5 | **31,948** |
| | | **2,535,931** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 14 | **1,164,127** |
| Deposits with scheduled banks | | **1,100,000** |
| Other current assets | 7 | **271,804** |
| | | **2,535,931** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE PERIOD FROM FROM MAY 29, 2006 TO AUGUST 29, 2006

(All amounts in thousands of Rupees)

| Schedule | | May 29, 2006 to August 29, 2006 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **42,692** |
| Profit on sale/redemption of investments, net | 2(d) | **13** |
| | | **42,705** |
| **EXPENSES AND LOSSES** | | |
| Management fee | 9 | **376** |
| Trusteeship fee | 9 | **5** |
| Custodian service charges | | **28** |
| Registrar service charges | | **111** |
| Commission to distributors | | **374** |
| Publicity expenses | | **30** |
| Audit fee | | **20** |
| Other operating expenses | | **59** |
| | | **1,003** |
| Surplus for the period | | **41,702** |
| Income distribution on capital account | | **(25,693)** |
| Income-tax on distributed income | | **(5,499)** |
| Surplus transferred to the balance sheet | 4 | **10,510** |

**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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM FROM MAY 29,2006 TO AUGUST 29,2006

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan Series-2: Quarterly Plan C ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on May 29,2006 and the initial offer closed on May 30,2006.

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

The Investment objective of the scheme 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) / series thereunder. The Scheme does not guarantee / indicate any returns.

The Scheme offers its investors the following plans :

Regular Plan - Growth

Regular Plan- 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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular Plan - Growth** | | |
| Issued | | |
| - new fund offer | **62,842,687.280** | **628,427** |
| Outstanding, end of period | **62,842,687.280** | **628,427** |
| **Regular Plan- Dividend** | | |
| Issued | | |
| - new fund offer | **186,504,566.450** | **1,865,046** |
| Outstanding, end of period | **186,504,566.450** | **1,865,046** |
| **Total** | | |
| Issued | | |
| - new fund offer | **249,347,253.730** | **2,493,473** |
| Outstanding, end of period | **249,347,253.730** | **2,493,473** |

**4. RESERVES AND SURPLUS** **(Rs. in 000's)**

| | Amount 2007 |
|---|---|
| **Retained surplus** | |
| Surplus transferred from revenue account | **10,510** |
| Balance, end of period | **10,510** |
| **Total reserves and surplus** | **10,510** |
| The share of the plans in the reserves and surplus is as follows: | |
| Regular Plan - Growth | **10,510** |
| | **10,510** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **376** |
| Trusteeship fee payable | **5** |
| Dividend payable on units | **25,692** |
| Dividend Distribution tax payable | **5,499** |
| Other current liabilities | **376** |
| | **31,948** |

**6. INVESTMENTS**

| | |
|---|---|
| Privately placed debentures and bonds | **350,000** |
| Commercial paper | **250,000** |
| Certificates of deposit | **564,127** |
| | **1,164,127** |

(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 is Nil.

(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 | **2,711,628** |
| - as a percentage of average daily net assets | **107.84** |
| *Sales / Redemptions (excluding Collateralised lending & Fixed deposits)* | |
| - amount | **2,723,119** |
| - as a percentage of average daily net assets | **108.29** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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 (Excluding Certificates of Deposit and Commercial Paper) as on August 29,2006 valued in good faith **350,000**

(Rs. in 000's)

| | Amount 2007 |
|---|---|

**7. OTHER CURRENT ASSETS**

| | |
|---|---|
| Balances with banks in current accounts | **52** |
| Collateralised lending | **251,985** |
| Outstanding and accrued income | **19,767** |
| | **271,804** |

**8. INTEREST**

| | |
|---|---|
| Debentures and bonds | **1,211** |
| Money market instruments | **22,181** |
| Deposits | **19,010** |
| Others | **290** |
| | **42,692** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the period ended August 29,2006, the Scheme has paid management fee at an average rate of 0.06 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**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 | **42,705** |
| - as a percentage of average daily net assets | **6.81** |

*Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)*

| | |
|---|---|
| - amount | **1,003** |
| - as a percentage of average daily net assets | **0.16** |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | **15** |
| ABN AMRO Bank N.V | Commission & distributions Expenses | **30** |

**12. NET ASSET VALUE**

| | **2007** |
|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | |
| Regular Plan - Growth | **Rs. 10.1672** |
| Regular Plan- Dividend | **Rs. 10.0000** |

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

**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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at August 29, 2006 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at August 29, 2006, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **Non - Ferrous Metals** | **3,500,000** | **350,000** | **13.98** | **100.00** |
| Sterlite Industries (I) Ltd.* | 3,500,000 | 350,000 | 13.98 | 100.00 |
| **Total** | **3,500,000** | **350,000** | **13.98** | **100.00** |
| **CERTIFICATE OF DEPOSITS** | | | | |
| **Banks** | **5,650,000** | **564,127** | **22.53** | **100.00** |
| State Bank of Patiala* | 2,000,000 | 199,774 | 7.98 | 35.41 |
| ING Vysya Bank* | 1,650,000 | 164,750 | 6.58 | 29.20 |
| UCO Bank* | 1,500,000 | 149,749 | 5.98 | 26.55 |
| Jammu & Kashmir Bank* | 500,000 | 49,854 | 1.99 | 8.84 |
| **Total** | **5,650,000** | **564,127** | **22.53** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **Non Banking Finance** | **2,500,000** | **250,000** | **9.98** | **100.00** |
| Kotak Securities Ltd.* | 2,500,000 | 250,000 | 9.98 | 100.00 |
| **Total** | **2,500,000** | **250,000** | **9.98** | **100.00** |
| **DEPOSITS** | | 1,100,000 | 43.93 | |
| **OTHER CURRENT ASSETS** | | 271,804 | 10.86 | |
| **TOTAL ASSETS** | | **2,535,931** | **101.28** | |
| **LESS: CURRENT LIABILITIES** | | 31,948 | 1.28 | |
| **NET ASSETS** | | **2,503,983** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | | As on 29.08.06 |
|---|---|---|---|
| (a) | Net Asset Value, per unit | | |
| | Growth | | **Rs. 10.1672** |
| | Dividend | | **Rs. 10.0000** |
| (b) | Gross Income : | | |
| | i) | Income other than profit on sale of investment,per unit | **0.1712** |
| | ii) | profit on interscheme sale/transfer of investment,per unit | **-** |
| | iii) | profit on sale of investment to third party,per unit | **0.0001** |
| | iv) | transfer to Revenue Account from past year's reserve per unit | |
| (c) | Aggregate of expenses,write offs, amortisation and charges,per unit | | **0.0040** |
| (d) | Net unrealised depreciation in value of investments | | **-** |
| (e) | Net Income, per unit | | **0.1672** |
| (f) | i ) | Highest traded price | |
| | ii ) | Lowest traded price | |
| | iii) | Highest repurchase price/NAV | |
| | | Growth | **10.1672** |
| | | Dividend | **10.0000** |
| | iv) | Highest resale price | |
| | | Growth | **10.0000** |
| | | Dividend | **10.0000** |
| | v) | Lowest repurchase price/NAV | |
| | | Growth | **10.1672** |
| | | Dividend | **10.0000** |
| | 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 | **0.16%** |
| | ix) | Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **1.70%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMROMUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 2 QUARTERLY PLAN D

1. We have audited the attached balance sheet of ABN AMROMUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 2 QUARTERLY PLAN D ('the Scheme') as at September 26, 2006 and also the revenue account for the period from June 26, 2006 to September 26, 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 Ninth Schedule 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 September 26, 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 September 26, 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 28, 2007

## BALANCE SHEET

AS AT SEPTEMBER 26, 2006

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **2,256,553** |
| Reserves and surplus | 2(b) & 4 | **8,597** |
| Current liabilities | 5 | **31,377** |
| | | **2,296,527** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | **1,079,818** |
| Deposits with scheduled banks | | **750,000** |
| Other current assets | 7 | **466,709** |
| | | **2,296,527** |

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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**R. Sivakumar**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE PERIOD FROM JUNE 26, 2006 TO SEPTEMBER 26, 2006

(All amounts in thousands of Rupees)

| Schedule | | June 26, 2006 TO September 26, 2006 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **40,106** |
| Profit on sale/redemption of investments, net | 2(d) | **51** |
| | | **40,157** |
| **EXPENSES AND LOSSES** | | |
| Management fee | 9 | **506** |
| Trusteeship fee | 9 | **5** |
| Custodian service charges | | **29** |
| Registrar service charges | | **218** |
| Commission to distributors | | **294** |
| Audit fee | | **20** |
| Other operating expenses | | **82** |
| Expenses reimbursed by the AMC | 10 | **(102)** |
| | | **1,052** |
| Surplus for the period | | **39,105** |
| Income distribution on capital account | | **(24,994)** |
| Income-tax on distributed income | | **(5,514)** |
| Surplus transferred to the balance sheet | 4 | **8,597** |

**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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**R. Sivakumar**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM JUNE 26,2006 TO SEPTEMBER 26,2006

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan Series-2: Quartely Plan D ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on June 26,2006 and the initial offer closed on June 27,2006.

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

The investment objective of the Scheme is to 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 :

Regular - Growth

Regular - 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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular - Growth** | | |
| Issued | | |
| - new fund offer | **49,610,000.010** | **496,100** |
| **Outstanding, end of period** | **49,610,000.010** | **496,100** |
| **Regular - Dividend** | | |
| Issued | | |
| - new fund offer | **176,045,328.880** | **1,760,453** |
| Outstanding, end of period | **176,045,328.880** | **1,760,453** |
| **Total** | | |
| **Issued** | | |
| - new fund offer | 225,655,328.890 | 2,256,553 |
| **Outstanding, end of period** | **225,655,328.890** | **2,256,553** |

**4. RESERVES AND SURPLUS** **(Rs. in 000's)**

| | Amount 2007 |
|---|---|
| **Retained surplus** | |
| Surplus transferred from revenue account | 8,597 |
| Balance, end of period | **8,597** |
| **Total reserves and surplus** | **8,597** |
| The share of the plans in the reserves and surplus is as follows : | |
| Regular - Growth | 8,598 |
| Regular - Dividend | (1) |
| | **8,597** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | 506 |
| - Others | 8 |
| Trusteeship fee payable | 5 |
| Dividend payable on units | 24,994 |
| Other current liabilities | 5,864 |
| | **31,377** |

**6. INVESTMENTS**

| | |
|---|---|
| Privately placed debentures and bonds | 820,000 |
| Commercial paper | 259,818 |
| | **1,079,818** |

**(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 :

**(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 | 2,583,148 |
| - as a percentage of average daily net assets | 113.49 |
| *Sales / Redemptions (excluding Collateralised lending & Fixed deposits)* | |
| - amount | 2,570,964 |
| - as a percentage of average daily net assets | 112.96 |

**(iv)** The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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 (Excluding Commercial Paper) as on September 26,2006 valued in good faith **820,000**

(Rs. in 000's)

| | Amount 2007 |
|---|---|
| **7. OTHER CURRENT ASSETS** | |
| Balances with banks in current accounts | **(20)** |
| Collateralised lending | **455,475** |
| Outstanding and accrued income | **11,254** |
| | **466,709** |
| **8. INTEREST** | |
| Debentures and bonds | **6,419** |
| Money market instruments | **13,280** |
| Deposits | **19,754** |
| Others | **653** |
| | **40,106** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the period ended September 26, 2006, the Scheme has paid management fee at an average rate of 0.09 per cent (annualised).

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10.** The AMC has borne Rs. 1.02 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/ Offer document, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

| | |
|---|---|
| *Income* | |
| - amount | **40,157** |
| - as a percentage of average daily net assets | **7.08** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | 1,052 |
| - as a percentage of average daily net assets | 0.19 |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | 16 |
| ABN AMRO Bank N.V | Commission & distributions Expenses | 6 |

**13. NET ASSET VALUE**

| | 2007 |
|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | |
| Regular - Growth | Rs. 10.1733 |
| Regular - Dividend | Rs. 10.0000 |

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

**14. PRIOR PERIOD COMPARATIVES**

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

**15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at September 26, 2006 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at September 26, 2006, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **Consumer Non Durables** | **3,000,000** | **300,000** | **13.24** | **36.59** |
| Berger Paints India Ltd.* | 3,000,000 | 300,000.00 | 13.24 | 36.59 |
| **Finance** | **1,500,000** | **150,000** | **6.62** | **18.29** |
| Shriram Transport Finance Co. Ltd.* | 1,500,000 | 150,000 | 6.62 | 18.29 |
| **Non Banking Finance** | **3,400,000** | **340,000** | **15.01** | **41.46** |
| ICICI Securities Ltd.* | 3,400,000 | 340,000.00 | 15.01 | 41.46 |
| **Miscellaneous** | **300,000** | **30,000** | **1.33** | **3.66** |
| SBI Factors & Commercial Services Pvt. Ltd.* | 300,000 | 30,000.00 | 1.33 | 3.66 |
| **Total** | **8,200,000** | **820,000** | **36.20** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **Auto** | **1,600,000** | **159,818** | **7.06** | **61.51** |
| Eicher Motors Ltd.* | 1,600,000 | 159,818 | 7.06 | 61.51 |
| **Finance** | **1,000,000** | **100,000** | **4.41** | **38.49** |
| Shriram Transport Finance Co. Ltd.* | 1,000,000 | 100,000 | 4.41 | 38.49 |
| **Total** | **2,600,000** | **259,818** | **11.47** | **100.00** |
| **DEPOSITS** | | 750,000 | 33.12 | |
| **OTHER CURRENT ASSETS** | | 466,709 | 20.60 | |
| **TOTAL ASSETS** | | **2,296,527** | **101.39** | |
| **LESS: CURRENT LIABILITIES** | | 31,377 | 1.39 | |
| **NET ASSETS** | | **2,265,150** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | | As on 26-09-2006 |
|---|---|---|---|
| (a) | Net Asset Value, per unit | | |
| | Growth | | Rs. 10.1733 |
| | Dividend | | Rs. 10.0000 |
| (b) | Gross Income : | | |
| | i) | Income other than profit on sale of investment,per unit | 0.1777 |
| | ii) | profit on interscheme sale/transfer of investment,per unit | - |
| | iii) | profit on sale of investment to third party,per unit | 0.0002 |
| | iv) | transfer to Revenue Account from past year's reserve per unit | |
| (c) | Aggregate of expenses,write offs, amortisation and charges,per unit | | 0.0047 |
| (d) | Net unrealised depreciation in value of investments | | - |
| (e) | Net Income, per unit | | 0.1732 |
| (f) | i ) | Highest traded price | |
| | ii ) | Lowest traded price | |
| | iii) | Highest repurchase price/NAV * | |
| | | Growth | 10.1733 |
| | | Dividend | 10.0000 |
| | iv) | Highest resale price * | |
| | | Growth | 10.0000 |
| | | Dividend | 10.0000 |
| | V) | Lowest repurchase price/NAV* | |
| | | Growth | 10.1733 |
| | | Dividend | 10.0000 |
| | 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 | 0.19% |
| | ix) | Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | 1.76% |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 2 QUARTERLY PLAN E

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO Fixed Term Plan - Series 2 Quarterly Plan E ('the Scheme') as at October 19, 2006 and also the revenue account for the period from July 19, 2006 to October 19, 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 Ninth Schedule 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 October 19, 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 October 19, 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 28, 2007

## BALANCE SHEET

AS AT OCTOBER 19, 2006

(All amounts in thousands of Rupees)

| | Schedule | OCTOBER 19, 2006 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **1,619,594** |
| Reserves and surplus | 2(b) & 4 | **2,879** |
| Current liabilities | 5 | **11,312** |
| | | **1,633,785** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | **245,118** |
| Deposits with scheduled banks | | **100,000** |
| Other current assets | 7 | **1,288,667** |
| | | **1,633,785** |

The accompanying schedules are an integral part of this balance sheet.

| As per our report of even date | For and on behalf of | For and on behalf of |
|---|---|---|
| For **S.R. Batliboi & Co.** | **ABN AMRO Trustee** | **ABN AMRO Asset** |
| **Chartered Accountants** | **(India) Private Limited** | **Management (India) Limited** |
| **Per Viren H. Mehta** | **Shariq Contractor** | **Nikhil Johri** |
| *Partner* | *Director* | *Managing Director* |
| Membership No. 048749 | **Kalpathi Sridhar** | **Mahendra Jajoo** |
| *Mumbai* | *Director* | *Fund Manager* |
| Date: August 28, 2007 | | |

## REVENUE ACCOUNT

FOR THE PERIOD FROM JULY 19, 2006 TO OCTOBER 19, 2006

(All amounts in thousands of Rupees)

| | Schedule | July 19, 2006 to October 19, 2006 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **28,604** |
| Profit on sale/redemption of investments, net | 2(d) | **246** |
| | | **28,850** |
| **EXPENSES AND LOSSES** | | |
| Management fee | 9 | **323** |
| Trusteeship fee | 9 | **5** |
| Custodian service charges | | **29** |
| Registrar service charges | | **147** |
| Commission to distributors | | **195** |
| Publicity expenses | | **3** |
| Audit fee | | **20** |
| Other operating expenses | | **52** |
| Expenses reimbursed by the AMC | 10 | **(47)** |
| | | **727** |
| Surplus for the period | | **28,123** |
| Income distribution on capital account | | **(20,690)** |
| Income-tax on distributed income | | **(4,590)** |
| Surplus transferred to the balance sheet | 4 | **2,843** |

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

| As per our report of even date | For and on behalf of | For and on behalf of |
|---|---|---|
| For **S.R. Batliboi & Co.** | **ABN AMRO Trustee** | **ABN AMRO Asset** |
| **Chartered Accountants** | **(India) Private Limited** | **Management (India) Limited** |
| **Per Viren H. Mehta** | **Shariq Contractor** | **Nikhil Johri** |
| *Partner* | *Director* | *Managing Director* |
| Membership No. 048749 | **Kalpathi Sridhar** | **Mahendra Jajoo** |
| *Mumbai* | *Director* | *Fund Manager* |
| Date: August 28, 2007 | | |

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM JULY 19,2006 TO OCTOBER 19,2006

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan Series-2: Quarterly Plan E ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on July 19,2006 and the initial offer closed on July 20,2006.

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

The investment objective of the Scheme is to 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 :

Regular - Growth

Regular - 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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular - Growth** | | |
| Issued | | |
| - new fund offer | **16,468,253.400** | **164,683** |
| Outstanding, end of period | **16,468,253.400** | **164,683** |
| **Regular - Dividend** | | |
| Issued | | |
| - new fund offer | **144,513,779.900** | **1,445,137** |
| - during the year | **977,401.860** | **9,774** |
| Outstanding, end of period | **145,491,181.760** | **1,454,911** |
| **Total** | | |
| Issued | | |
| - new fund offer | **160,982,033.300** | **1,609,820** |
| - during the year | **977,401.860** | **9,774** |
| Outstanding, end of period | **161,959,435.160** | **1,619,594** |

**4. RESERVES AND SURPLUS** **(Rs. in 000's)**

| | Amount 2007 |
|---|---|
| **Unit premium reserve** | |
| Net premium on issue/redemption of units | **36** |
| **Balance, end of period** | **36** |
| **Retained surplus** | |
| Surplus transferred from revenue account | **2,843** |
| Balance, end of period | **2,843** |
| **Total reserves and surplus** | **2,879** |
| The share of the plans in the reserves and surplus is as follows: | |
| Regular - Growth | **2,879** |
| | **2,879** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **323** |
| Trusteeship fee payable | **5** |
| Dividend payable on units | **8,863** |
| Other current liabilities | **2,121** |
| | **11,312** |

**6. INVESTMENTS**

| | |
|---|---|
| Commercial paper | **245,118** |
| | **245,118** |

(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 is Nil.

(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 | **1,713,427** |
| - as a percentage of average daily net assets | **105.60** |
| *Sales / Redemptions (excluding Collateralised lending & Fixed deposits)* | |
| - amount | **1,729,592** |
| - as a percentage of average daily net assets | **106.59** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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.

**(Rs. in 000's)**

| | | Amount 2007 |
|---|---|---|
| **7.** | **OTHER CURRENT ASSETS** | |
| | Balances with banks in current accounts | **54** |
| | Collateralised lending | **1,286,531** |
| | Outstanding and accrued income | **2,082** |
| | | **1,288,667** |
| **8.** | **INTEREST** | |
| | Debentures and bonds | **404** |
| | Money market instruments | **16,496** |
| | Deposits | **10,968** |
| | Others | **736** |
| | | **28,604** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the period ended October 19,2006, the Scheme has paid management fee at an average rate of 0.08 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10.** The AMC has borne Rs. 0.47 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/ Offer document, chargeable to the Scheme.

**11.** INCOME AND EXPENDITURE

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

| | | |
|---|---|---|
| *Income* | | |
| - | amount | **28,850** |
| - | as a percentage of average daily net assets | **7.13** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | | |
| - | amount | **727** |
| - | as a percentage of average daily net assets | **0.18** |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | **10** |
| ABN AMRO Bank N.V | Commission & distributions Expenses | **5** |

**13. NET ASSET VALUE**

| | **2007** |
|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | |
| Regular - Growth | **Rs. 10.1748** |
| Regular - Dividend | **Rs. 10.0000** |

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

**14. PRIOR PERIOD COMPARATIVES**

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

**15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at October 19, 2006 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at October 19, 2006, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **COMMERCIAL PAPER** | | | | |
| **Non Banking Finance Company** | **2,500,000** | **245,118** | **15.11** | **100.00** |
| DSP Merill Lynch Capital Ltd.* | 2,500,000 | 245,118 | 15.11 | 100.00 |
| **TOTAL** | **2,500,000** | **245,118** | **15.11** | **100.00** |
| **DEPOSITS** | | 100,000 | 6.16 | |
| **OTHER CURRENT ASSETS** | | 1,288,667 | 79.43 | |
| **TOTAL ASSETS** | | **1,633,785** | **100.70** | |
| **LESS: CURRENT LIABILITIES** | | 11,312 | 0.70 | |
| **NET ASSETS** | | **1,622,473** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | | as on 19.10.06 |
|---|---|---|---|
| (a) | Net Asset Value, per unit | | |
| | | Growth | **Rs. 10.1748** |
| | | Dividend | **Rs. 10.0000** |
| (b) | Gross Income: | | |
| | i) | Income other than profit on sale of investment,per unit | **0.1766** |
| | ii) | profit on interscheme sale/transfer of investment,per unit | **0.0000** |
| | iii) | profit on sale of investment to third party,per unit | **0.0015** |
| | iv) | transfer to Revenue Account from past year's reserve per unit | |
| (c) | Aggregate of expenses,write offs, amortisation and charges,per unit | | **0.0045** |
| (d) | Net unrealised depreciation in value of investments | | **-** |
| (e) | Net Income, per unit | | **0.1736** |
| (f) | i ) | Highest traded price | |
| | ii ) | Lowest traded price | |
| | iii) | Highest repurchase price/NAV | |
| | | Growth | **10.1748** |
| | | Dividend | **10.0000** |
| | iv) | Highest resale price | |
| | | Growth | **10.0000** |
| | | Dividend | **10.0000** |
| | v) | Lowest repurchase price/NAV | |
| | | Growth | **10.1748** |
| | | Dividend | **10.0000** |
| | 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 | **0.18%** |
| | ix) | Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **1.78%** |

## AUDITORS' REPORT

To the Trustee of

**ABN AMRO MUTUAL FUND - ABN AMRO FIXED TERM PLAN - SERIES 3: YEARLY PLAN A**

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND - ABN AMRO FIXED TERM PLAN - SERIES 3: YEARLY PLAN A ('the Scheme') as at March 31, 2007 and also the revenue account for the period from August 17, 2006 to March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET
AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **1,637,764** |
| Reserves and surplus | 2(b) & 4 | **64,236** |
| Current liabilities | 5 | **1,756** |
| | | **1,703,756** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | **854,880** |
| Deposits with scheduled banks | | **800,000** |
| Other current assets | 7 | **48,876** |
| | | **1,703,756** |

The accompanying schedules are an integral part of this balance sheet.

| As per our report of even date | For and on behalf of | For and on behalf of |
|---|---|---|
| For **S.R. Batliboi & Co.** | **ABN AMRO Trustee** | **ABN AMRO Asset** |
| **Chartered Accountants** | **(India) Private Limited** | **Management (India) Limited** |
| **Per Viren H. Mehta** | **Shariq Contractor** | **Nikhil Johri** |
| *Partner* | *Director* | *Managing Director* |
| Membership No. 048749 | **Kalpathi Sridhar** | **R. Sivakumar** |
| *Mumbai* | *Director* | *Fund Manager* |
| Date: August 28, 2007 | | |

## REVENUE ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | AUGUST 17, 2006 TO MARCH 31, 2007 |
|---|---|---|
| **IINCOME** | | |
| Interest | 2(d) & 8 | **78,331** |
| Profit on sale/redemption of investments, net | 2(d) | **25** |
| Profit on inter-scheme transfer/sale of investments, net | 2(d) | **1,278** |
| | | **79,634** |
| **EXPENSES AND LOSSES** | | |
| Provision for net unrealised loss in value of investments | 2(c) & 6(ii) | **2,946** |
| Management fee | 9 | **1,990** |
| Trusteeship fee | 9 | **5** |
| Custodian service charges | | **63** |
| Registrar service charges | | **299** |
| Commission to distributors | | **735** |
| Publicity expenses | | **18** |
| Audit fee | | **20** |
| Other operating expenses | | **310** |
| Expenses reimbursed by the AMC | 10 | **(442)** |
| | | **5,944** |
| Surplus for the period | | **73,690** |
| Income distribution on capital account | | **(7,736)** |
| Income-tax on distributed income | | **(1,719)** |
| Surplus transferred to the balance sheet | 4 | **64,235** |

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

| As per our report of even date | For and on behalf of | For and on behalf of |
|---|---|---|
| For **S.R. Batliboi & Co.** | **ABN AMRO Trustee** | **ABN AMRO Asset** |
| **Chartered Accountants** | **(India) Private Limited** | **Management (India) Limited** |
| **Per Viren H. Mehta** | **Shariq Contractor** | **Nikhil Johri** |
| *Partner* | *Director* | *Managing Director* |
| Membership No. 048749 | **Kalpathi Sridhar** | **R. Sivakumar** |
| *Mumbai* | *Director* | *Fund Manager* |
| Date: August 28, 2007 | | |

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM AUGUST 17,2006 TO MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan- Series 3: Yearly Plan A ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on August 17, 2006 and the initial offer closed on August 21, 2006.

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

The investment objective of the scheme and plan launched thereunder would be to generate reasonable returns through investments made in a basket of fixed income securities and fixed income derivatives in line with the duration of the plan.The Scheme does not guarantee / indicate any returns.Presently the Scheme offers Yearly Plan.This plan would comprise of securities normally maturing in line with the Scheme.In addition,the AMC and the Trustee reserves the right to introduce multiple plans of the same maturity period in line with SEBI regulations.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - 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 Cental 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** **(Rs. in 000's)**

| Quantity | Amount 2007 | 2007 |
|---|---|---|
| **Units of Rs 10 each fully paid up** | | |
| **Regular - Growth** | | |
| Issued | | |
| -new fund offer | **138,128,597.450** | **1,381,286** |
| Outstanding, end of period | **138,128,597.450** | **1,381,286** |
| **Regular - Dividend** | | |
| Issued | | |
| -new fund offer | **25,635,000.000** | **256,350** |
| -during the year | **12,761.224** | **128** |
| Outstanding, end of period | **25,647,761.224** | **256,478** |
| **Total** | | |
| Issued | | |
| -new fund offer | **163,763,597.450** | **1,637,636** |
| -during the year | **12,761.224** | **128** |
| Outstanding, end of period | **163,776,358.674** | **1,637,764** |

**4. RESERVES AND SURPLUS**

| | |
|---|---|
| **Unit premium reserve** | |
| Net premium on issue/redemption of units | **1** |
| Balance, end of period | **1** |
| **Retained surplus** | |
| Surplus transferred from revenue account | **64,235** |
| Balance, end of period | **64,235** |
| **Balance, end of period** | **64,236** |
| The share of the plans in the reserves and surplus is as follows: | |
| Regular - Growth | **62,216** |
| Regular - Dividend | **2,020** |
| | **64,236** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **270** |
| - Others | **185** |
| Trusteeship fee payable | **5** |
| Units Dividend tax payable | **1,165** |
| Other current liabilities | **131** |
| | **1,756** |

**6. INVESTMENTS**

| | |
|---|---|
| Privately placed debentures and bonds | **347,535** |
| Commercial paper | **96,883** |
| Certificates of deposit | **410,462** |
| | **854,880** |

(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 | **2,945.92** |

(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 | **3,114,752** |
| - as a percentage of average daily net assets | **186.17** |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | |
| - amount | **2,280,328** |
| - as a percentage of average daily net assets | **136.30** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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(Excluding Certificates of Deposit and Commercial Paper)as on March 31, 2007 valued in good faith **347,535**

**7. OTHER CURRENT ASSETS**

| | |
|---|---|
| Balances with banks in current accounts | **55** |
| Collateralised Lending | **963** |
| Outstanding and accrued income | **47,858** |
| | **48,876** |

**8. INTEREST**

| | |
|---|---|
| Debentures and bonds | **15,054** |
| Money market instruments | **22,485** |
| Deposits | **37,534** |
| Others | **3,258** |
| | **78,331** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.20 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10.** The AMC has borne Rs. 4.42 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/ Offer document, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

| | |
|---|---|
| *Income* | |
| - amount | **79,634** |
| - as a percentage of average daily net assets | **7.90** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | **2,998** |
| - as a percentage of average daily net assets | **0.30** |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | **17** |
| | Commission paid for procuring unit capital | **6** |

**13. NET ASSET VALUE**

| | 2007 |
|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | |
| Regular - Growth | **Rs. 10.4504** |
| Regular - Dividend | **Rs. 10.0788** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **Finance (Asset Backed Security)** | **15** | **149,533** | **8.79** | **43.03** |
| Corporate Loan Securitisation Trust* | 15 | 149,533 | 8.79 | 43.03 |
| **Non Banking Finance Company** | **2,000,000** | **198,002** | **11.63** | **56.97** |
| Kotak Mahindra Prime Ltd.* | 2,000,000 | 198,002 | 11.63 | 56.97 |
| **Total** | **2,000,015** | **347,535** | **20.42** | **100.00** |
| **CERTIFICATE OF DEPOSITS** | | | | |
| **Banks** | **4,225,000** | **410,462** | **24.12** | **100.00** |
| Development Credit Bank Ltd. * | 2,500,000 | 242,594 | 14.25 | 59.10 |
| Kotak Mahindra Bank Ltd. * | 1,500,000 | 145,590 | 8.55 | 35.47 |
| ING Vysya Bank * | 225,000 | 22,278 | 1.32 | 5.43 |
| **Total** | **4,225,000** | **410,462** | **24.12** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **Ferrous Metals** | **1,000,000** | **96,883** | **5.69** | **100.00** |
| Jindal Steel & Power Ltd. * | 1,000,000 | 96,883 | 5.69 | 100.00 |
| **Total** | **1,000,000** | **96,883** | **5.69** | **100.00** |
| **DEPOSITS** | | **800,000** | **47.00** | |
| **OTHER CURRENT ASSETS** | | **48,876** | **2.87** | |
| **TOTAL ASSETS** | | **1,703,756** | **100.10** | |
| **LESS: CURRENT LIABILITIES** | | **1,756** | **0.10** | |
| **NET ASSETS** | | **1,702,000** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | as on 31.03.07 |
|---|---|
| (a) Net Asset Value, per unit | |
| Growth | **Rs. 10.4504** |
| Dividend | **Rs. 10.0788** |
| (b) Gross Income: | |
| i) Income other than profit on sale of investment,per unit | **0.4783** |
| ii) profit on interscheme sale/transfer of investment,per unit | **0.0078** |
| iii) profit on sale of investment to third party,per unit | **0.0002** |
| iv) transfer to Revenue Account from past year's reserve per unit | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.0183** |
| (d) Net unrealised depreciation in value of investments | **0.0180** |
| (e) Net Income, per unit | **0.4500** |
| (f) i ) Highest traded price | |
| ii ) Lowest traded price | |
| iii) Highest repurchase price/NAV | |
| Growth | **-** |
| Dividend | **-** |
| iv) Highest resale price | |
| Growth | **10.0000** |
| Dividend | **10.0000** |
| v) Lowest repurchase price/NAV | |
| Growth | **-** |
| Dividend | **-** |
| 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 | **0.30%** |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **4.58%** |

## AUDITORS' REPORT

To the Trustee of

**ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN A**

1. We have audited the attached balance sheet of **ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN -SERIES 3 QUARTERLY PLAN A** ('the Scheme') as at November 6, 2006 and also the revenue account for the period from August 4, 2006 to November 6, 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 Ninth Schedule 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 November 6, 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 November 6, 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 28, 2007

## BALANCE SHEET

AS AT NOVEMBER 06,2006

(All amounts in thousands of Rupees)

| | Schedule | NOVEMBER 06, 2006 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **3,059,283** |
| Reserves and surplus | 2(b) & | **10,806** |
| Current liabilities | 5 | **23,625** |
| | | **3,093,714** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 14 | **1,050,000** |
| Deposits with scheduled banks | | **1,200,000** |
| Other current assets | 7 | **843,714** |
| | | **3,093,714** |

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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**Mahendra Jajoo**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE PERIOD FROM AUGUST 04, 2006 TO NOVEMBER 06, 2006

(All amounts in thousands of Rupees)

| | Schedule | AUGUST 04, 2006 TO NOVEMBER 06, 2006 |
|---|---|---|
| Income | 2(d) & 8 | **54,434** |
| | | **54,434** |
| **EXPENSES AND LOSSES** | | |
| Loss on sale/redemption of investments, net | 2(d) | **232** |
| Loss on inter-scheme transfer/sale of investments, net | 2(d) | **3** |
| Management fee | 9 | **470** |
| Trusteeship fee | 9 | **6** |
| Custodian service charges | | **27** |
| Registrar service charges | | **261** |
| Commission to distributors | | **372** |
| Publicity expenses | | **59** |
| Audit fee | | **20** |
| Other operating expenses | | **97** |
| | | **1,547** |
| Surplus for the period | | **52,887** |
| Income distribution on capital account | | **(34,425)** |
| Income-tax on distributed income | | **(7,677)** |
| Surplus transferred to the balance sheet | 4 | **10,785** |

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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**Mahendra Jajoo**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM AUGUST 04, 2006 TO NOVEMBER 06,2006

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan Series-3 Quarterly Plan A ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on August 04,2006 and the initial offer closed on August 07,2006.

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

The investment objective of the scheme is to 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.

The Scheme offers its investors the following plans :

Regular- Growth

Regular - 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 Cental Government securities are valued as follows:-
- Securities (includingmoney 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 included iscount/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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular - Growth** | | |
| Issued | | |
| - new fund offer | **62,217,760.190** | **622,178** |
| Outstanding, end of period | **62,217,760.190** | **622,178** |
| **Regular - Dividend** | | |
| Issued | | |
| - new fund offer | **242,701,464.580** | **2,427,015** |
| - during the year | **1,009,042.330** | **10,090** |
| Outstanding, end of period | **243,710,506.910** | **2,437,105** |
| **Total** | | |
| Issued | | |
| - new fund offer | **304,919,224.770** | **3,049,193** |
| - during the year | **1,009,042.330** | **10,090** |
| Outstanding, end of period | **305,928,267.100** | **3,059,283** |

**4. RESERVES AND SURPLUS**

| | |
|---|---|
| **Unit premium reserve** | |
| Net premium on issue/redemption of units | 21 |
| Balance, end of period | **21** |
| **Retained surplus** | |
| Surplus transferred from revenue account | 10,785 |
| Balance, end of period | **10,785** |
| **Total reserves and surplus** | **10,806** |
| The share of the plans in the reserves and surplus is as follows: | |
| Regular- Growth | 10,807 |
| Regular - Dividend | (1) |
| | **10,806** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | 470 |
| Trusteeship fee payable | 5 |
| Dividend payable on units | 18,549 |
| Other current liabilities | 4,601 |
| | ***23,625*** |

**6. INVESTMENTS** **(Rs. in 000's)**

| | Amount 2007 |
|---|---|
| Commercial paper | **550,000** |
| Certificates of deposit | **500,000** |
| | **1,050,000** |

(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 is Nil.

(ii) 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 | **3,372,576** |
| - as a percentage of average daily net assets | **109.81** |
| *Sales / Redemptions (excluding Collateralised lending & Fixed deposits)* | |
| - amount | **3,399,723** |
| - as a percentage of average daily net assets | **110.69** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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 | **55** |
| Receivable from AMC | **6** |
| Collateralised lending | **821,158** |
| Outstanding and accrued income | **22,495** |
| | **843,714** |

**8. INTEREST**

| | |
|---|---|
| Debentures and bonds | **3,896** |
| Money market instruments | **27,381** |
| Deposits | **22,139** |
| Others | **1,018** |
| | **54,434** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the period ended November 06,2006, the Scheme has paid management fee at an average rate of 0.06 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**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 | **54,434** |
| - as a percentage of average daily net assets | **7.11** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | **1312** |

| | |
|---|---|
| - as a percentage of average daily net assets | **0.17** |

**11. RELATED PARTY TRANSACTIONS**

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

| Name of related party | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | **22** |
| ABN AMRO Bank N.V | Commission & distributions Expenses | **12** |

**12. NET ASSET VALUE**

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

| | |
|---|---|
| Regular- Growth | **Rs. 10.1737** |
| Regular - Dividend | **Rs. 10.0000** |

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

**13. PRIOR PERIOD COMPARATIVES** **2007**

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at November 06, 2006 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at November 06, 2006, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) category | Percentage to Net Assets | Percentageto Investment |
|---|---|---|---|---|
| **CERTIFICATES OF DEPOSIT** | | | | |
| **Banks** | **5,000,000** | **500,000** | **16.29** | **100.00** |
| Development Credit Bank Ltd.* | 5,000,000 | 500,000 | 16.29 | 100.00 |
| **Total** | **5,000,000** | **500,000** | **16.29** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **Finance** | **2,500,000** | **250,000** | **8.14** | **45.45** |
| Shriram Transport Finance Co. Ltd.* | 2,500,000 | 250,000 | 8.14 | 45.45 |
| **Textiles - Synthetic** | **2,000,000** | **200,000** | **6.51** | **36.36** |
| RSWM Ltd.* | 2,000,000 | 200,000 | 6.51 | 36.36 |
| **Trading** | **1,000,000** | **100,000** | **3.26** | **18.18** |
| Redington India Ltd.* | 1,000,000 | 100,000 | 3.26 | 18.18 |
| **Total** | **5,500,000** | **550,000** | **17.91** | **100.00** |
| **DEPOSITS** | | 1,200,000 | 39.09 | |
| **OTHER CURRENT ASSETS** | | 843,714 | 27.48 | |
| **TOTAL ASSETS** | | **3,093,714** | **100.77** | |
| **LESS: CURRENT LIABILITIES** | | 23,625 | 0.77 | |
| **NET ASSETS** | | **3,070,089** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | | As on 06-11-2006 |
|---|---|---|---|
| (a) | Net Asset Value, per unit | | |
| | Growth | | **Rs. 10.1737** |
| | Dividend | | **Rs. 10.0000** |
| (b) | Gross Income: | | |
| | i) Income other than profit on sale of investment,per unit | | **0.1779** |
| | ii) profit on interscheme sale/transfer of investment,per unit | | **(0.0000)** |
| | iii) profit on sale of investment to third party,per unit | | **(0.0008)** |
| | iv) transfer to Revenue Account from past year's reserve per unit | | |
| (c) | Aggregate of expenses,write offs, amortisation and charges,per unit | | **0.0043** |
| (d) | Net unrealised depreciation in value of investments | | **-** |
| (e) | Net Income, per unit | | **0.1729** |
| (f) | i ) Highest traded price | | |
| | ii ) Lowest traded price | | |
| | iii) Highest repurchase price/NAV | | |
| | Growth | | **10.1737** |
| | Dividend | | **10.0000** |
| | iv) Highest resale price | | |
| | Growth | | **10.0000** |
| | Dividend | | **10.0000** |
| | v) Lowest repurchase price/NAV | | |
| | Growth | | **10.1737** |
| | Dividend | | **10.0000** |
| | 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 | **0.17%** | |
| | ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | | **1.76%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 3 QUARTERLY PLAN B

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 3 QUARTERLY PLAN B ('the Scheme') as at November 29, 2006 and also the revenue account for the period from August 28, 2006 to November 29, 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 Ninth Schedule 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 November 29, 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 November 29, 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | NOVEMBER 29, 2006 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **2,402,809** |
| Reserves and surplus | 2(b) & 4 | **778** |
| Current liabilities | 5 | **33,841** |
| | | **2,437,428** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | **543,534** |
| Deposits with scheduled banks | | **1,160,000** |
| Other current assets | 7 | **733,894** |
| | | **2,437,428** |

The accompanying schedules are an integral part of this balance sheet.

| As per our report of even date | For and on behalf of | For and on behalf of |
|---|---|---|
| For **S.R. Batliboi & Co.** | **ABN AMRO Trustee** | **ABN AMRO Asset** |
| **Chartered Accountants** | **(India) Private Limited** | **Management (India) Limited** |
| **Per Viren H. Mehta** | **Shariq Contractor** | **Nikhil Johri** |
| *Partner* | *Director* | *Managing Director* |
| Membership No. 048749 | **Kalpathi Sridhar** | **Mahendra Jajoo** |
| *Mumbai* | *Director* | *Fund Manager* |
| Date: | | |

## REVENUE ACCOUNT

FOR THE PERIOD FROM AUGUST 28, 2006 TO NOVEMBER 29, 2006

(All amounts in thousands of Rupees)

| | Schedule | AUGUST 28, 2006 TO NOVEMBER 29, 2006 |
|---|---|---|
| **INCOME** | | |
| IInterest | 2(d) & 8 | **44,180** |
| Profit on sale/redemption of investments, net | 2(d) | **74** |
| | | **44,254** |
| **EXPENSES AND LOSSES** | | |
| Management fee | 9 | **489** |
| Trusteeship fee | 9 | **5** |
| Custodian service charges | | **29** |
| Registrar service charges | | **220** |
| Commission to distributors | | **274** |
| Publicity expenses | | **3** |
| Audit fee | | **20** |
| Other operating expenses | | **100** |
| Expenses reimbursed by the AMC | 10 | **(49)** |
| | | **1,091** |
| Surplus for the period | | **43,163** |
| Income distribution on capital account | | **(34,878)** |
| Income-tax on distributed income | | **(7,520)** |
| Surplus transferred to the balance sheet | 4 | **765** |

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

| As per our report of even date | For and on behalf of | For and on behalf of |
|---|---|---|
| For **S.R. Batliboi & Co.** | **ABN AMRO Trustee** | **ABN AMRO Asset** |
| **Chartered Accountants** | **(India) Private Limited** | **Management (India) Limited** |
| **Per Viren H. Mehta** | **Shariq Contractor** | **Nikhil Johri** |
| *Partner* | *Director* | *Managing Director* |
| Membership No. 048749 | **Kalpathi Sridhar** | **Mahendra Jajoo** |
| *Mumbai* | *Director* | *Fund Manager* |
| Date: August 28, 2007 | | |

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM AUGUST 28, 2006 TO NOVEMBER 29, 2006

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan - Series 3: Quaterly Plan B ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on August 28,2006 and the initial offer closed on August 29,2006.

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

The investment objective of the scheme is to 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.

The Scheme offers its investors the following plans :

Regular- Growth

Regular - 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 Cental Government securities are valued as follows:
  - Securities (includingmoney market and floating rate bonds) traded on the balance sheet date (on the stock exchange where a majority (in terms ofvalue) 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount (Rs.in '000) 2007 |
|---|---|---|
| **Regular- Growth** | | |
| Issued | | |
| -new fund offer | **4,313,521.840** | **43,135** |
| **Outstanding, end of period** | **4,313,521.840** | **43,135** |
| **Regular - Dividend** | | |
| Issued | | |
| -new fund offer | **235,322,932.120** | **2,353,229** |
| -during the year | **644,476.170** | **6,445** |
| **Outstanding, end of period** | **235,967,408.290** | **2,359,674** |
| **Total** | | |
| Issued | | |
| -new fund offer | **239,636,453.960** | **2,396,364** |
| -during the year | **644,476.170** | **6,445** |
| **Outstanding, end of period** | **240,280,930.130** | **2,402,809** |

**4. RESERVES AND SURPLUS**

| | |
|---|---|
| **Unit premium reserve** | |
| Net premium on issue/redemption of units | **13** |
| Balance, end of period | **13** |
| **Retained surplus** | |
| Surplus transferred from revenue account | **765** |
| Balance, end of period | **765** |
| **Total reserves and surplus** | **778** |
| The share of the plans in the reserves and surplus is as follows: | |
| Regular- Growth | **778** |
| | **778** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **489** |
| Trusteeship fee payable | **5** |
| Dividend payable on units | **27,134** |
| Other current liabilities | **6,213** |
| | **33,841** |

**6. INVESTMENTS**

| | |
|---|---|
| Commercial paper | **543,534** |
| | **543,534** |

**6. INVESTMENTS**

(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 is Nil.

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

*Purchases (excluding Collateralised lending & Fixed deposits)*

| | |
|---|---|
| - amount | **3,521,853** |
| - as a percentage of average daily net assets | **145.79** |

Sales / Redemptions (excluding Collateralised lending & Fixed deposits)

| | |
|---|---|
| - amount | **3,536,543** |
| - as a percentage of average daily net assets | **146.40** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regula tions. 1996 and the fair value of such investments as at March 31, 2007 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** |
| Receivable from AMC | **49** |
| Collateralised lending | **711,693** |
| Outstanding and accrued income | **22,143** |
| | **733,894** |

**8. INTEREST**

| | |
|---|---|
| Debentures and bonds | **6,214** |
| Money market instruments | **15,164** |
| Deposits | **22,023** |
| Others | **779** |
| | **44,180** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the period ended November 29,2006, the Scheme has paid management fee at an average rate of 0.08 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10.** The AMC has borne Rs. 0.49 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations / Offer document, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

*Income*

| | |
|---|---|
| - amount | **44,254** |
| - as a percentage of average daily net assets | **7.35** |

*Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)*

| | |
|---|---|
| - amount | **1,091** |
| - as a percentage of average daily net assets | **0.18** |

**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 | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | **20** |
| ABN AMRO Bank N.V | Commission & distributions Expenses | **21** |

**13. NET ASSET VALUE**

| | 2007 |
|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | |
| Regular- Growth | **Rs. 10.1803** |
| Regular - Dividend | **Rs. 10.0000** |

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

**14. PRIOR PERIOD COMPARATIVES**

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

**15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at November 29, 2006 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at November 29, 2006, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **COMMERCIAL PAPER** | | | | |
| Auto Ancillaries | **2,000,000** | **196,207** | **8.16** | **36.10** |
| Sunbeam Auto Ancillaries Ltd.* | 2,000,000 | 196,207 | 8.16 | 36.10 |
| Finance | **3,600,000** | **347,327** | **14.45** | **63.90** |
| Reliance Capital Ltd.* | 3,600,000 | 347,327 | 14.45 | 63.90 |
| **Total** | 5,600,000 | 543,534 | 22.61 | 100.00 |
| **DEPOSITS** | | 1,160,000 | 48.26 | |
| **OTHER CURRENT ASSETS** | | 733,894 | 30.54 | |
| **TOTAL ASSETS** | | **2,437,428** | **101.41** | |
| **LESS: CURRENT LIABILITIES** | | 33,841 | 1.41 | |
| **NET ASSETS** | | **2,403,587** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | As on 29.11.06 |
|---|---|
| (a) Net Asset Value, per unit | |
| Growth | **Rs. 10.1803** |
| Dividend | **Rs. 10.0000** |
| (b) Gross Income: | |
| i) Income other than profit on sale of investment,per unit | **0.1839** |
| ii) profit on interscheme sale/transfer of investment,per unit | **0.0000** |
| iii) profit on sale of investment to third party,per unit | **0.0003** |
| iv) transfer to Revenue Account from past year's reserve per unit | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.0045** |
| (d) Net unrealised depreciation in value of investments | **-** |
| (e) Net Income, per unit | **0.1797** |
| (f) i ) Highest traded price | |
| ii ) Lowest traded price | |
| iii) Highest repurchase price/NAV | |
| Growth | **10.1803** |
| Dividend | **10.0000** |
| iv) Highest resale price | |
| Growth | **10.0000** |
| Dividend | **10.0000** |
| v) Lowest repurchase price/NAV | |
| Growth | **10.1803** |
| Dividend | **10.0000** |
| 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 | **0.18%** |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **1.83%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 3 QUARTERLY PLAN C

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 3 QUARTERLY PLAN C ('the Scheme') as at December 14, 2006 and also the revenue account for the period from September 11, 2006 to December 14, 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 Ninth Schedule 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 December 14, 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 December 14, 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 28, 2007

**BALANCE SHEET**
AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **2,190,997** |
| Reserves and surplus | 2(b) & 4 | **367** |
| Current liabilities | 5 | **40,349** |
| | | **2,231,713** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 14 | **1,176,537** |
| Deposits with scheduled banks | | **590,000** |
| Other current assets | 7 | **465,176** |
| | | **2,231,713** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee (India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

**REVENUE ACCOUNT**
FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | SEPTEMBER 16, 2006 TO NOVEMBER 14, 2006 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **40,726** |
| Profit on sale/redemption of investments, net | 2(d) | **101** |
| Profit on inter-scheme transfer/sale of investments, net | 2(d) | **33** |
| | | **40,860** |
| **EXPENSES AND LOSSES** | | |
| Management fee | 9 | **773** |
| Trusteeship fee | 9 | **5** |
| Custodian service charges | | **36** |
| Registrar service charges | | **199** |
| Commission to distributors | | **112** |
| Publicity expenses | | **53** |
| Audit fee | | **20** |
| Other operating expenses | | **154** |
| | | **1,352** |
| Surplus for the period | | **39,508** |
| Income distribution on capital account | | **(32,239)** |
| Income-tax on distributed income | | **(6,902)** |
| Surplus transferred to the balance sheet | 4 | **367** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee (India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM SEPTEMBER 11, 2006 TO DECEMBER 14, 2006

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan Series-3: Quarterly Plan C ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on September 11,2006 and the initial offer closed on September 13,2006.

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

The investment objective of the scheme is to 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.

The Scheme offers its investors the following plans :

Regular- Growth

Regular - 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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| **Regular- Growth** | | |
| Issued | | |
| -new fund offer | **2,036,700.000** | **20,367** |
| Outstanding, end of period | **2,036,700.000** | **20,367** |
| **Regular - Dividend** | | |
| Issued | | |
| -new fund offer | **217,062,992.680** | **2,170,630** |
| Outstanding, end of period | **217,062,992.680** | **2,170,630** |
| **Total** | | |
| Issued | | |
| -new fund offer | **219,099,692.680** | **2,190,997** |
| Outstanding, end of period | **219,099,692.680** | **2,190,997** |

**4. RESERVES AND SURPLUS**

| | |
|---|---|
| **Retained surplus** | |
| Surplus transferred from revenue account | **367** |
| Balance, end of period | **367** |
| **Total reserves and surplus** | **367** |
| The share of the plans in the reserves and surplus is as follows: | |
| Regular- Growth | **367** |
| | **367** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **773** |
| Trusteeship fee payable | **5** |
| Dividend payable on units | **32,239** |
| Other current liabilities | **7,332** |
| | **40,349** |

**6. INVESTMENTS**

| | |
|---|---|
| Privately placed debentures and bonds | **350,000** |
| Commercial paper | **826,537** |
| | **1,176,537** |

(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 is Nil.

(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 | **2,006,534** |
| - as a percentage of average daily net assets | **90.76** |
| *Sales / Redemptions (excluding Collateralised lending & Fixed deposits)* | |
| - amount | **2,018,486** |
| - as a percentage of average daily net assets | **91.30** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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 (Excluding Commercial Paper) as on December 14, 2006 valued in good faith **350,000**

**7. OTHER CURRENT ASSETS**

| | |
|---|---|
| Balances with banks in current accounts | **55** |
| Collateralised lending | **447,333** |
| Outstanding and accrued income | **17,788** |
| | **465,176** |

**8. INTEREST**

| | |
|---|---|
| Debentures and bonds | **8,102** |
| Money market instruments | **11,819** |
| Deposits | **19,617** |
| Others | **1,188** |
| | **40,726** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the period ended December 14, 2006, the Scheme has paid management fee at an average rate of 0.14 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**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 | **40,860** |
| - as a percentage of average daily net assets | **7.41** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | **1,352** |
| - as a percentage of average daily net assets | **0.25** |

**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 | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | **18** |
| ABN AMRO Bank N.V | Commission & distributions Expenses | **11** |

**12. NET ASSET VALUE** **2007**

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

| | |
|---|---|
| Regular- Growth | **Rs. 10.1803** |
| Regular - Dividend | **Rs. 10.0000** |

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

**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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **Chemicals** | **1,000,000** | **100,000** | **4.56** | **28.57** |
| Aarti Industries Ltd.* | 1,000,000 | 100,000 | 4.56 | 28.57 |
| **Finance** | **2,500,000** | **250,000** | **11.41** | **71.43** |
| Shriram Transport Finance Co. Ltd.* | 2,500,000 | 250,000 | 11.41 | 71.43 |
| **Total** | **3,500,000** | **350,000** | **15.97** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **Cement** | **970,000** | **97,000** | **4.43** | **11.73** |
| Everest Industries Ltd.* | 970,000 | 97,000 | 4.43 | 11.73 |
| **Ferrous Metals** | **1,000,000** | **100,000** | **4.56** | **12.10** |
| Jindal Steel & Power Ltd.* | 1,000,000 | 100,000 | 4.56 | 12.10 |
| **Finance** | **1,500,000** | **150,000** | **6.85** | **18.15** |
| Gruh Finance Ltd.* | 1,500,000 | 150,000 | 6.85 | 18.15 |
| **Non Banking Financial Company** | **3,800,000** | **379,537** | **17.32** | **45.92** |
| Kotak Securities Ltd.* | 2,500,000 | 249,666 | 11.39 | 30.21 |
| IDBI Home Finance Ltd.* | 1,300,000 | 129,871 | 5.93 | 15.71 |
| **Trading** | **1,000,000** | **100,000** | **4.56** | **12.10** |
| Redington India Ltd.* | 1,000,000 | 100,000 | 4.56 | 12.10 |
| **Total** | **8,270,000** | **826,537** | **37.72** | **100.00** |
| **DEPOSITS** | | 590,000 | 26.92 | |
| **OTHER CURRENT ASSETS** | | 465,176 | 21.23 | |
| **TOTAL ASSETS** | | **2,231,713** | **101.84** | |
| **LESS: CURRENT LIABILITIES** | | 40,349 | 1.84 | |
| **NET ASSETS** | | **2,191,364** | **100.00** | |
| * Non traded / thinly traded investments | | | | |

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | as on 31.03.07 |
|---|---|
| (a) Net Asset Value, per unit | |
| Growth | **Rs. 10.1803** |
| Dividend | **Rs. 10.0000** |
| (b) Gross Income: | |
| i) Income other than profit on sale of investment,per unit | **0.1859** |
| ii) profit on interscheme sale/transfer of investment,per unit | **0.0002** |
| iii) profit on sale of investment to third party,per unit | **0.0005** |
| iv) transfer to Revenue Account from past year's reserve per unit | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.0062** |
| (d) Net unrealised depreciation in value of investments | **-** |
| (e) Net Income, per unit | **0.1804** |
| (f) i ) Highest traded price | |
| ii ) Lowest traded price | |
| iii) Highest repurchase price/NAV | |
| Growth | **10.1803** |
| Dividend | **10.0000** |
| iv) Highest resale price | |
| Growth | **10.0000** |
| Dividend | **10.0000** |
| v) Lowest repurchase price/NAV | |
| Growth | **10.1803** |
| Dividend | **10.0000** |
| 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 | **0.06%** |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **1.85%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 3 QUARTERLY PLAN D

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 3 QUARTERLY PLAN D ('the Scheme') as at December 27, 2006 and also the revenue account for the period from September 25, 2006 to December 27, 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 Ninth Schedule 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 December 27, 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 December 27, 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 28, 2007

## BALANCE SHEET

AS AT DECEMBER 27, 2006

(All amounts in thousands of Rupees)

| | Schedule | DECEMBER 27, 2006 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **6,189,080** |
| Reserves and surplus | 2(b) & 4 | **17,110** |
| Current liabilities | 5 | **33,215** |
| | | **6,239,405** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | **2,731,735** |
| Deposits with scheduled banks | | **2,350,000** |
| Other current assets | 7 | **1,157,670** |
| | | **6,239,405** |

The accompanying schedules are an integral part of this balance sheet.

| As per our report of even date | For and on behalf of | For and on behalf of |
|---|---|---|
| For **S.R. Batliboi & Co.** | **ABN AMRO Trustee** | **ABN AMRO Asset** |
| **Chartered Accountants** | **(India) Private Limited** | **Management (India) Limited** |
| **Per Viren H. Mehta** | **Shariq Contractor** | **Nikhil Johri** |
| *Partner* | *Director* | *Managing Director* |
| Membership No. 048749 | **Kalpathi Sridhar** | **Mahendra Jajoo** |
| *Mumbai* | *Director* | *Fund Manager* |
| Date: August 28, 2007 | | |

## REVENUE ACCOUNT

FOR THE PERIOD FROM SEPTEMBER 25, 2006 TO DECEMBER 27,2006

(All amounts in thousands of Rupees)

| | Schedule | SEPTEMBER 25, 2006 TO DECEMBER 27, 2006 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **117,270** |
| Profit on sale/redemption of investments, net | 2(d) | **28** |
| | | **117,298** |
| **EXPENSES AND LOSSES** | | |
| Management fee | 9 | **1,428** |
| Trusteeship fee | 9 | **5** |
| Custodian service charges | | **57** |
| Registrar service charges | | **409** |
| Commission to distributors | | **744** |
| Publicity expenses | | **1** |
| Audit fee | | **20** |
| Other operating expenses | | **312** |
| Expenses reimbursed by the AMC | 10 | **(7)** |
| | | **2,969** |
| Surplus for the period | | **114,329** |
| Income distribution on capital account | | **(79,812)** |
| Income-tax on distributed income | | **(17,405)** |
| Surplus transferred to the balance sheet | 4 | **17,112** |

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

| As per our report of even date | For and on behalf of | For and on behalf of |
|---|---|---|
| For **S.R. Batliboi & Co.** | **ABN AMRO Trustee** | **ABN AMRO Asset** |
| **Chartered Accountants** | **(India) Private Limited** | **Management (India) Limited** |
| **Per Viren H. Mehta** | **Shariq Contractor** | **Nikhil Johri** |
| *Partner* | *Director* | *Managing Director* |
| Membership No. 048749 | **Kalpathi Sridhar** | **Mahendra Jajoo** |
| *Mumbai* | *Director* | *Fund Manager* |
| Date: August 28, 2007 | | |

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM SEPTEMBER 25,2006 TO DECEMBER 27,2006

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan Series 3: Quarterly Plan D ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on September 25,2006 and the initial offer closed on September 26,2006.

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

The investment objective of the scheme is to 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.

The Scheme offers its investors the following plans :

Regular- Growth

Regular - 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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| **Regular - Growth** | | |
| Issued | | |
| -new fund offer | **91,630,348.980** | **916,303** |
| Outstanding, end of period | **91,630,348.980** | **916,303** |
| **Regular - Dividend** | | |
| Issued | | |
| -new fund offer | **520,630,462.430** | **5,206,305** |
| -during the year | **6,662,380.765** | **66,624** |
| Redeemed during the year | **(15,217.149)** | **(152)** |
| Outstanding, end of period | **527,277,626.046** | **5,272,777** |
| **Total** | | |
| Issued | | |
| -new fund offer | **612,260,811.410** | **6,122,608** |
| -during the year | **6,662,380.765** | **66,624** |
| Redeemed during the year | **(15,217.149)** | **(152)** |
| Outstanding, end of period | **618,907,975.026** | **6,189,080** |

**4. RESERVES AND SURPLUS**

| | |
|---|---|
| Unit premium reserve | |
| Net premium on issue/redemption of units | **(2)** |
| Balance, end of period | **(2)** |
| Retained surplus | |
| Surplus transferred from revenue account | **17,112** |
| Balance, end of period | **17,112** |
| Total reserves and surplus | **17,110** |
| The share of the plans in the reserves and surplus is as follows: | |
| Regular - Growth | **17,111** |
| | **17,111** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **1,428** |
| Trusteeship fee payable | **5** |
| Dividend payable on units | **13,188** |
| Other current liabilities | **18,594** |
| | **33,215** |

**6. INVESTMENTS**

| | |
|---|---|
| Privately placed debentures and bonds | **500,000** |
| Commercial paper | **2,231,735** |
| | **2,731,735** |

(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:

(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 | **7,531,379** |
| - as a percentage of average daily net assets | **121.87** |
| *Sales / Redemptions (excluding Collateralised lending & Fixed deposits)* | |
| - amount | **7,568,983** |
| - as a percentage of average daily net assets | **122.48** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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 (Excluding Commercial Paper) as on December 27,2006 valued in good faith **500,000**

**7. OTHER CURRENT ASSETS**

| | |
|---|---|
| Balances with banks in current accounts | **80,953** |
| Receivable from AMC | **7** |
| Collateralised lending | **1,020,210** |
| Outstanding and accrued income | **56,500** |
| | **1,157,670** |

**8. INTEREST**

| | |
|---|---|
| Debentures and bonds | **19,957** |
| Money market instruments | **39,671** |
| Deposits | **55,686** |
| Others | **1,956** |
| | **117,270** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the period ended December 27, 2006, the Scheme has paid management fee at an average rate of 0.093 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10.** The AMC has borne Rs. 0.07 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/Offer document, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

| | |
|---|---|
| *Income* | |
| - amount | **117,298** |
| - as a percentage of average daily net assets | **7.61** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | **2969** |
| - as a percentage of average daily net assets | **0.19** |

**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 | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | **29** |
| ABN AMRO Bank N.V | Commission & distributions Expenses | **34** |

**13. NET ASSET VALUE** **2007**

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

| | |
|---|---|
| Regular - Growth | **Rs. 10.1867** |
| Regular - Dividend | **Rs. 10.0000** |

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

**14. PRIOR PERIOD COMPARATIVES**

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

**15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **Consumer Non Durables** | **2,500,000** | **250,000** | **4.03** | **50.00** |
| Bajaj Hindustan Ltd.* | 2,500,000 | 250,000.00 | 4.03 | 50.00 |
| **Finance** | **2,500,000** | **250,000** | **4.03** | **50.00** |
| Shriram Transport Finance Co. Ltd.* | 2,500,000 | 250,000.00 | 4.03 | 50.00 |
| **Total** | **5,000,000** | **500,000** | **8.06** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **Auto Ancillaries** | **5,000,000** | **497,386** | **8.01** | **22.29** |
| Federal Mogul Goeze (I) Ltd.* | 3,000,000 | 300,000 | 4.83 | 13.44 |
| Apollo Tyres Ltd.* | 2,000,000 | 197,386 | 3.18 | 8.84 |
| **Finance** | **1,500,000** | **148,031** | **2.39** | **6.63** |
| Reliance Capital Ltd.* | 1,500,000 | 148,031 | 2.39 | 6.63 |
| **Non Banking Finance Company** | **12,700,000** | **1,269,645** | **20.46** | **56.89** |
| DSP Merill Lynch Capital Ltd.* | 10,000,000 | 1,000,000 | 16.11 | 44.81 |
| First India Credit Corporation Ltd.* | 2,500,000 | 250,000 | 4.03 | 11.20 |
| Kotak Securities Ltd.* | 200,000 | 19,645 | 0.32 | 0.88 |
| **Paper** | **2,500,000** | **246,673** | **3.97** | **11.05** |
| Ballarpur Industries Ltd.* | 2,500,000 | 246,673 | 3.97 | 11.05 |
| **Retailing** | **700,000** | **70,000** | **1.13** | **3.14** |
| Archies Ltd.* | 700,000 | 70,000 | 1.13 | 3.14 |
| **Total** | **22,400,000** | **2,231,735** | **35.96** | **100.00** |
| **DEPOSITS** | | **2,350,000** | **37.87** | |
| **OTHER CURRENT ASSETS** | | **1,157,670** | **18.65** | |
| **TOTAL ASSETS** | | **6,239,405** | **100.54** | |
| **LESS: CURRENT LIABILITIES** | | **33,215** | **0.54** | |
| **NET ASSETS** | | **6,206,190** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | | as on 27.12.06 |
|---|---|---|---|
| (a) | Net Asset Value, per unit | | |
| | | Growth | **Rs. 10.1867** |
| | | Dividend | **Rs. 10.0000** |
| (b) | Gross Income: | | |
| | i) | Income other than profit on sale of investment,per unit | **0.1895** |
| | 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 | |
| (c) | Aggregate of expenses,write offs, amortisation and charges,per unit | | **0.0048** |
| (d) | Net unrealised depreciation in value of investments | | **-** |
| (e) | Net Income, per unit | | **0.1847** |
| (f) | i ) | Highest traded price | |
| | ii ) | Lowest traded price | |
| | iii) | Highest repurchase price/NAV | |
| | | Growth | **10.1867** |
| | | Dividend | **10.0000** |
| | iv) | Highest resale price | |
| | | Growth | **10.0000** |
| | | Dividend | **10.0000** |
| | v) | Lowest repurchase price/NAV | |
| | | Growth | **10.1867** |
| | | Dividend | **9.8573** |
| | 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 | **0.19%** |
| | ix) | Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **1.90%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 3 QUARTERLY PLAN E

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 3 QUARTERLY PLAN E ('the Scheme') as at January 18, 2007 and also the revenue account for the period from October 18, 2006 to January 18, 2007 ('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 Ninth Schedule 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 January 18, 2007 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 January 18, 2007; 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 28, 2007

## BALANCE SHEET

AS AT JANUARY 18, 2007

(All amounts in thousands of Rupees)

| | Schedule | OCTOBER 18, 2006 TO JANUARY 18, 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **5,689,368** |
| Reserves and surplus | 2(b) & 4 | **26,738** |
| Current liabilities | 5 | **24,045** |
| | | **5,740,151** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | **2,989,956** |
| Deposits with scheduled banks | | **1,000,000** |
| Other current assets | 7 | **1,750,195** |
| | | **5,740,151** |

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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**Mahendra Jajoo**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE PERIOD FROM OCTOBER 18, 2006 TO JANUARY 18, 2007

(All amounts in thousands of Rupees)

| | Schedule | OCTOBER 18, 2006 TO JANUARY 18, 2007 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **108,024** |
| Profit on sale/redemption of investments, net | 2(d) | **4** |
| Profit on inter-scheme transfer/sale of investments, net | 2(d) | **1** |
| | | **10,404** |
| **EXPENSES AND LOSSES** | | |
| Management fee | 9 | **709** |
| Trusteeship fee | 9 | **5** |
| Custodian service charges | | **59** |
| Registrar service charges | | **498** |
| Commission to distributors | | **693** |
| Audit fee | | **20** |
| Other operating expenses | | **228** |
| Expenses reimbursed by the AMC | 10 | **(85)** |
| | | **2,127** |
| Surplus for the period | | **105,902** |
| Income distribution on capital account | | **(64,904)** |
| Income-tax on distributed income | | **(14,260)** |
| Surplus transferred to the balance sheet | 4 | **26,738** |

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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**Mahendra Jajoo**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM OCTOBER 18, 2006 TO JANUARY 18, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan Series-3: Quarterly Plan E ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on October 18,2006 and the initial offer closed on October 19,2006.

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

The investment objective of the scheme is to 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.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - 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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular - Growth** | | |
| Issued | | |
| - new fund offer | **142,220,393.600** | **1,422,204** |
| - during the year | **25,000,000.000** | **250,000** |
| Redeemed during the year | **(25,000,000.000)** | **(250,000)** |
| Outstanding, end of period | **142,220,393.600** | **1,422,204** |
| **Regular - Monthly Dividend** | | |
| Issued | | |
| - new fund offer | **421,070,363.310** | **4,210,704** |
| - during the year | **30,646,055.930** | **306,461** |
| Redeemed during the year | **(25,000,000.000)** | **(250,000)** |
| Outstanding, end of period | **426,716,419.240** | **4,267,164** |
| **Total** | | |
| Issued | | |
| - new fund offer | **563,290,756.910** | **5,632,908** |
| - during the year | **55,646,055.930** | **556,461** |
| Redeemed during the year | **(50,000,000.000)** | **(500,000)** |
| Outstanding, end of period | **568,936,812.840** | **5,689,368** |

**4. RESERVES AND SURPLUS** **(Rs. in 000's)**

| | Amount 2007 |
|---|---|
| **Retained surplus** | |
| Surplus transferred from revenue account | **26,738** |
| Balance, end of period | **26,738** |
| **Total reserves and surplus** | **26,738** |
| The share of the plans in the reserves and surplus is as follows : | |
| Regular - Growth | **26,738** |
| | **26,738** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **709** |
| Trusteeship fee payable | **5** |
| Dividend payable on units | **8,444** |
| Other current liabilities | **14,887** |
| | **24,045** |

**6. INVESTMENTS**

| | |
|---|---|
| Privately placed debentures and bonds | **1,034,548** |
| Commercial paper | **1,955,408** |
| | **2,989,956** |

(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 is Nil.

(iii) The aggregate value of inves tments 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 | **6,032,739** |
| - | as a percentage of average daily net assets | **106.12** |

*Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)*

| | | |
|---|---|---|
| - | amount | **6,092,527** |
| - | as a percentage of average daily net assets | **107.17** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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 (Excluding Commercial Paper) as on January 18, 2007 valued in good faith **1,034,548**

**7. OTHER CURRENT ASSETS**

| | |
|---|---|
| Balances with banks in current accounts | **60** |
| Receivable from AMC | **86** |
| Collateralised lending | **1,709,270** |
| Outstanding and accrued income | **40,779** |
| | **1,750,195** |

**8. INTEREST**

| | |
|---|---|
| Debentures and bonds | **24,424** |
| Money market instruments | **60,938** |
| Deposits | **20,297** |
| Others | **2,365** |
| | **108,024** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the period ended January 18,2007, the Scheme has paid management fee at an average rate of 0.05 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10.** The AMC has borne Rs. 0.85 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/ Offer document, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

*Income*

| | | |
|---|---|---|
| - | amount | **108,029** |
| - | as a percentage of average daily net assets | **7.54** |

*Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)*

| | | |
|---|---|---|
| - | amount | **2,127** |
| - | as a percentage of average daily net assets | **0.15** |

**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 | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | **20** |
| ABN AMRO Bank N.V | Commission & distributions Expenses | **17** |

**13. NET ASSET VALUE**

| | 2007 |
|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | |
| Regular - Growth | **Rs. 10.1880** |
| Regular - Dividend | **Rs. 10.000** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **Finance (Asset Backed Securities)** | **80** | **784,548** | **13.73** | **75.83** |
| HEL Turst* | 80 | 784,548 | 13.73 | 75.83 |
| **Non Banking Finance Company** | **2,500,000** | **250,000** | **4.37** | **24.17** |
| Kotak Mahindra Investments Ltd.* | 2,500,000 | 250,000 | 4.37 | 24.17 |
| **TOTAL** | **3,190,019** | **417,443** | **63.60** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **Food & Food Products** | **1,000,000** | **100,000** | **1.75** | **5.11** |
| Dabur Foods Ltd.* | 1,000,000 | 100,000 | 1.75 | 5.11 |
| **Industrial Products** | **1,000,000** | **100,000** | **1.75** | **5.11** |
| HEG Ltd.* | 1,000,000 | 100,000 | 1.75 | 5.11 |
| **Non Banking Finance Company** | **13,800,000** | **1,375,932** | **24.07** | **70.37** |
| DSP Merill Lynch Capital Ltd.* | 9,000,000 | 898,917 | 15.73 | 45.97 |
| Kotak Securities Ltd.* | 2,500,000 | 250,000 | 4.37 | 12.79 |
| Kotak Securities Ltd.* | 2,300,000 | 227,015 | 3.97 | 11.61 |
| **Telecom - Equipment & Accessories** | **1,800,000** | **179,537** | **3.14** | **9.18** |
| Shyam Telelink Ltd.* | 1,800,000 | 179,537 | 3.14 | 9.18 |
| **Textiles - Synthetic** | **1,000,000** | **99,939** | **1.75** | **5.11** |
| RSWM Ltd.* | 1,000,000 | 99,939 | 1.75 | 5.11 |
| **Trading** | **1,000,000** | **100,000** | **1.75** | **5.11** |
| Redington India Ltd.* | 1,000,000 | 100,000 | 1.75 | 5.11 |
| **TOTAL** | **19,600,000** | **1,955,408** | **34.21** | **100.00** |
| **DEPOSITS** | | **1,000,000** | **17.49** | |
| **OTHER CURRENT ASSETS** | | **1,750,195** | **30.62** | |
| **TOTAL ASSETS** | | **5,740,151** | **100.42** | |
| **LESS: CURRENT LIABILITIES** | | 24,045 | 0.42 | |
| **NET ASSETS** | | **5,716,106** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | as on 18.01.07 |
|---|---|---|
| (a) | Net Asset Value, per unit | |
| | Growth | **Rs. 10.1880** |
| | Dividend | **Rs. 10.0000** |
| (b) | Gross Income: | |
| i) | Income other than profit onsale of investment,per unit | **0.1899** |
| 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 | |
| (c) | Aggregate of expenses,write offs, amortisation and charges,per unit | **0.0037** |
| (d) | Net unrealised depreciation in value of investments | **0.0454** |
| (e) | Net Income, per unit | **0.1862** |
| (f) | i ) Highest traded price | |
| | ii ) Lowest traded price | |
| | iii) Highest repurchase price/NAV | |
| | Growth | **10.1880** |
| | Dividend | **10.0000** |
| | iv) Highest resale price | |
| | Growth | **10.0000** |
| | Dividend | **10.0000** |
| | v) Lowest repurchase price/NAV | |
| | Growth | **10.1880** |
| | Dividend | **10.0000** |
| | 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 | **0.15%** |
| | ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **1.90%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 3 QUARTERLY PLAN F

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 3 QUARTERLY PLAN F ('the Scheme') as at February 1, 2007 and also the revenue account for the period from October 23, 2006 to February 1, 2007 ('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 Ninth Schedule 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 February 1, 2007 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 February 1, 2007; 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 28, 2007

## BALANCE SHEET

AS AT FEBRUARY 01, 2007

(All amounts in thousands of Rupees)

| | Schedule | FEBRUARY 01, 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **1,859,300** |
| Reserves and surplus | 2(b) & 4 | **8,498** |
| Current liabilities | 5 | **17,373** |
| | | **1,885,171** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | **166,607** |
| Other current assets | 7 | **1,718,564** |
| | | **1,885,171** |

The accompanying schedules are an integral part of this balance sheet.

| As per our report of even date | For and on behalf of | For and on behalf of |
|---|---|---|
| For **S.R. Batliboi & Co.** | **ABN AMRO Trustee** | **ABN AMRO Asset** |
| **Chartered Accountants** | **(India) Private Limited** | **Management (India) Limited** |
| **Per Viren H. Mehta** | **Shariq Contractor** | **Nikhil Johri** |
| *Partner* | *Director* | *Managing Director* |
| Membership No. 048749 | **Kalpathi Sridhar** | **Mahendra Jajoo** |
| *Mumbai* | *Director* | *Fund Manager* |
| Date: August 28, 2007 | | |

## REVENUE ACCOUNT

FOR THE PERIOD FROM OCTOBER 23, 2006 TO FEBRUARY 01, 2007

(All amounts in thousands of Rupees)

| | Schedule | OCTOBER 23, 2006 to FEBRUARY 01, 2007 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **36,461** |
| | | **10,404** |
| **EXPENSES AND LOSSES** | | |
| Management fee | 9 | **240** |
| Trusteeship fee | 9 | **5** |
| Custodian service charges | | **29** |
| Registrar service charges | | **202** |
| Commission to distributors | | **238** |
| Publicity expenses | | **25** |
| Audit fee | | **20** |
| Other operating expenses | | **78** |
| Expenses reimbursed by the AMC | 10 | **(116)** |
| | | **721** |
| Surplus for the period | | **35,740** |
| Income distribution on capital account | | **(22,372)** |
| Income-tax on distributed income | | **(4,870)** |
| Surplus transferred to the balance sheet | 4 | **8,498** |

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

| As per our report of even date | For and on behalf of | For and on behalf of |
|---|---|---|
| For **S.R. Batliboi & Co.** | **ABN AMRO Trustee** | **ABN AMRO Asset** |
| **Chartered Accountants** | **(India) Private Limited** | **Management (India) Limited** |
| **Per Viren H. Mehta** | **Shariq Contractor** | **Nikhil Johri** |
| *Partner* | *Director* | *Managing Director* |
| Membership No. 048749 | **Kalpathi Sridhar** | **Mahendra Jajoo** |
| *Mumbai* | *Director* | *Fund Manager* |
| Date: August 28, 2007 | | |

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM OCTOBER 23, 2006 TO FEBRUARY 01, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan- Series 3: Quarterly Plan F ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on October 23,2006 and the initial offer closed on October 30,2006.

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

The investment objective of the scheme is to 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.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - 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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular - Growth** | | |
| Issued | | |
| - new fund offer | **41,617,950.000** | **416,180** |
| - during the year | **850,000.000** | **8,500** |
| Outstanding, end of period | **42,467,950.000** | **424,680** |
| **Regular - Monthly Dividend** | | |
| Issued | | |
| - new fund offer | **143,274,667.446** | **1,432,747** |
| - during the year | **187,338.573** | **1,873** |
| Outstanding, end of period | **143,462,006.019** | **1,434,620** |
| **Total** | | |
| Issued | | |
| - new fund offer | **184,892,617.446** | **1,848,927** |
| - during the year | **1,037,338.573** | **10,373** |
| Outstanding, end of period | **185,929,956.019** | **1,859,300** |

**4. RESERVES AND SURPLUS** **(Rs. in 000's)**

| | Amount 2007 |
|---|---|
| **Retained surplus** | |
| Surplus transferred from revenue account | **8,498** |
| Balance, end of period | **8,498** |
| **Total reserves and surplus** | **8,498** |
| The share of the plans in the reserves and surplus is as follows: | |
| Regular - Growth | **8,210** |
| Regular - Dividend | **288** |
| | **8,498** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **240** |
| Trusteeship fee payable | **5** |
| Dividend payable on units | **11,999** |
| Other current liabilities | **5,129** |
| | **17,373** |

**6. INVESTMENTS**

| | |
|---|---|
| Commercial paper | **19,801** |
| Certificates of deposit | **146,806** |
| | **166,607** |

**6. INVESTMENTS** *(Conti..)* **(Rs. in 000's)**

| | Amount 2007 |
|---|---|
| (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 is Nil. | |
| (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 | **1,391,993** |
| - as a percentage of average daily net assets | **74.58** |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | |
| - amount | **1,411,606** |
| - as a percentage of average daily net assets | **75.63** |
| (iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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 | **54** |
| Receivable from AMC | **117** |
| Collateralised lending | **1,717,697** |
| Outstanding and accrued income | **696** |
| | **1,718,564** |

**8. INTEREST**

| | |
|---|---|
| Debentures and bonds | **2,704** |
| Money market instruments | **19,613** |
| Deposits | **12,559** |
| Others | **1,585** |
| | **36,461** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the period ended February 01, 2007, the Scheme has paid management fee at an average rate of 0.05 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10.** The AMC has borne Rs. 1.16 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/ Offer document, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

| | |
|---|---|
| *Income* | |
| - amount | **36,461** |
| - as a percentage of average daily net assets | **7.59** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | **721** |
| - as a percentage of average daily net assets | **0.15** |

**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 | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | **7** |
| ABN AMRO Bank N.V | Commission & distributions Expenses | **3** |

**13. NET ASSET VALUE**

| | 2007 |
|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | |
| Regular - Growth | **Rs. 10.1933** |
| Regular - Dividend | **Rs. 10.0020** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at February 01, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at February 01, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **CERTIFICATE OF DEPOSITS** | | | | |
| **BANKS** | **1,500,000** | **146,806** | **7.86** | **100.00** |
| ING Vysya Bank * | 1,500,000 | 146,806 | 7.86 | 100.00 |
| **TOTAL** | **1,500,000** | **146,806** | **7.86** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **NON BANKING FINANCE COMPANY** | **200,000** | **19,801** | **1.06** | **100.00** |
| Kotak Securities Ltd.* | 200,000 | 19,801 | 1.06 | 100.00 |
| **TOTAL** | **200,000** | **19,801** | **1.06** | **100.00** |
| **OTHER CURRENT ASSETS** | | **1,718,564** | **92.01** | |
| **TOTAL ASSETS** | | **1,885,171** | **100.93** | |
| **LESS: CURRENT LIABILITIES** | | 17,373 | 0.93 | |
| **NET ASSETS** | | **1,867,798** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | | As on 01.02.07 |
|---|---|---|---|
| (a) | Net Asset Value, per unit | | |
| | | Growth | **Rs. 10.1933** |
| | | Dividend | **Rs. 10.0020** |
| (b) | Gross Income: | | |
| | i) | Income other than profit onsale of investment,per unit | **0.1961** |
| | 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 | |
| (c) | Aggregate of expenses,write offs, amortisation and charges,per unit | | **0.0039** |
| (d) | Net unrealised depreciation in value of investments | | **-** |
| (e) | Net Income, per unit | | **0.1922** |
| (f) | i ) | Highest traded price | |
| | ii ) | Lowest traded price | |
| | iii) | Highest repurchase price/NAV | |
| | | Growth | **10.1933** |
| | | Dividend | **10.0020** |
| | iv) | Highest resale price | |
| | | Growth | **10.0000** |
| | | Dividend | **10.0000** |
| | v) | Lowest repurchase price/NAV | |
| | | Growth | **10.1933** |
| | | Dividend | **10.0020** |
| | 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 | **0.15%** |
| | ix) | Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **1.95%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 3 QUARTERLY PLAN G

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 3 QUARTERLY PLAN G ('the Scheme') as at February 6, 2007 and also the revenue account for the period from November 3, 2006 to February 6, 2007 ('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 Ninth Schedule 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 February 6, 2007 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 February 6, 2007; 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 28, 2007

## BALANCE SHEET

AS AT FEBRUARY 06, 2007

(All amounts in thousands of Rupees)

| | Schedule | FEBRUARY 06, 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **4,033,065** |
| Reserves and surplus | 2(b) & 4 | **17,145** |
| Current liabilities | 5 | **24,267** |
| | | **4,074,477** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | **968,275** |
| Deposits with scheduled banks | | **1,790,000** |
| Other current assets | 7 | **1,316,202** |
| | | **4,074,477** |

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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**Mahendra Jajoo**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | NOVEMBER 03, 2006 to FEBRUARY 06, 2007' |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **78,519** |
| Profit on sale/redemption of investments, net | 2(d) | **30** |
| Profit on inter-scheme transfer/sale of investments, net | 2(d) | **1** |
| | | **78,549** |
| **EXPENSES AND LOSSES** | | |
| Management fee | 9 | **503** |
| Trusteeship fee | 9 | **5** |
| Custodian service charges | | **54** |
| Registrar service charges | | **355** |
| Commission to distributors | | **494** |
| Audit fee | | **20** |
| Other operating expenses | | **157** |
| Expenses reimbursed by the AMC | 10 | **(79)** |
| | | **1,509** |
| Surplus for the period | | **77,040** |
| Income distribution on capital account | | **(49,036)** |
| Income-tax on distributed income | | **(10,859)** |
| Surplus transferred to the balance sheet | 4 | **17,145** |

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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**Mahendra Jajoo**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM NOVEMBER 03, 2006 TO FEBRUARY 06, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan- Series 3: Quarterly Plan G ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on November 03,2006 and the initial offer closed on November 06,2006.

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

The investment objective of the scheme is to 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.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - 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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular - Growth** | | |
| Issued | | |
| - new fund offer | **88,937,649.620** | **889,376** |
| - during the year | **25,000,000.000** | **250,000** |
| Redeemed during the year | **(25,000,000.000)** | **(250,000)** |
| Outstanding, end of period | **88,937,649.620** | **889,376** |
| **Regular - Monthly Dividend** | | |
| Issued | | |
| - new fund offer | **310,701,681.591** | **3,107,017** |
| - during the year | **28,667,130.110** | **286,672** |
| Redeemed during the year | **(25,000,000.000)** | **(250,000)** |
| Outstanding, end of period | **314,368,811.701** | **3,143,689** |
| **Total** | | |
| Issued | | |
| - new fund offer | **399,639,331.211** | **3,996,393** |
| - during the year | **53,667,130.110** | **536,672** |
| Redeemed during the year | **(50,000,000.000)** | **(500,000)** |
| Outstanding, end of period | **403,306,461.321** | **4,033,065** |

**4. RESERVES AND SURPLUS** **(Rs. in 000's)**

| | Amount 2007 |
|---|---|
| **Retained surplus** | |
| Surplus transferred from revenue account | **17,145** |
| Balance, end of period | **17,145** |
| **Total reserves and surplus** | **17,145** |
| The share of the plans in the reserves and surplus is as follows: | |
| Regular - Growth | **17,145** |
| | **17,145** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **503** |
| Trusteeship fee payable | **5** |
| Dividend payable on units | **12,364** |
| Other current liabilities | **11,395** |
| | **24,267** |

**6. INVESTMENTS**

| | |
|---|---|
| Commercial paper | **968,275** |
| | **968,275** |

(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 is Nil.

(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 | **4,029,732** |
| - | as a percentage of average daily net assets | **99.88** |

*Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)*

| | | |
|---|---|---|
| - | amount | **4,046,703** |
| - | as a percentage of average daily net assets | **100.30** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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** |
| Receivable from AMC | **81** |
| Collateralised lending | **1,280,332** |
| Outstanding and accrued income | **35,746** |
| | **1,316,202** |

**8. INTEREST**

| | |
|---|---|
| Debentures and bonds | 23,978 |
| Money market instruments | 16,942 |
| Deposits | 34,608 |
| Others | 2,991 |
| | **78,519** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the period ended February 06,2007, the Scheme has paid management fee at an average rate of 0.05 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10.** The AMC has borne Rs. 0.79 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/ Offer document, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

*Income*

| | | |
|---|---|---|
| - | amount | **78,549** |
| - | as a percentage of average daily net assets | **7.72** |

*Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)*

| | | |
|---|---|---|
| - | amount | **1,509** |
| - | as a percentage of average daily net assets | **0.15** |

**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 | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | 9 |
| ABN AMRO Bank N.V | Commission & distributions Expenses | 12 |

**13. NET ASSET VALUE**

| | 2007 |
|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | |
| Regular - Growth | **Rs. 10.1928** |
| Regular - Monthly Dividend | **Rs. 10.000** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at February 06, 2007are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at February 06, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **COMMERCIAL PAPER** | | | | |
| **NON BANKING FINANCE COMPANY** | | | | |
| GE Capital Transportation Financial Services * | 5,000,000 | 500,000 | 12.35 | 51.64 |
| Standard Chart Inves And Loans Ltd.* | 2,500,000 | 249,215 | 6.15 | 25.74 |
| Sunbeam Auto Ancillaries Ltd.* | 2,000,000 | 199,148 | 4.92 | 20.57 |
| Global Trade Finance Ltd.* | 200,000 | 19,912 | 0.49 | 2.05 |
| **Total** | **9,700,000** | **968,275** | **23.91** | **100.00** |
| **DEPOSITS** | | **1,790,000** | **44.19** | |
| **OTHER CURRENT ASSETS** | | **1,316,202** | **32.50** | |
| **TOTAL ASSETS** | | **4,074,477** | **100.60** | |
| **LESS: CURRENT LIABILITIES** | | **24,267** | **0.60** | |
| **NET ASSETS** | | **4,050,210** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | as on 06.02.07 |
|---|---|---|
| (a) | Net Asset Value, per unit | |
| | Growth | **Rs. 10.1928** |
| | Dividend | **Rs. 10.0000** |
| (b) | Gross Income: | |
| i) | Income other than profit onsale of investment,per unit | **0.1947** |
| ii) | profit on interscheme sale/transfer of investment,per unit | **0.0000** |
| iii) | profit on sale of investment to third party,per unit | **0.0001** |
| iv) | transfer to Revenue Account from past year's reserve per unit | |
| (c) | Aggregate of expenses,write offs, amortisation and charges,per unit | **0.0037** |
| (d) | Net unrealised depreciation in value of investments | **-** |
| (e) | Net Income, per unit | **0.1911** |
| (f) | i ) Highest traded price | |
| | ii ) Lowest traded price | |
| | iii) Highest repurchase price/NAV | |
| | Growth | **10.1928** |
| | Dividend | **10.0000** |
| | iv) Highest resale price | |
| | Growth | **10.0000** |
| | Dividend | **10.0000** |
| | v) Lowest repurchase price/NAV | |
| | Growth | **10.1928** |
| | Dividend | **10.0000** |
| | 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 | **0.15%** |
| | ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **1.95%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 3 QUARTERLY PLAN H

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 3 QUARTERLY PLAN H ('the Scheme') as at February 28, 2007 and also the revenue account for the period from November 26, 2006 to February 28, 2007 ('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 Ninth Schedule 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 February 28, 2007 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 February 28, 2007; 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 28, 2007

## BALANCE SHEET

AS AT FEBRUARY 28, 2007

(All amounts in thousands of Rupees)

| | Schedule | FEBRUARY 28, 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **2,595,996** |
| Reserves and surplus | 2(b) & 4 | **29** |
| Current liabilities | 5 | **50,789** |
| | | **2,646,814** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 14 | **1,274,107** |
| Other current assets | 7 | **1,372,707** |
| | | **2,646,814** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE PERIOD FROM NOVEMBER 28, 2006 TO FEBRUARY 28, 2007

(All amounts in thousands of Rupees)

| | Schedule | NOVEMBER 28, 2006 to FEBRUARY 28, 2007 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **51,071** |
| Profit on sale/redemption of investments, net | 2(d) | **7** |
| Profit on inter-scheme transfer/sale of investments, net | 2(d) | **1** |
| | | **10,404** |
| **EXPENSES AND LOSSES** | | |
| Management fee | 9 | **327** |
| Trusteeship fee | 9 | **5** |
| Custodian service charges | | **30** |
| Registrar service charges | | **171** |
| Commission to distributors | | **299** |
| Publicity expenses | | **47** |
| Audit fee | | **20** |
| Other operating expenses | | **75** |
| | | **974** |
| Surplus for the period | | **50,104** |
| Income distribution on capital account | | **(41,121)** |
| Income-tax on distributed income | | **(8,954)** |
| Surplus transferred to the balance sheet | 4 | **29** |

**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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**Mahendra Jajoo**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM NOVEMBER 28, 2006 TO FEBRUARY 28, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan- Series 3: Quarterly Plan H ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on November 28,2006 and the initial offer closed on November 29,2006.

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

The investment objective of the scheme is to 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.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - 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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular - Growth** | | |
| Issued | | |
| - new fund offer | **152,500.000** | **1,525** |
| Outstanding, end of period | **152,500.000** | **1,525** |
| **Regular - Monthly Dividend** | | |
| Issued | | |
| - new fund offer | **259,147,134.455** | **2,591,471** |
| - during the year | **300,000.000** | **3,000** |
| Outstanding, end of period | **259,447,134.455** | **2,594,471** |
| **Total** | | |
| Issued | | |
| - new fund offer | **259,299,634.455** | **2,592,996** |
| - during the year | **300,000.000** | **3,000** |
| Outstanding, end of period | **259,599,634.455** | **2,595,996** |

**4. RESERVES AND SURPLUS** **(Rs. in 000's)**

| | Amount 2007 |
|---|---|
| **Retained surplus** | |
| Surplus transferred from revenue account | **29** |
| Balance, end of period | **29** |
| **Total reserves and surplus** | **29** |
| The share of the plans in the reserves and surplus is as follows : | |
| Regular - Growth | **29** |
| | **29** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **327** |
| Trusteeship fee payable | **5** |
| Dividend payable on units | **41,122** |
| Other current liabilities | **9,335** |
| | **50,789** |

**6. INVESTMENTS**

| | |
|---|---|
| Privately placed debentures and bonds | **300,000** |
| Commercial paper | **925,000** |
| Certificates of deposit | **49,107** |
| | **1,274,107** |

**6. INVESTMENTS** *( Conti..)* **(Rs. in 000's)**

| | Amount 2007 |
|---|---|
| (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 is Nil. | |
| (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 | **3,067,825** |
| - as a percentage of average daily net assets | **117.08** |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | |
| - amount | **3,109,579** |
| - as a percentage of average daily net assets | **118.67** |
| (iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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 (Excluding Certificates of Deposit and Commercial Paper) as on February 28, 2007 valued in good faith | |
| | **300,000** |

**7. OTHER CURRENT ASSETS**

| | |
|---|---|
| Sundry debtors for units issued to investors | **16** |
| Balances with banks in current accounts | **47** |
| Receivable from AMC | **8** |
| Collateralised lending | **1,366,861** |
| Outstanding and accrued income | **5,775** |
| | **1,372,707** |

**8. INTEREST**

| | |
|---|---|
| Debentures and bonds | **6,147** |
| Money market instruments | **41,781** |
| Deposits | **1,985** |
| Others | **1,158** |
| | **51,071** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the periodended February 28,2007, the Scheme has paid management fee at an average rate of 0.05 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**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 | **51,078** |
| - as a percentage of average daily net assets | **7.82** |

**10. INCOME AND EXPENDITURE** *( Conti..)* **(Rs. in 000's)**

| | Amount 2007 |
|---|---|
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | **974** |
| - as a percentage of average daily net assets | **0.15** |

**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 | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | **3** |
| ABN AMRO Bank N.V | Commission & distributions Expenses | **20** |

**12. NET ASSET VALUE**

| | 2007 |
|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | |
| Regular - Growth | **Rs. 10.1930** |
| Regular - Monthly Dividend | **Rs. 10.000** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at February 28, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at February 28, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **NON BANKING FINANCE COMPANY** | **3,000,000** | **300,000** | **11.56** | **100.00** |
| Canbank Factors Ltd.* | 3,000,000 | 300,000.00 | 11.56 | 100.00 |
| **TOTAL** | **3,000,000** | **300,000** | **11.56** | **100.00** |
| **CERTIFICATE OF DEPOSITS** | | | | |
| **BANKS** | **500,000** | **49,107** | **1.89** | **100.00** |
| Kotak Mahindra Bank Ltd.* | 500,000 | 49,107 | 1.89 | 100.00 |
| **TOTAL** | **500,000** | **49,107** | **1.89** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **AUTO ANCILLARIES** | **1,750,000** | **175,000** | **6.74** | **18.92** |
| Apollo Tyres Ltd.* | 1,750,000 | 175,000 | 6.74 | 18.92 |
| **Finance** | **7,500,000** | **750,000** | **28.89** | **81.08** |
| Reliance Capital Ltd.* | 5,000,000 | 500,000 | 19.26 | 54.05 |
| Shriram Transport Finance Co. Ltd.* | 2,500,000 | 250,000 | 9.63 | 27.03 |
| **TOTAL** | **9,250,000** | **925,000** | **35.63** | **100.00** |
| **OTHER CURRENT ASSETS** | | **1,372,707** | **52.88** | |
| **TOTAL ASSETS** | | **2,646,814** | **101.96** | |
| **LESS: CURRENT LIABILITIES** | | 50,789 | 1.96 | |
| **NET ASSETS** | | **2,596,025** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | | as on 31.03.07 |
|---|---|---|---|
| (a) | Net Asset Value, per unit | | |
| | | Growth | **Rs. 10.1930** |
| | | Dividend | **Rs. 10.0000** |
| (b) | Gross Income: | | |
| | i) | Income other than profit onsale of investment,per unit | **0.1967** |
| | 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 | |
| (c) | Aggregate of expenses,write offs, amortisation and charges,per unit | | **0.0037** |
| (d) | Net unrealised depreciation in value of investments | | **-** |
| (e) | Net Income, per unit | | **0.1930** |
| (f) | i ) | Highest traded price | |
| | ii ) | Lowest traded price | |
| | iii) | Highest repurchase price/NAV | |
| | | Growth | **10.1930** |
| | | Dividend | **10.0000** |
| | iv) | Highest resale price | |
| | | Growth | **10.0000** |
| | | Dividend | **10.0000** |
| | v) | Lowest repurchase price/NAV | |
| | | Growth | **10.1930** |
| | | Dividend | **10.0000** |
| | 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 | **0.15%** |
| | ix) | Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **1.95%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND- ABN AMRO FIXED TERM PLAN - SERIES 4 HALF YEARLY PLAN A

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND- ABN AMRO FIXED TERM PLAN - SERIES 4 HALF YEARLY PLAN A ('the Scheme') as at March 31, 2007 and also the revenue account for the period from February 5, 2007 to March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **2,225,491** |
| Reserves and surplus | 2(b) & 4 | **16,505** |
| Current liabilities | 5 | **3,346** |
| | | **2,245,342** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | **2,244,626** |
| Other current assets | 7 | **716** |
| | | **2,245,342** |

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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**R. Sivakumar**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE PERIOD FROM FEBRUARY 05, 2007 TO MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | FEBRUARY 05, 2007 to MARCH 31, 2007 |
|---|---|---|
| **IINCOME** | | |
| Interest | 2(d) & 8 | **31,176** |
| | | **31,176** |
| **EXPENSES AND LOSSES** | | |
| Management fee | 9 | **625** |
| Trusteeship fee | 9 | **5** |
| Registrar service charges | | **99** |
| Commission to distributors | | **162** |
| Publicity expenses | | **51** |
| Audit fee | | **20** |
| Other operating expenses | | **19** |
| | | **981** |
| Surplus for the period | | **30,195** |
| Income distribution on capital account | | **(11,304)** |
| Income-tax on distributed income | | **(2,426)** |
| Surplus transferred to the balance sheet | **4** | **16,465** |

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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**R. Sivakumar**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM FEBRUARY 05, 2007 TO MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan -Series 4: Half Yearly Plan A ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on February 05, 2007 and the initial offer closed on February 06, 2007.

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

The investment objective of the scheme and the plan launched hereunder would be to achieve growth of capital through investments made in a basket of fixed income securities in line with the duration of the plan(s) thereunder.The Scheme does not guarantee / indicate any returns.Presently the Scheme will have Half Yearly Plan A.This plan would comprise of securities normally maturing in line with the Scheme.In addition,the AMC and the Trustee reserves the right to introduce multiple plans of the same maturity period in line with SEBI regulations.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - Monthly Dividend

Dividend On Maturity (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 onsidering brokerage, commission, and fees payable or receivable, if any.

Valuation of investments

- Investments in fixed income securities other than Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular - Growth** | | |
| Issued | | |
| - new fund offer | **69,025,782.194** | **690,258** |
| Outstanding, end of period | **69,025,782.194** | **690,258** |
| **Regular - Monthly Dividend** | | |
| Issued | | |
| - new fund offer | **10,025,000.000** | **100,250** |
| - during the year | **73,401.768** | **734** |
| Outstanding, end of period | **10,098,401.768** | **100,984** |
| **Dividend On Maturity** | | |
| Issued | | |
| - new fund offer | **142,527,215.032** | **1,425,272** |
| - during the year | **897,716.529** | **8,977** |
| Outstanding, end of period | **143,424,931.561** | **1,434,249** |
| **Total** | | |
| Issued | | |
| - new fund offer | **221,577,997.226** | **2,215,780** |
| - during the year | **971,118.297** | **9,711** |
| Outstanding, end of period | **222,549,115.523** | **2,225,491** |

**4. RESERVES AND SURPLUS** **(Rs.in 000's)**

| | Amount 2007 |
|---|---|
| Unit premium reserve | |
| Net premium on issue/redemption of units | **40** |
| Balance, end of period | **40** |
| **Retained surplus** | |
| Surplus transferred from revenue account | **16,465** |
| Balance, end of period | **16,465** |
| **Balance, end of period** | **16,505** |
| The share of the plans in the reserves and surplus is as follows: | |
| Regular - Growth | **9,407** |
| Regular - Monthly Dividend | **467** |
| Dividend On Maturity | **6,631** |
| | **16,505** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **625** |
| Trusteeship fee payable | **5** |
| Unit dividend tax payable | **2,426** |
| Other current liabilities | **290** |
| | **3,346** |

**6. INVESTMENTS**

| | |
|---|---|
| Commercial paper | **442,978** |
| Certificates of deposit | **1,801,648** |
| | **2,244,626** |

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 is Nil

(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 | **4,237,446** |
| - as a percentage of average daily net assets | **189.99** |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | |
| - amount | **2,020,391** |
| - as a percentage of average daily net assets | **90.58** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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**

| | Amount 2007 |
|---|---|
| Balances with banks in current accounts | **51** |
| Collateralised Lending | **66**4 |
| Outstanding and accrued income | **1** |
| | **716** |

**8. INTEREST**

| | |
|---|---|
| Debentures and bonds | **1,867** |
| Money market instruments | **28,942** |
| Others | **367** |
| | **31,176** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.19 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**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 | **31,176** |
| - as a percentage of average daily net assets | **9.63** |
| Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any) | |
| - amount | **981** |
| - as a percentage of average daily net assets | **0.30** |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| NIL | | |

**13. NET ASSET VALUE**

| | 2007 |
|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | |
| Regular - Growth | **Rs. 10.1363** |
| Regular - Monthly Dividend | **Rs. 10.0462** |
| Dividend On Maturity | **Rs. 10.0462** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of invest ments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **CERTIFICATE OF DEPOSITS** | | | | |
| BANKS | 18,630,000 | 1,801,648 | 80.36 | 100.00 |
| ICICI BANK LTD. * | 6,000,000 | 580,330 | 25.88 | 32.21 |
| YES BANK LTD. * | 5,000,000 | 483,428 | 21.56 | 26.83 |
| DEVELOPMENT CREDIT BANK LTD. * | 4,980,000 | 481,352 | 21.47 | 26.72 |
| IDBI BANK LTD. * | 2,500,000 | 241,686 | 10.78 | 13.41 |
| ING VYSYA BANK * | 150,000 | 14,852 | 0.67 | 0.83 |
| **TOTAL** | **18,630,000** | **1,801,648** | **80.36** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **HOUSING FINANCE COMPANY** | 50,000 | 4,911 | 0.22 | 1.11 |
| GE MONEY HOUSING FINANCE LTD. * | 50,000 | 4,911 | 0.22 | 1.11 |
| **NON BANKING FINANCE COMPANY** | **4,540,000** | **438,067** | **19.54** | **98.89** |
| RABO INDIA FINANCE PVT. LTD. * | 2,500,000 | 241,214 | 10.76 | 54.45 |
| CITICORP MARUTI FINANCE LTD. * | 2,000,000 | 192,899 | 8.60 | 43.55 |
| DSP MERILL LYNCH CAPITAL LTD. * | 40,000 | 3,954 | 0.18 | 0.89 |
| **TOTAL** | **4,590,000** | **442,978** | **19.76** | **100.00** |
| **DEPOSITS** | | **-** | **-** | |
| **OTHER CURRENT ASSETS** | | **716** | **0.03** | |
| **TOTAL ASSETS** | | **2,245,342** | **100.15** | |
| **LESS: CURRENT LIABILITIES** | | **3,346** | **0.15** | |
| **NET ASSETS** | | **2,241,996** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | as on 31.03.07 |
|---|---|
| (a) Net Asset Value, per unit | |
| Growth Rs. 10.1363 | |
| MonthlyDividend | **Rs. 10.0462** |
| Dividend On Maturity | **Rs. 10.0462** |
| (b) Gross Income: | |
| i) Income other than profit on sale of investment,per unit | **0.1401** |
| ii) profit on interscheme sale/transferof investment,per unit | |
| iii) profit on sale of investment to third party,per unit | **-** |
| iv) transfer to Revenue Account from past year's reserve per unit | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.0044** |
| (d) Net unrealised depreciation in value of investments | **-** |
| (e) Net Income, per unit | **0.1357** |
| (f) i ) Highest traded price | |
| ii ) Lowest traded price | |
| iii) Highest repurchase price/NAV | |
| Growth | **-** |
| MonthlyDividend | **-** |
| Dividend On Maturity | **-** |
| iv) Highest resale price | |
| Growth | **10.0000** |
| MonthlyDividend | **10.0000** |
| Dividend On Maturity | **10.0000** |
| v) Lowest repurchase price/NAV | |
| Growth | **-** |
| MonthlyDividend | **-** |
| Dividend On Maturity | **-** |
| vi) Lowest resale price | |
| Growth | **10.0000** |
| MonthlyDividend | **10.0000** |
| Dividend On Maturity | **10.0000** |
| vii) Price Earning Ratio | **NA** |
| viii) Ratio of Expenses to Average Net Assets(%) | |
| Regular Plan | **0.30%** |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **1.40%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 4 QUARTERLY PLAN A

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 4 QUARTERLY PLAN A ('the Scheme') as at March 15, 2007 and also the revenue account for the period from December 13, 2006 to March 15, 2007 ('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 Ninth Schedule 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 15, 2007 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 15, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | 1,674,427 |
| Reserves and surplus | 2(b) & 4 | 1,025 |
| Current liabilities | 5 | 12,257 |
| | | **1,687,709** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | 1,070,000 |
| Other current assets | 7 | 617,709 |
| | | **1,687,709** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**R. Sivakumar**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | FEBRUARY 05, 2007 TO MARCH 31, 2007 |
|---|---|---|
| **IINCOME** | | |
| Interest | 2(d) & 8 | 31,176 |
| | | **31,176** |
| **EXPENSES AND LOSSES** | | |
| Interest | 2(d) & 8 | 33,314 |
| | | **33,314** |
| **EXPENSES AND LOSSES** | | |
| Management fee | 9 | 708 |
| Trusteeship fee | 9 | 5 |
| Custodian service charges | | 31 |
| Registrar service charges | | 149 |
| Commission to distributors | | 201 |
| Publicity expenses | | 23 |
| Audit fee | | 20 |
| Other operating expenses | | 39 |
| Expenses reimbursed by the AMC | 10 | (52) |
| | | **1,124** |
| Surplus for the period | | 32,190 |
| Income distribution on capital account | | (25,521) |
| Income-tax on distributed income | | (5,638) |
| **Surplus transferred to the balance sheet** | **4** | **1,031** |

**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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**R. Sivakumar**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

**1. BACKGROUND**

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan -Series 4: Quarterly Plan A ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on December 13,2006 and the initial offer closed on December 14,2006.

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

The investment objective of the scheme is to 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.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - 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.

(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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular - Growth** | | |
| Issued | | |
| - new fund offer | 5,269,581.135 | 52,696 |
| **Outstanding, end of period** | **5,269,581.135** | **52,696** |
| **Regular - Monthly Dividend** | | |
| Issued | | |
| - new fund offer | 160,232,077.637 | 1,602,321 |
| - during the year | 1,990,997.189 | 19,910 |
| **Redeemed during the year** | **(50,000.000)** | **(500)** |
| **Outstanding, end of period** | **162,173,074.826** | **1,621,731** |
| **Total** | | |
| Issued | | |
| - new fund offer | 165,501,658.772 | 1,655,017 |
| - during the year | 1,990,997.189 | 19,910 |
| Redeemed during the year | (50,000.000) | (500) |
| **Outstanding, end of period** | **167,442,655.961** | **1,674,427** |

**4. RESERVES AND SURPLUS** (Rs.in 000's)

| | Amount 2007 |
|---|---|
| Unit premium reserve | |
| Net premium on issue/redemption of units | (6) |
| Balance, end of period | (6) |
| **Retained surplus** | |
| Surplus transferred from revenue account | 1,031 |
| Balance, end of period | 1,031 |
| **Balance, end of period** | **1,025** |
| The share of the plans in the reserves and surplus is as follows: | |
| Regular - Growth | 1,025 |
| Regular - Monthly Dividend | 0 |
| | **1,025** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | 708 |
| Trusteeship fee payable | 5 |
| Dividend payable on units | 5,611 |
| Other current liabilities | 5,933 |
| | **12,257** |

**6. INVESTMENTS**

| | |
|---|---|
| Privately placed debentures and bonds | 970,000 |
| Commercial paper | 100,000 |
| | **1,070,000** |

(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 is Nil.

(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 | 2,907,490 |
| - as a percentage of average daily net assets | 174.02 |
| Sales / Redemptions (excluding Collateralised lending & Fixed deposits) | |
| - amount | 2,930,000 |
| - as a percentage of average daily net assets | 175.37 |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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 (Excluding Commercial Paper) as on March 15, 2007

| | |
|---|---|
| **valued in good faith** | **970,000** |

| | Amount 2007 |
|---|---|
| **7. OTHER CURRENT ASSETS** | |
| Balances with banks in current accounts | 58 |
| Receivable from AMC | 52 |
| Collateralised lending | 614,929 |
| Outstanding and accrued income | 2,670 |
| | **617,709** |

| | |
|---|---|
| **8. INTEREST** | |
| Debentures and bonds | 9,224 |
| Money market instruments | 22,510 |
| Deposits | 168 |
| Others | 1,412 |
| | 33,314 |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the period ended February 15, 2007, the Scheme has paid management fee at an average rate of 0.20 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10. The AMC has borne Rs. 0.52 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/Offer document, chargeable to the Scheme.**

**11. INCOME AND EXPENDITURE**

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

| | |
|---|---|
| Income | |
| - amount | 33,314 |
| - as a percentage of average daily net assets | 8.00 |
| Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any) | |
| - amount | 1,124 |
| - as a percentage of average daily net assets | 0.27 |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | 2 |
| ABN AMRO Bank N.V | Commission & distributions Expenses | 1 |

| **13. NET ASSET VALUE** | **2007** |
|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | |
| Regular - Growth | Rs. 10.1945 |
| Regular - Monthly Dividend | Rs. 10.0000 |

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

**14. PRIOR PERIOD COMPARATIVES**

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

**15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of invest ments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **CONSUMER DURABLES** | **1,600,000** | **160,000** | **9.55** | **16.49** |
| WHIRLPOOL INDIA LTD.* | 1,600,000 | 160,000 | 9.55 | 16.49 |
| **CONSUMER NON DURABLES** | **2,500,000** | **250,000** | **14.92** | **25.77** |
| NIRMA LTD.* | 2,500,000 | 250,000 | 14.92 | 25.77 |
| **FINANCE** | **500,000** | **50,000** | **2.98** | **5.16** |
| RELIANCE CAPITAL LTD.* | 500,000 | 50,000 | 2.98 | 5.16 |
| **NON BANKING FINANCE** | **1,100,000** | **110,000** | **6.57** | **11.34** |
| JM FINANCIAL PRODUCTS PVT. LTD.* | 600,000 | 60,000 | 3.59 | 6.19 |
| CHOLAMANDALAM DBS FINANCE LTD.* | 500,000 | 50,000 | 2.98 | 5.15 |
| **TRADING** | **1,500,000** | **150,000** | **8.95** | **15.47** |
| REDINGTON INDIA LTD.* | 1,500,000 | 150,000 | 8.95 | 15.47 |
| **MISCELLANEOUS** | **2,500,000** | **250,000** | **14.92** | **25.77** |
| SBI FACTORS & COMMERCIAL SERVICES PVT. LTD.* | 1,500,000 | 150,000 | 8.95 | 15.46 |
| SBI FACTORS & COMMERCIAL SERVICES PVT. LTD.* | 1,000,000 | 100,000 | 5.97 | 10.31 |
| **TOTAL** | **9,700,000** | **970,000** | **57.89** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **CHEMICALS** | **1,000,000** | **100,000** | **5.97** | **100.00** |
| **GODREJ INDUSTRIES LTD.*** | **1,000,000** | **100,000** | **5.97** | **100.00** |
| **TOTAL** | **1,000,000** | **100,000** | **5.97** | **100.00** |
| **DEPOSITS** | | **-** | **-** | |
| **OTHER CURRENT ASSETS** | | **617,709** | **36.87** | |
| **TOTAL ASSETS** | | **1,687,709** | **100.73** | |
| **LESS: CURRENT LIABILITIES** | | **12,257** | **0.73** | |
| **NET ASSETS** | | **1,675,452** | **100.00** | |

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | as on 31.03.07 |
|---|---|
| (a) Net Asset Value, per unit | |
| Growth | Rs. 10.1945 |
| Dividend | Rs. 10.0000 |
| (b) Gross Income: | |
| i) Income other than profit on sale of investment,per unit | .1990 |
| ii) profit on interscheme sale/transfer of investment,per unit | - |
| iii) profit on sale of investment to third party,per unit | - |
| iv) transfer to Revenue Account from past year's reserve per unit | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | 0.0067 |
| (d) Net unrealised depreciation in value of investments | - |
| (e) Net Income, per unit | 0.1923 |
| (f) i ) Highest traded price | |
| ii ) Lowest traded price | |
| iii) Highest repurchase price/NAV * | |
| Growth | 10.1945 |
| Dividend | 10.0000 |
| iv) Highest resale price * | |
| Growth | 10.0000 |
| Dividend | 10.0000 |
| V) Lowest repurchase price/NAV* | |
| Growth | 10.1945 |
| Dividend | 9.9052 |
| 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 | 0.27% |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | 1.99% |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 4 QUARTERLY PLAN B

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 4 QUARTERLY PLAN B ('the Scheme') as at March 28, 2007 and also the revenue account for the period from December 26, 2006 to March 28, 2007 ('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 Ninth Schedule 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 28, 2007 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 28, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 28, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **4,685,842** |
| Reserves and surplus | 2(b) & 4 | **4,100** |
| Current liabilities | 5 | **100,856** |
| | | **4,790,798** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 14 | **2,270,000** |
| Deposits with scheduled banks | | **1,400,000** |
| Other current assets | 7 | **1,120,798** |
| | | **4,790,798** |

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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**Mahendra Jajoo**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE PERIOD FROM DECEMBER 26,2006 TO MARCH 28, 2007

(All amounts in thousands of Rupees)

| | Schedule | FDECEMBER 26,2006 to MARCH 28, 2007 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **106,136** |
| | | **106,136** |
| **EXPENSES AND LOSSES** | | |
| Loss on sale/redemption of investments, net | 2(d) | **925** |
| Management fee | 9 | **2,145** |
| Trusteeship fee | 9 | **5** |
| Custodian service charges | | **15** |
| Registrar service charges | | **313** |
| Commission to distributors | | **576** |
| Publicity expenses | | **219** |
| Audit fee | | **20** |
| Other operating expenses | | **53** |
| | | **4,271** |
| Surplus for the period | | **101,865** |
| Income distribution on capital account | | **(80,016)** |
| Income-tax on distributed income | | **(17,749)** |
| Surplus transferred to the balance sheet | 4 | **4,100** |

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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**Mahendra Jajoo**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM DECEMBER 26,2006 TO MARCH 28, 2007

(All amounts in thousands of Rupees unless specified otherwise)

**1. BACKGROUND**

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan Series-2 ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on DECEMBER 26,2006 and the initial offer closed on DECEMBER 27,2006.

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

The investment objective of the Scheme is to 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 :

Regular - Growth

Regular - Monthly Dividend

Dividend On Maturity (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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| Regular - Growth | | |
| Issued | | |
| - new fund offer | **18,860,308.054** | **188,603** |
| Outstanding, end of period | **18,860,308.054** | **188,603** |
| **Regular - Monthly Dividend** | | |
| Issued | | |
| - new fund offer | **53,796,265.427** | **537,963** |
| **Outstanding, end of period** | **53,796,265.427** | **537,963** |
| **Dividend On Maturity** | | |
| Issued | | |
| - during the year | **395,927,605.884** | **3,959,276** |
| Outstanding, end of period | **395,927,605.884** | **3,959,276** |
| **Total** | | |
| Issued | | |
| - new fund offer | **468,584,179.365** | **4,685,842** |
| Outstanding, end of period | **468,584,179.365** | **4,685,842** |

**4. RESERVES AND SURPLUS** **(Rs.in 000's)**

| | Amount 2007 |
|---|---|
| **Retained surplus** | |
| Surplus transferred from revenue account | **4,100** |
| Balance, end of period | **4,100** |
| **Total reserves and surplus** | **4,100** |
| The share of the plans in the reserves and surplus is as follows: | |
| Regular - Growth | **4,100** |
| | **4,100** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **2,145** |
| Trusteeship fee payable | **(5)** |
| Dividend payable on units | **80,017** |
| Other current liabilities | **18,699** |
| | **100,856** |

**6. INVESTMENTS**

| | |
|---|---|
| Privately placed debentures and bonds | **1,220,000** |
| Commercial paper | **300,000** |
| Certificates of deposit | **750,000** |
| | **2,270,000** |

(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 is Nil.

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

| | |
|---|---|
| *Purchases (excluding Collateralised lending & Fixed deposits)* | |
| - amount | **6,022,779** |
| - as a percentage of average daily net assets | **127.18** |
| *Sales / Redemptions (excluding Collateralised lending & Fixed deposits)* | |
| - amount | **6,086,020** |
| - as a percentage of average daily net assets | **128.52** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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

*(Excluding Certificates of Deposit and Commercial Paper) as on March 28, 2007*

| | |
|---|---|
| valued in good faith | **1,220,000** |

**7. OTHER CURRENT ASSETS**

| | |
|---|---|
| Balances with banks in current accounts | **46** |
| Collateralised lending | **1,079,424** |
| Outstanding and accrued income | **41,328** |
| | **1,120,798** |

**8. INTEREST** **(Rs.in 000's)**

| | Amount 2007 |
|---|---|
| Debentures and bonds | **7,608** |
| Money market instruments | **64,166** |
| Deposits | **33,158** |
| Others | **1,204** |
| | **106,136** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the period ended March 28, 2007, the Scheme has paid management fee at an average rate of 0.18 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**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 | **106,136** |
| - as a percentage of average daily net assets | **8.96** |

*Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)*

| | |
|---|---|
| - amount | **3,346** |
| - as a percentage of average daily net assets | **0.28** |

**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 | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V. | Commission & distributions Expenses | 1 |

**12. NET ASSET VALUE** **2007**

| Net asset value of each unit of Rs 10 of the Scheme | |
|---|---|
| Regular - Growth | **Rs. 10.2174** |
| Regular - Monthly Dividend | **Rs. 10.0000** |
| Dividend On Maturity | **Rs. 10.0000** |

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

**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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 28, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 28, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity (Rs.in '000) category | Amount Net Assets | Percentage to Investment | Percentage to |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **CONSUMER DURABLES** | **3,500,000** | **350,000** | **7.46** | **28.69** |
| WHIRLPOOL INDIA LTD.* | 3,500,000 | 350,000 | 7.46 | 28.69 |
| **NON BANKING FINANCE** | **8,700,000** | **870,000** | **18.55** | **71.31** |
| GLOBAL TRADE FINANCE LTD.* | 3,700,000 | 370,000 | 7.89 | 30.33 |
| CHOLAMANDALAM DBS FINANCE LTD.* | 2,500,000 | 250,000 | 5.33 | 20.49 |
| KOTAK MAHINDRA INVESTMENTS LTD.* | 2,500,000 | 250,000 | 5.33 | 20.49 |
| **TOTAL** | **12,200,000** | **1,220,000** | **26.01** | **100.00** |
| **CERTIFICATE OF DEPOSITS** | | | | |
| **BANKS** | **7,500,000** | **750,000** | **15.99** | **100.00** |
| INDIAN BANK LTD.* | 5,000,000 | 500,000 | 10.66 | 66.67 |
| STATE BANK OF INDORE LTD.* | 2,500,000 | 250,000 | 5.33 | 33.33 |
| **TOTAL** | **7,500,000** | **750,000** | **15.99** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **AUTO ANCILLARIES** | **1,000,000** | **100,000** | **2.14** | **33.34** |
| GOETZE (INDIA) LTD.* | 1,000,000 | 100,000 | 2.14 | 33.34 |
| **INDUSTRIAL PRODUCTS** | **1,000,000** | **100,000** | **2.13** | **33.33** |
| OCL INDIA LTD.* | 1,000,000 | 100,000 | 2.13 | 33.33 |
| **TELECOM- EQUIPMENTS & ACCESSORIES** | **1,000,000** | **100,000** | **2.13** | **33.33** |
| SHYAM TELELINK LTD.* | 1,000,000 | 100,000 | 2.13 | 33.33 |
| **TOTAL** | **3,000,000** | **300,000** | **6.40** | **100.00** |
| **DEPOSITS** | | **1,400,000** | **29.85** | |
| **OTHER CURRENT ASSETS** | | **1,120,798** | **23.90** | |
| **TOTAL ASSETS** | | **4,790,798** | **102.15** | |
| **LESS: CURRENT LIABILITIES** | | **100,856** | **2.15** | |
| **NET ASSETS** | | **4,689,942** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | as on 31.03.07 |
|---|---|
| (a) Net Asset Value, per unit | |
| Growth | **Rs. 10.2174** |
| Dividend | **Rs. 10.0000** |
| Dividend On Maturity | **Rs. 10.0000** |
| (b) Gross Income: | |
| i) Income other than profit on sale of investment,per unit | **0.2265** |
| ii) profit on interscheme sale/transferof investment,per unit | **0.0000** |
| iii) profit on sale of investment to third party,per unit | **(0.0020)** |
| iv) transfer to Revenue Account from past year's reserve per unit | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.0071** |
| (d) Net unrealised depreciation in value of investments | - |
| (e) Net Income, per unit | **0.2174** |
| (f) i ) Highest traded price | |
| ii ) Lowest traded price | |
| iii) Highest repurchase price/NAV | |
| Growth | **10.2174** |
| Dividend | **10.0000** |
| Dividend On Maturity | **10.0000** |
| iv) Highest resale price | |
| Growth | **10.0000** |
| Dividend | **10.0000** |
| Dividend On Maturity | **10.0000** |
| v)Lowest repurchase price/NAV | |
| Growth | **10.2174** |
| Dividend | **10.0000** |
| Dividend On Maturity | **10.0000** |
| vi) Lowest resale price | |
| Growth | **10.0000** |
| Dividend | **10.0000** |
| Dividend On Maturity | **10.0000** |
| vii) Price Earning Ratio | **NA** |
| viii) Ratio of Expenses to Average Net Assets(%) | |
| Regular Plan | **0.27%** |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **2.22%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND- ABN AMRO FIXED TERM PLAN - SERIES 4 QUARTERLY PLAN C

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND- ABN AMRO FIXED TERM PLAN - SERIES 4 QUARTERLY PLAN C ('the Scheme') as at March 31, 2007 and also the revenue account for the period from January 17, 2007 to March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **4,966,225** |
| Reserves and surplus | 2(b) & 4 | **32,415** |
| Current liabilities | 5 | **12,727** |
| | | **5,011,367** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | **3,918,241** |
| Deposits with scheduled banks | | **1,070,000** |
| Other current assets | 7 | **23,126** |
| | | **5,011,367** |

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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**R. Sivakumar**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE PERIOD FROM JANUARY 17, 2007 TO MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | JANUARY 17, 2007 to MARCH 31, 2007 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **91,611** |
| | | **91,611** |
| **EXPENSES AND LOSSES** | | |
| Management fee | 9 | **1,632** |
| Trusteeship fee | 9 | **5** |
| Custodian service charges | | **15** |
| Registrar service charges | | **328** |
| Commission to distributors | | **486** |
| Publicity expenses | | **71** |
| Audit fee | | **20** |
| Other operating expenses | | **55** |
| | | **2,612** |
| Surplus for the period | | **88,999** |
| Income distribution on capital account | | **(46,437)** |
| Income-tax on distributed income | | **(10,357)** |
| Surplus transferred to the balance sheet | 4 | **32,205** |

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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**R. Sivakumar**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM JANUARY 17, 2007 TO MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan -Series 4: Quarterly Plan C ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on January 17, 2007 and the initial offer closed on January 18,2007.

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

The investment objective of the scheme is to 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.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - Monthly Dividend

Dividend On Maturity (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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular - Growth** | | |
| Issued | | |
| - new fund offer | **38,112,664.165** | **381,126** |
| Outstanding, end of period | **38,112,664.165** | **381,126** |
| **Regular - Monthly Dividend** | | |
| Issued | | |
| - new fund offer | **114,044,530.225** | **1,140,445** |
| - during the year | **945,379.318** | **9,454** |
| Outstanding, end of period | **114,989,909.543** | **1,149,899** |
| **Dividend On Maturity** | | |
| Issued | **-** | |
| - new fund offer | **340,307,959.061** | **3,403,080** |
| - during the year | **3,211,973.497** | **32,120** |
| Outstanding, end of period | **343,519,932.558** | **3,435,199** |
| **Total** | | |
| Issued | | |
| - new fund offer | **492,465,153.451** | **4,924,651** |
| - during the year | **4,157,352.815** | **41,574** |
| Outstanding, end of period | **496,622,506.266** | **4,966,225** |

**4. RESERVES AND SURPLUS** **(Rs.in 000's)**

| | Amount 2007 |
|---|---|
| **Unit premium reserve** | |
| Net premium on issue/redemption of units | **210** |
| Balance, end of period | |
| **Retained surplus** | |
| Surplus transferred from revenue account | **32,205** |
| Balance, end of period | **32,205** |
| Balance, end of period | **32,415** |

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

| | |
|---|---|
| Regular - Growth | **6,888** |
| Regular - Monthly Dividend | **6,402** |
| Dividend On Maturity | **19,125** |
| | **32,415** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **1,632** |
| Trusteeship fee payable | **5** |
| Unit dividend tax payable | **10,357** |
| Other current liabilities | **733** |
| | **12,727** |

**6. INVESTMENTS**

| | |
|---|---|
| Privately placed debentures and bonds | **200,000** |
| Commercial paper | **985,169** |
| Certificates of deposit | **1,737,648** |
| BRDS | **995,424** |
| | **3,918,241** |

(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 is Nil

(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 | **6,011,104** |
| - as a percentage of average daily net assets | **121.00** |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | |
| - amount | **2,158,985** |
| - as a percentage of average daily net assets | **43.46** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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(Excluding Certificates of Deposit,

| | |
|---|---|
| BRDS and Commercial Paper)as on March 31, 2007 valued in good faith | **200,000** |

**7. OTHER CURRENT ASSETS** **(Rs.in 000's)**

| | Amount 2007 |
|---|---|
| Balances with banks in current accounts | **53** |
| Receivable from AMC | **7** |
| Collateralised Lending | **428** |
| Outstanding and accrued income | **22,638** |
| | **23,126** |

**8. INTEREST**

| | |
|---|---|
| Debentures and bonds | **3,925** |
| Money market instruments | **66,559** |
| Deposits | **19,150** |
| Others | **1,977** |
| | **91,611** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.17 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**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 | **91,611** |
| - as a percentage of average daily net assets | **9.35** |

*Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)*

| | |
|---|---|
| - amount | **2,612** |
| - as a percentage of average daily net assets | **0.27** |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| NIL | | |

**13. NET ASSET VALUE** **2007**

| | |
|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | |
| Regular - Growth | **Rs. 10.1807** |
| Regular - Monthly Dividend | **Rs. 10.0557** |
| Dividend On Maturity | **Rs. 10.0557** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of invest ments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **FINANCE** | **2,000,000** | **200,000** | **4.00** | **100.00** |
| BIRLA GLOBAL FINANCE LTD.* | 2,000,000 | 200,000 | 4.00 | 100.00 |
| **TOTAL** | **2,000,000** | **200,000** | **4.00** | **100.00** |
| **BILLS RE-DISCOUNTED** | | | | |
| **BANKS** | **10,000,000** | **995,424** | **19.91** | **100.00** |
| HDFC BANK LTD. * | 10,000,000 | 995,424 | 19.91 | 100.00 |
| TOTAL | 10,000,000 | 995,424 | 19.91 | 100.00 |
| **CERTIFICATE OF DEPOSITS** | | | | |
| **BANKS** | **17,460,000** | **1,737,648** | **34.76** | **100.00** |
| YES BANK LTD. * | 10,000,000 | 995,201 | 19.91 | 57.27 |
| JAMMU & KASHMIR BANK * | 5,000,000 | 497,606 | 9.95 | 28.64 |
| IDBI BANK LTD. * | 2,460,000 | 244,841 | 4.90 | 14.09 |
| **TOTAL** | **17,460,000** | **1,737,648** | **34.76** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **NON BANKING FINANCE COMPANY** | **6,500,000** | **646,905** | **12.94** | **65.66** |
| GE MONEY FINANCIAL SERVICES LTD. * | 2,500,000 | 248,803 | 4.98 | 25.25 |
| KOTAK SECURITIES LTD. * | 2,500,000 | 248,778 | 4.98 | 25.25 |
| L & T FINANCE LTD. * | 1,500,000 | 149,324 | 2.98 | 15.16 |
| **TELECOM - EQUIPMENT & ACCESSORIES** | **2,400,000** | **238,717** | **4.78** | **24.23** |
| SHYAM TELELINK LTD. * | 2,400,000 | 238,717 | 4.78 | 24.23 |
| **OTHERS** | **1,000,000** | **99,547** | **1.99** | **10.10** |
| BHARAT SERUMS & VACCINES LTD. * | 1,000,000 | 99,547 | 1.99 | 10.10 |
| **TOTAL** | **9,900,000** | **985,169** | **19.71** | **100.00** |
| **DEPOSITS** | | **1,070,000** | **21.41** | |
| **OTHER CURRENT ASSETS** | | **23,126** | **0.46** | |
| **TOTAL ASSETS** | | **5,011,367** | **100.25** | |
| **LESS: CURRENT LIABILITIES** | | **12,727** | **0.25** | |
| **NET ASSETS** | | **4,998,640** | **100.00** | |

*** Non traded / thinly traded investments**

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | as on 31.03.07 |
|---|---|
| (a) Net Asset Value, per unit | |
| Growth | **Rs. 10.1807** |
| Monthly Dividend | **Rs. 10.0557** |
| Dividend On Maturity | **Rs. 10.0557** |
| (b) Gross Income: | |
| i) Income other than profit on sale of investment,per unit | **0.1845** |
| ii) profit on interscheme sale/transferof investment,per unit | **-** |
| iii) profit on sale of investment to third party,per unit | **-** |
| iv) transfer to Revenue Account from past year's reserve per unit | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.0053** |
| (d) Net unrealised depreciation in value of investments | **-** |
| (e) Net Income, per unit | **0.1792** |
| (f) i) Highest traded price | |
| ii) Lowest traded price | |
| iii) Highest repurchase price/NAV | |
| Growth | **-** |
| Monthly Dividend | **-** |
| Dividend On Maturity | **-** |
| iv) Highest resale price | |
| Growth | **10.0000** |
| Monthly Dividend | **10.0000** |
| Dividend On Maturity | **10.0000** |
| v) Lowest repurchase price/NAV | |
| Growth | **-** |
| Monthly Dividend | **-** |
| Dividend On Maturity | **-** |
| vi) Lowest resale price | |
| Growth | **10.0000** |
| Monthly Dividend | **10.0000** |
| Dividend On Maturity | **10.0000** |
| vii) Price Earning Ratio | **NA** |
| viii) Ratio of Expenses to Average Net Assets(%) | |
| Regular Plan | **0.27%** |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **1.84%** |

## AUDITORS' REPORT

To the Trustee of
ABN AMRO MUTUAL FUND- ABN AMRO FIXED TERM PLAN - SERIES 4: QUARTERLY PLAN D

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND- ABN AMRO FIXED TERM PLAN - SERIES 4: QUARTERLY PLAN D ('the Scheme') as at March 31, 2007 and also the revenue account for the period from January 29, 2007 to March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **3,180,272** |
| Reserves and surplus | 2(b) & 4 | **19,766** |
| Current liabilities | 5 | **7,130** |
| | | **3,207,168** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 14 | **3,195,803** |
| Other current assets | 7 | **11,365** |
| | | **3,207,168** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**R. Sivakumar**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE PERIOD FROM JANUARY 29, 2007 TO MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | JANUARY 29, 2007 TO MARCH 31, 2007 |
|---|---|---|
| **INCOME** | | |
| IInterest | 2(d) & 8 | **48,580** |
| | | **48,580** |
| **EXPENSES AND LOSSES** | | |
| Management fee | 9 | **1,720** |
| Trusteeship fee | 9 | **5** |
| Registrar service charges | | **142** |
| Commission to distributors | | **250** |
| Publicity expenses | | **266** |
| Audit fee | | **20** |
| Other operating expenses | | **25** |
| | | **2,428** |
| Surplus for the period | | **46,152** |
| Income distribution on capital account | | **(21,676)** |
| Income-tax on distributed income | | **(4,790)** |
| Surplus transferred to the balance sheet | 4 | **19,686** |

**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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**R. Sivakumar**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM JANUARY 29, 2007 TO MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan -Series 4: Quarterly Plan D ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on January 29, 2007 and the initial offer closed on February 01, 2007.

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

The investment objective of the scheme is to 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.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - Monthly Dividend

Dividend On Maturity (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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| **Regular - Growth** | | |
| Issued | | |
| - new fund offer | **51,389,712.487** | **513,897** |
| Outstanding, end of period | **51,389,712.487** | **513,897** |
| **Regular - Monthly Dividend** | | |
| Issued | | |
| - new fund offer | **21,658,520.000** | **216,585** |
| - during the year | **88,328.287** | **883** |
| Outstanding, end of period | **21,746,848.287** | **217,468** |
| **Dividend On Maturity** | | |
| Issued | | |
| - new fund offer | **243,007,549.720** | **2,430,076** |
| - during the year | **1,883,102.228** | **18,831** |
| Outstanding, end of period | **244,890,651.948** | **2,448,907** |
| **Total** | | |
| **Issued** | | |
| - new fund offer | **316,055,782.207** | **3,160,558** |
| - during the year | **1,971,430.515** | **19,714** |
| Outstanding, end of period | **318,027,212.722** | **3,180,272** |

**4. RESERVES AND SURPLUS** **(Rs.in 000's)**

| | Amount 2007 |
|---|---|
| **Unit premium reserve** | |
| Net premium on issue/redemption of units | **80** |
| Balance, end of period | **80** |
| **Retained surplus** | |
| Surplus transferred from revenue account | **19,686** |
| Balance, end of period | **19,686** |
| **Total Reserves & Surplus** | **19,766** |
| The share of the plans in the reserves and surplus is as follows: | |
| Regular Growth | **7,505** |
| Regular Monthly Dividend | **1,000** |
| Regular Dividend on Maturity | **11,261** |
| | **19,766** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **1,720** |
| Trusteeship fee payable | **5** |
| Unit dividend tax payable | **4,790** |
| Other current liabilities | **615** |
| | **7,130** |

**6. INVESTMENTS**

| | |
|---|---|
| Privately placed debentures and bonds | **700,000** |
| Commercial paper | **1,767,979** |
| Certificates of deposit | **727,824** |
| | **3,195,803** |

(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 is Nil .

(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 | 5,178,408 |
| - as a percentage of average daily net assets | 162.69 |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | |
| - amount | 2,014,645 |
| - as a percentage of average daily net assets | 63.29 |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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.

| | Amount 2007 |
|---|---|
| (v) Aggregate fair value of non traded investments(Excluding Certificates of Deposit and Commercial Paper)as on March 31, 2007 valued in good faith | **700,000** |

**7. OTHER CURRENT ASSETS**

| | |
|---|---|
| Balances with banks in current accounts | **59** |
| Collateralised Lending | **471** |
| Outstanding and accrued income | **10,835** |
| | **11,365** |

**8. INTEREST**

| | |
|---|---|
| Debentures and bonds | **14,421** |
| Money market instruments | **32,340** |
| Others | **1,819** |
| | **48,580** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.34 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**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 | **48,580** |
| - as a percentage of average daily net assets | **9.60** |

*Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)*

| | |
|---|---|
| - amount | **2,428** |
| - as a percentage of average daily net assets | **0.48** |

**11. RELATED PARTY TRANSACTIONS**

**Transactions covered by Regulation 25(8) of the SEBI Regulation with the Sponsors**

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| **NEL** | | |

**12. NET ASSET VALUE**

| Net asset value of each unit of Rs 10 of the Scheme | 2007 |
|---|---|
| Regular Growth | **Rs. 10.1460** |
| Regular Monthly Dividend | **Rs. 10.0460** |
| Regular Dividend on Maturity | **Rs. 10.0460** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of invest ments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **FINANCE** | **2,500,000** | **250,000** | **7.81** | **35.71** |
| BIRLA GLOBAL FINANCE LTD.* | 2,500,000 | 250,000 | 7.81 | 35.71 |
| **NON BANKING FINANCE COMPANY** | **4,500,000** | **450,000** | **14.06** | **64.29** |
| KOTAK MAHINDRA PRIME LTD.* | 3,500,000 | 350,000 | 10.94 | 50.00 |
| KOTAK MAHINDRA INVESTMENTS LTD.* | 1,000,000 | 100,000 | 3.12 | 14.29 |
| **TOTAL** | **7,000,000** | **700,000** | **21.87** | **100.00** |
| **CERTIFICATE OF DEPOSITS** | | | | |
| **BANKS** | **7,340,000** | **727,824** | **22.74** | **100.00** |
| DEVELOPMENT CREDIT BANK LTD. * | 5,000,000 | 495,806 | 15.49 | 68.12 |
| YES BANK LTD. * | 2,300,000 | 228,037 | 7.13 | 31.33 |
| IDBI BANK LTD. * | 40,000 | 3,981 | 0.12 | 0.55 |
| **TOTAL** | **7,340,000** | **727,824** | **22.74** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **AUTO ANCILLARIES** | **2,000,000** | **198,262** | **6.20** | **11.21** |
| FEDERAL MOGUL GOETZE LTD. * | 2,000,000 | 198,262 | 6.20 | 11.21 |
| **INDUSTRIAL PRODUCTS** | **1,000,000** | **99,144** | **3.10** | **5.61** |
| OCL INDIA LTD. * | 1,000,000 | 99,144 | 3.10 | 5.61 |
| **NON BANKING FINANCE COMPANY** | **12,440,000** | **1,232,598** | **38.52** | **69.72** |
| GE CAPITAL TRANSPORTATION FINANCIAL SERVICES * | 5,000,000 | 495,735 | 15.49 | 28.04 |
| KOTAK SECURITIES LTD. * | 2,500,000 | 247,824 | 7.74 | 14.02 |
| GLOBAL TRADE FINANCE LTD.* | 2,500,000 | 247,270 | 7.73 | 13.99 |
| STANDARD CHART INVES AND LOANS LTD. * | 2,000,000 | 198,276 | 6.20 | 11.21 |
| DSP MERILL LYNCH CAPITAL LTD. * | 440,000 | 43,493 | 1.36 | 2.46 |
| **TELECOM - EQUIPMENT & ACCESSORIES** | **2,400,000** | **237,975** | **7.43** | **13.46** |
| SHYAM TELELINK LTD. * | 2,400,000 | 237,975 | 7.43 | 13.46 |
| **TOTAL** | **17,840,000** | **1,767,979** | **55.25** | **100.00** |
| **DEPOSITS** | | **-** | **-** | |
| **OTHER CURRENT ASSETS** | | **11,365** | **0.36** | |
| **TOTAL ASSETS** | | **3,207,168** | **100.22** | |
| **LESS: CURRENT LIABILITIES** | | **7,130** | **0.22** | |
| **NET ASSETS** | | **3,200,038** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | as on 31.03.07 |
|---|---|
| (a) Net Asset Value, per unit | |
| Growth | **10.1460** |
| Monthly Dividend | **10.0460** |
| Dividend On Maturity | **10.0460** |
| (b) Gross Income: | |
| i) Income other than profit on sale of investment,per unit | **0.1528** |
| ii) profit on interscheme sale/transfer of investment,per unit | **-** |
| iii) profit on sale of investment to third party,per unit | **-** |
| iv) transfer to Revenue Account from past year's reserve per unit | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.0076** |
| (d) Net unrealised depreciation in value of investments | **-** |
| (e) Net Income, per unit | **0.1452** |
| (f) i ) Highest traded price | |
| ii ) Lowest traded price | |
| iii) Highest repurchase price/NAV | |
| Growth | **-** |
| Monthly Dividend | **-** |
| Dividend On Maturity | **-** |
| iv) Highest resale price | |
| Growth | **10.0000** |
| Monthly Dividend | **10.0000** |
| Dividend On Maturity | **10.0000** |
| V) Lowest repurchase price/NA | |
| Growth | **-** |
| Monthly Dividend | **-** |
| Dividend On Maturity | **-** |
| Vi) Lowest resale price | |
| Growth | **10.0000** |
| Monthly Dividend | **10.0000** |
| Dividend On Maturity | **10.0000** |
| vii) Price Earning Ratio | **NA** |
| viii) Ratio of Expenses to Average Net Assets(%) | |
| Regular Plan | **0.48%** |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **1.53%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND- ABN AMRO FIXED TERM PLAN -SERIES 4 QUARTERLY PLAN E

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND- ABN AMRO FIXED TERM PLAN -SERIES 4 QUARTERLY PLAN E ('the Scheme') as at March 31, 2007 and also the revenue account for the period from February 27, 2007 to March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **4,716,979** |
| Reserves and surplus | 2(b) & 4 | **20,733** |
| Current liabilities | 5 | **5,487** |
| | | **4,743,199** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 14 | **2,947,899** |
| Deposits with scheduled banks | | **1,777,600** |
| Other current assets | 7 | **17,700** |
| | | **4,743,199** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**R. Sivakumar**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE PERIOD FROM FEBRUARY 27, 2007 TO MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | FEBRUARY 27, 2007 TO MARCH 31, 2007 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **44,288** |
| | | **44,288** |
| **EXPENSES AND LOSSES** | | |
| Management fee | 9 | **1,009** |
| Trusteeship fee | 9 | **5** |
| Registrar service charges | | **112** |
| Publicity expenses | | **332** |
| Audit fee | | **20** |
| | | **1,514** |
| Surplus for the period | | **42,774** |
| Income distribution on capital account | | **(18,097)** |
| Income-tax on distributed income | | **(3,996)** |
| Surplus transferred to the balance sheet | 4 | **20,681** |

**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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**R. Sivakumar**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM FEBRUARY 27, 2007 TO MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan -Series 4: Quarterly Plan E ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on February 27, 2007 and the initial offer closed on February 28, 2007.

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

The investment objective of the scheme and the plan launched hereunder would be to achieve growth of capital through investments made in a basket of fixed income securities in the line with the duration of the plan(s) thereunder.The Scheme does not guarantee / indicate any returns.Presently the Scheme will have Quarterly Plan E.This plan would comprise of securities normally maturing in line with the Scheme.In addition,the AMC and the Trustee reserves the right to introduce multiple plans of the same maturity period in line with SEBI regulations.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - Monthly Dividend

Dividend On Maturity (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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular - Growth** | | |
| Issued | | |
| - new fund offer | **28,364,700.729** | **283,647** |
| Outstanding, end of period | **28,364,700.729** | **283,647** |
| **Regular - Growth** | | |
| Issued | | |
| - new fund offer | **124,561,629.867** | **1,245,616** |
| - during the year | **493,557.275** | **4,936** |
| Outstanding, end of period | **125,055,187.142** | **1,250,552** |
| **Dividend On Maturity** | | |
| Issued | | |
| - new fund offer | **317,301,136.124** | **3,173,011** |
| - during the year | **976,941.409** | **9,769** |
| Outstanding, end of period | **318,278,077.533** | **3,182,780** |
| **Total** | | |
| Issued | | |
| - new fund offer | **470,227,466.721** | **4,702,275** |
| - during the year | **1,470,498.684** | **14,705** |
| Outstanding, end of period | **471,697,965.405** | **4,716,979** |

**4. RESERVES AND SURPLUS** (Rs.in 000's)

| **Amount** | **2007** |
|---|---|
| **Unit premium reserve** | |
| Net premium on issue/redemption of units | **52** |
| Balance, end of period | **52** |
| **Retained surplus** | |
| Surplus transferred from revenue account | **20,681** |
| Balance, end of period | **20,681** |
| **Balance, end of period** | **20,733** |

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

| | |
|---|---|
| Regular - Growth | **2,582** |
| Regular - Growth | **5,120** |
| Dividend On Maturity | **13,031** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **1,009** |
| Trusteeship fee payable | **5** |
| Unit dividend tax payable | **3,996** |
| Other current liabilities | **477** |
| | **5,487** |

**6. INVESTMENTS**

| | |
|---|---|
| Commercial paper | **486,182** |
| Certificates of deposit | **2,461,717** |
| | **2,947,899** |

(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 is Nil.

(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 | **2,924,221** |
| - as a percentage of average daily net assets | **61.90** |

*Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)*

| | |
|---|---|
| - amount | **3,464** |
| - as a percentage of average daily net assets | **0.07** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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 | **201** |
| Collateralised Lending | **428** |

| Amount | 2007 |
|---|---|
| Outstanding and accrued income | **17,071** |
| | **17,700** |

**8. INTEREST**

| | |
|---|---|
| Money market instruments | **27,142** |
| Deposits | **17,070** |
| Others | **76** |
| | **44,288** |

**9. NAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.26 per cent.
The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**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 | 44,288 |
| - as a percentage of average daily net assets | 11.4 |
| Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any) | |
| - amount | 1,514 |
| - as a percentage of average daily net assets | 0.39 |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| NEL | | - |

**12. NET ASSET VALUE**

| | 2007 |
|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | |
| Regular - Growth | **Rs. 10.0910** |
| Regular - Growth | **Rs. 10.0409** |
| Dividend On Maturity | **Rs. 10.0409** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of invest ments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity (Rs.in '000) category | Amount Net Assets | Percentage to Investment | Percentage to |
|---|---|---|---|---|
| **CERTIFICATE OF DEPOSITS** | | | | |
| **BANKS** | **25,060,000** | **2,461,717** | **51.96** | **100.00** |

| | | | | |
|---|---|---|---|---|
| ICICI BANK LTD. * | 15,000,000 | 1,473,951 | 31.11 | 59.87 |
| DEVELOPMENT CREDIT BANK LTD. * | 10,000,000 | 981,825 | 20.72 | 39.88 |
| ING VYSYA BANK * | 60,000 | 5,941 | 0.13 | 0.24 |
| **TOTAL** | **25,060,000** | **2,461,717** | **51.96** | **100.00** |
| COMMERCIAL PAPER | | | | |
| HOUSING FINANCE COMPANY | 4,950,000 | 486,182 | 10.26 | 100.00 |
| GE MONEY HOUSING FINANCE LTD. * | 4,950,000 | 486,182 | 10.26 | 100.00 |
| **TOTAL** | **4,950,000** | **486,182** | **10.26** | **100.00** |
| **DEPOSITS** | | **1,777,600** | **37.52** | |
| **OTHER CURRENT ASSETS** | | **17,700** | **0.37** | |
| **TOTAL ASSETS** | | **4,743,199** | **100.12** | |
| **LESS: CURRENT LIABILITIES** | | **5,487** | **0.12** | |
| **NET ASSETS** | | **4,737,712** | **100.00** | |

## HISTORICAL PER UNIT STATISTICS

| **PER UNIT STATISTICS** | **as on 31.03.07** |
|---|---|
| (a) Net Asset Value, per unit | |
| Growth | **Rs. 10.0910** |
| Monthly Dividend | **Rs. 10.0409** |
| Dividend On Maturity | **Rs. 10.0409** |
| (b) Gross Income: | |
| i) Income other than profit onsale of investment,per unit | **0.0939** |
| ii) profit on interscheme sale/transfer of investment,per unit | **-** |
| iii) profit on sale of investment to third party,per unit | **-** |
| iv) transfer to Revenue Accountfrom past year's reserve per unit | **-** |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.0032** |
| (d) Net unrealised depreciation in value of investments | **-** |
| (e) Net Income, per unit | **0.0907** |
| (f) i ) Highest traded price | |
| ii ) Lowest traded price | |
| iii) Highest repurchase price/NAV * | |
| Growth | **-** |
| Monthly Dividend | **-** |
| Dividend On Maturity | |
| iv) Highest resale price * | |
| Growth | **10.0000** |
| Monthly Dividend | **10.0000** |
| Dividend On Maturity | **10.0000** |
| v) Lowest repurchase price/NAV* | |
| Growth | **-** |
| Monthly Dividend | **-** |
| Dividend On Maturity | **-** |
| vi) Lowest resale price* | |
| Growth | **10.0000** |
| Monthly Dividend | **10.0000** |
| Dividend On Maturity | |
| vii) Price Earning Ratio | **NA** |
| viii) Ratio of Expenses to Average Net Assets(%) Regular Plan | **0.39%** |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **0.94%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND - ABN AMRO FIXED TERM PLAN - SERIES 6: QUARTERLY PLAN B

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND - ABN AMRO FIXED TERM PLAN - SERIES 6: QUARTERLY PLAN B ('the Scheme') as at March 31, 2007 and also the revenue account for the period from March 14, 2007 to March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **507,943** |
| Reserves and surplus | 2(b) & 4 | **2,536** |
| Current liabilities | 5 | **297** |
| | | **510,776** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | **258,938** |
| Deposits with scheduled banks | | **250,000** |
| Other current assets | 7 | **1,838** |
| | | **510,776** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**R. Sivakumar**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE PERIOD FROM MARCH 14, 2007 TO MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | MARCH 14, 2007 TO MARCH 31, 2007 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **2815** |
| | | **2815** |
| **EXPENSES AND LOSSES** | | |
| Management fee | 9 | **228** |
| Trusteeship fee | 9 | **5** |
| Registrar service charges | | **12** |
| Commission to distributors | | **11** |
| Publicity expenses | | **15** |
| Audit fee | | **20** |
| Other operating expenses | | **6** |
| Expenses reimbursed by the AMC | 10 | **(18)** |
| | | **279** |
| Surplus for the period | | **2536** |
| Surplus transferred to the balance sheet | 4 | **2536** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**R. Sivakumar**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan - Series 6: Quarterly Plan B ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on March 14, 2007 and the initial offer closed on March 15, 2007.

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

The investment objective of the scheme is to 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.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - Monthly Dividend

Dividend On Maturity (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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular - Growth** | | |
| Issued | | |
| -new fund offer | **1,502,700.000** | **15,027** |
| Outstanding, end of period | **1,502,700.000** | **15,027** |
| **Regular - Monthly Dividend** | | |
| Issued | | |
| -new fund offer | **15,662,768.968** | **156,628** |
| Outstanding, end of period | **15,662,768.968** | **156,628** |
| **Dividend On Maturity** | | |
| Issued | | |
| -new fund offer | **33,628,839.211** | **336,288** |
| Outstanding, end of period | **33,628,839.211** | **336,288** |
| **Total** | | |
| Issued | | |
| -new fund offer | **50,794,308.179** | **507,943** |
| Outstanding, end of period | **50,794,308.179** | **507,943** |

**4. RESERVES AND SURPLUS**

| | |
|---|---|
| **Retained surplus** | |
| Surplus transferred from revenue account | **2,536** |
| Total Reserves & Surplus | **2,536** |
| **Balance, end of period** | **2,536** |
| The share of the plans in the reserves and surplus is as follows: | |
| Regular - Growth | **75** |
| Regular - Monthly Dividend | **782** |
| Dividend On Maturity | **1679** |
| | **2,536** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **228** |
| Trusteeship fee payable | **5** |
| Registrar fees payable | **15** |
| Brokerage payable on distribution of units | **10** |
| Other current liabilities | **39** |
| | **297** |

**6. INVESTMENTS**

| | |
|---|---|
| Privately placed debentures and bonds | **75,000** |
| Certificates of deposit | **183,938** |
| | **258,938** |

(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

| | Amount 2007 |
|---|---|
| (Mutual Funds) Regulations, 1996. | |
| (ii) Aggregate appreciation and depreciation in the value of investments is Nil | |
| (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 | **453,336** |
| - as a percentage of average daily net assets | **89.01** |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | |
| - amount | **194,870** |
| - as a percentage of average daily net assets | **38.26** |
| (iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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(Excluding Certificates of Deposit) as on March 31, 2007 valued in good faith | **75,000** |

**7. OTHER CURRENT ASSETS**

| | |
|---|---|
| Balances with banks in current accounts | **210** |
| Receivable from AMC | **18** |
| Collateralised Lending | **214** |
| Outstanding and accrued income | **1,396** |
| | **1,838** |

**8. INTEREST**

| | |
|---|---|
| Debentures and bonds | **951** |
| Money market instruments | **602** |
| Deposits | **1,027** |
| Others | **235** |
| | **2,815** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 1.02 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10.** The AMC has borne Rs. 0.18 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/ Offer document, chargeable to the Scheme.

**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 | **2,815** |
| - as a percentage of average daily net assets | **12.61** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | **279** |
| - as a percentage of average daily net assets | **1.25** |

**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**

| Associate<br>Nature of transactions | 2007 (Rs.in '000) |
|---|---|
| NIL | |

**13. NET ASSET VALUE**

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

| | |
|---|---|
| Regular - Growth | **Rs. 10.0499** |
| Regular - Monthly Dividend | **Rs. 10.0499** |
| Dividend On Maturity | **Rs. 10.0499** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity (Rs.in '000) | Amount | Percentage to (Net Assets) | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **Non Banking Finance Company** | **750,000** | **75,000** | **14.70** | **100.00** |
| SBI Factors & Commercial Services Pvt. Ltd.* | 750,000 | 75,000 | 14.70 | 100.00 |
| **Total** | **750,000** | **75,000** | **14.70** | **100.00** |
| **CERTIFICATE OF DEPOSITS** | | | | |
| **Banks** | **1,880,000** | **183,938** | **36.03** | **100.00** |
| State Bank Of Hyderbad * | 880,000 | 86,113 | 16.87 | 46.82 |
| State Bank of Bikaner & Jaipur * | 1,000,000 | 97,825 | 19.16 | 53.18 |
| **Total** | **1,880,000** | **183,938** | **36.03** | **100.00** |
| **DEPOSITS** | | **250,000** | **48.97** | |
| **OTHER CURRENT ASSETS** | | **1,838** | **0.36** | |
| **TOTAL ASSETS** | | **510,776** | **100.06** | |
| **LESS: CURRENT LIABILITIES** | | **297** | **0.06** | |
| **NET ASSETS** | | **510,479** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | as on 31.03.07 |
|---|---|---|
| (a) | Net Asset Value, per unit | |
| | Growth | **Rs. 10.0499** |
| | Monthly Dividend | **Rs. 10.0499** |
| | Dividend On Maturity | **Rs. 10.0499** |
| (b) | Gross Income: | |
| | i) Income other than profit on sale of investment,per unit | |
| | ii) profit on interscheme sale/transfer of investment,per unit | **-** |
| | iii) profit on sale of investment to third party,per unit | **-** |
| | iv) transfer to Revenue Account from past year's reserve per unit | |
| (c) | Aggregate of expenses,write offs, amortisation and charges,per unit | **0.0055** |
| (d) | Net unrealised depreciation in value of investments | |
| (e) | Net Income, per unit | **0.0499** |
| (f) | i ) Highest traded price | |
| | ii ) Lowest traded price | |
| | iii) Highest repurchase price/NAV * | |
| | Growth | **-** |
| | Monthly Dividend | **-** |
| | Dividend On Maturity | **-** |
| | iv) Highest resale price * | |
| | Growth | **10.0000** |
| | Monthly Dividend | **10.0000** |
| | Dividend On Maturity | **10.0000** |
| | v) Lowest repurchase price/NAV* | |
| | Growth | **-** |
| | Monthly Dividend | **-** |
| | Dividend On Maturity | **-** |
| | vi) Lowest resale price* | |
| | Growth | **10.0000** |
| | Monthly Dividend | **10.0000** |
| | Dividend On Maturity | **10.0000** |
| | vii) Price Earning Ratio | **NA** |
| | viii) Ratio of Expenses to Average Net Assets(%) | |
| | Regular Plan | **1.25%** |
| | ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **0.55%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND - ABN AMRO FIXED TERM PLAN - SERIES 6: QUARTERLY PLAN C

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND - ABN AMRO FIXED TERM PLAN - SERIES 6: QUARTERLY PLAN C ('the Scheme') as at March 31, 2007 and also the revenue account for the period from March 26, 2007 to March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **3,640,822** |
| Reserves and surplus | 2(b) & 4 | **3,334** |
| Current liabilities | 5 | **46** |
| | | **3,644,202** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | **2,197,234** |
| Deposits with scheduled banks | | **1,250,000** |
| Other current assets | 7 | **196,968** |
| | | **3,644,202** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**R. Sivakumar**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE PERIOD FROM MARCH 26, 2007 TO MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | MARCH 26, 2007 TO MARCH 31, 2007 |
|---|---|---|
| INCOME | | |
| Interest | 2(d) & 8 | **3,334** |
| | | **3,334** |
| EXPENSES AND LOSSES | | |
| Commission to distributors | | **9** |
| Publicity expenses | | **15** |
| Audit fee | | **20** |
| Other operating expenses | | **2** |
| Expenses reimbursed by the AMC | 10 | **(46)** |
| | | **-** |
| Surplus for the period | | **3,334** |
| Surplus transferred to the balance sheet | 4 | **3,334** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**R. Sivakumar**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM MARCH 26, 2007 TO MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - -ABN AMRO Fixed Term Plan - Series 6: Quarterly Plan C ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on March 26, 2007 and the initial offer closed on March 28, 2007.

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

The investment objective of the scheme and plan launched hereunder would be to achieve growth of capital through investments made in a basket of fixed income securities in line with the duration of the plan(s) thereunder.The Scheme does not guarantee / indicate any returns.Presently the Scheme will have Quarterly Plan C.This plan would comprise of securities normally maturing in line with the Scheme.In addition,the AMC and the Trustee reserves the right to introduce multiple plans of the same maturity period in line with SEBI regulations.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - Monthly Dividend

Dividend On Maturity (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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular - Growth** | | |
| Issued | | |
| - new fund offer | **9,589,752.946** | **95,898** |
| Outstanding, end of period | **9,589,752.946** | **95,898** |
| **Regular - Monthly Dividend** | | |
| Issued | | |
| -new fund offer | **17,061,656.896** | **170,617** |
| Outstanding, end of period | **17,061,656.896** | **170,617** |
| **Dividend On Maturity** | | |
| Issued | | |
| -new fund offer | **337,430,748.527** | **3,374,307** |
| Outstanding, end of period | **337,430,748.527** | **3,374,307** |
| **Total** | | |
| Issued | | |
| -new fund offer | **364,082,158.369** | **3,640,822** |
| Outstanding, end of period | **364,082,158.369** | **3,640,822** |

**4. RESERVES AND SURPLUS**

| | |
|---|---|
| **Retained surplus** | |
| Surplus transferred from revenue account | **3,334** |
| Balance, end of period | **3,334** |
| **Total Reserves & Surplus** | **3,334** |
| The share of the plans in the reserves and surplus is as follows: | |
| Regular - Growth | **88** |
| Regular - Monthly Dividend | **156** |
| Dividend On Maturity | **3,090** |
| | **3,334** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Audit fee payable | **20** |
| Other current liabilities | **26** |
| | **46** |

**6. INVESTMENTS**

| | |
|---|---|
| Privately placed debentures and bonds | **499,104** |
| Commercial paper | **1,260,701** |
| Certificates of deposit | **243,336** |
| BRDS | **194,093** |
| | **2,197,234** |

(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 is Nil

(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 | **2,595,983** |
| - as a percentage of average daily net assets | **71.25** |
| *Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)* | |
| - amount | **400,000** |
| - as a percentage of average daily net assets | **10.98** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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(Excluding Certificates of Deposit, BRDS and Commercial Paper)as on March 31, 2007 valued in good faith **499,104**

**7. OTHER CURRENT ASSETS**

| | |
|---|---|
| Sundry debtors for units issued to investors | **42,489** |
| Balances with banks in current accounts | **187** |
| Receivable from AMC | **46** |
| Collateralised Lending | **152,839** |
| Outstanding and accrued income | **1,407** |
| | **196,968** |

**8. INTEREST**

| | |
|---|---|
| Debentures and bonds | **481** |
| Money market instruments | **1,251** |
| Deposits | **856** |
| Collateralised Lending | **746** |
| | **3,334** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.00 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10.** The AMC has borne Rs. 0.46 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/Offer document, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

| | |
|---|---|
| *Income* | |
| - amount | **3,334** |
| - as a percentage of average daily net assets | **16.70** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | **-** |
| - as a percentage of average daily net assets | **0.00** |

**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**

| **Associate**<br>**Nature of transactions** | **2007 (Rs.in '000)** |
|---|---|
| NIL | |

**13. NET ASSET VALUE**

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

| | |
|---|---|
| Regular - Growth | **Rs. 10.0092** |
| Regular - Monthly Dividend | **Rs. 10.0092** |
| Dividend On Maturity | **Rs. 10.0092** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| **Industry and Company Particulars** | **Quantity** | **Amount (Rs.in '000)** | **Percentage to Net Assets** | **Percentage to Investment category** |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **Finance (Asset Backed Security)** | **50** | **499,104** | **13.70** | **100.00** |
| HEL Trust* | 50 | 499,104 | 13.70 | 100.00 |
| **Total** | **50** | **499,104** | **13.70** | **100.00** |
| **BILLS RE-DISCOUNTED** | | | | |
| **Banks** | **2,000,000** | **194,093** | **5.33** | **100.00** |
| Deutsche Bank Ltd.* | 2,000,000 | 194,093 | 5.33 | 100.00 |
| **Total** | **2,000,000** | **194,093** | **5.33** | **100.00** |
| **CERTIFICATE OF DEPOSITS** | | | | |
| **Banks** | **2,500,000** | **243,336** | **6.68** | **100.00** |
| Standard Chartered Bank Ltd.* | 2,500,000 | 243,336 | 6.68 | 100.00 |
| **Total** | **2,500,000** | **243,336** | **6.68** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **Non Banking Finance Company** | **13,000,000** | **1,260,701** | **34.60** | **100.00** |
| Reliance Capital Ltd.* | 5,000,000 | 485,396 | 13.32 | 38.50 |
| Indiabulls Financial Services Ltd.* | 5,000,000 | 485,221 | 13.32 | 38.50 |
| Shyam Telelink Ltd.* | 3,000,000 | 290,084 | 7.96 | 23.01 |
| **Total** | **13,000,000** | **1,260,701** | **34.60** | **100.00** |
| **DEPOSITS** | | **1,250,000** | **34.30** | |
| **OTHER CURRENT ASSETS** | | **196,968** | **5.39** | |
| **TOTAL ASSETS** | | **3,644,202** | **100.00** | |
| **LESS: CURRENT LIABILITIES** | | **46** | **-** | |
| **NET ASSETS** | | **3,644,156** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | as on 31.03.07 |
|---|---|---|
| (a) Net Asset Value, per unit | | |
| Regular - Growth | | **Rs. 10.0092** |
| Regular - Monthly Dividend | | **Rs. 10.0092** |
| Dividend On Maturity | | **Rs. 10.0092** |
| (b) Gross Income: | | |
| i) Income other than profit on sale of investment,per unit | | **0.0092** |
| ii) profit on interscheme sale/transfer of investment,per unit | | **-** |
| iii) profit on sale of investment to third party,per unit | | **-** |
| iv) transfer to Revenue Account from past year's reserve per unit | | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | | **-** |
| (d) Net unrealised depreciation in value of investments | | **-** |
| (e) Net Income, per unit | | **0.0092** |
| (f) i ) Highest traded price | | |
| ii ) Lowest traded price | | |
| iii) Highest repurchase price/NAV | | |
| Regular - Growth | | **-** |
| Regular - Monthly Dividend | | **-** |
| Dividend On Maturity | | **-** |
| iv) Highest resale price | | |
| Regular - Growth | | **10.0000** |
| Regular - Monthly Dividend | | **10.0000** |
| Dividend On Maturity | | **10.0000** |
| v) Lowest repurchase price/NAV | | |
| Regular - Growth | | **-** |
| Regular - Monthly Dividend | | **-** |
| Dividend On Maturity | | **-** |
| vi) Lowest resale price | | |
| Regular - Growth | | **10.0000** |
| Regular - Monthly Dividend | | **10.0000** |
| Dividend On Maturity | | **10.0000** |
| vii) Price Earning Ratio | | **NA** |
| viii) Ratio of Expenses to Average Net Assets(%) | | |
| Regular Plan | | **0.27%** |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | | **0.09%** |

## 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 2006-2007.

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| ALLAHABAD BANK | AAEF | AAEF | 1,064.00 | - |
| | | AAMIP | 72.77 | - |
| | | AACF | 3,965.58 | - |
| | | AAFTP4-QPA | 1,965.96 | - |
| | | AAFLF | 1,811.84 | - |
| | | AATAP | 499.22 | - |
| | | AADYF | 1,578.82 | - |
| | | AAOF | 702.74 | - |
| | | AAFRF | 1,000.00 | - |
| BAJAJ AUTO LTD. | AAFTP2-QPB | AATAP | 1,072.06 | - |
| | | AADYF | 180.12 | - |
| | | AAOF | 859.80 | - |
| | | AAMIP | 48.60 | - |
| | | AAEF | 1,548.87 | - |
| BANK OF BARODA | AACF | AAOF | 249.99 | 213.33 |
| | | AADYF | 297.67 | - |
| BANK OF INDIA | AAFRF | AATAP | 769.51 | - |
| | | AAFLF | 1,686.81 | - |
| | | AADYF | 256.30 | - |
| | | AAOF | 1,399.19 | - |
| | | AACF | 500.00 | - |
| | | AAMIP | 581.48 | - |
| | | AAEF | 1,640.79 | 396.09 |
| BHARTI TELE VENTURES LTD. | AAFLF | AAEF | 1,628.16 | 763.90 |
| | AALTFRF | AAOF | 734.44 | - |
| | AACF | AATAP | 140.13 | 139.79 |
| | | AAMIP | 42.59 | - |
| CUMMINS INDIA LTD | AAFTP3-QPF | AAFLF | 1,155.81 | - |
| | | AADYF | 109.96 | 104.60 |
| GLAXOSMITHKLINE PHARMACEUTICALS LTD. | AAFDF | AADYF | 171.31 | - |
| GRASIM INDUSTRIES LTD. | AAFTP2-QPC | AAEF | 1,947.69 | - |
| | AALTFRF | AAOF | 1,405.44 | - |
| | AAFTP3-QPA | AAFLF | 1,368.40 | - |
| | AAFTP3-QPE | AAFTP1 | 3,500.00 | - |
| | | AATAP | 996.54 | - |
| | | AAFRF | 1,900.00 | - |
| | | AAFDF | 3,400.00 | - |
| | | AAMIP | 110.07 | - |
| | | AACF | 3,000.00 | - |
| GREAT EASTERN SHIPPING CO. LTD. | AAFTP2-QPE | AAEF | 681.52 | - |
| | | AATAP | 544.29 | - |
| | | AADYF | 2,436.03 | - |
| | | AAMIP | 89.82 | - |
| HCL TECHNOLOGIES LTD. | AAFTP3-YP | AAOF | 1,295.26 | - |
| | | AAFLF | 1,042.52 | - |
| | | AATAP | 330.96 | - |
| | | AADYF | 2,370.97 | 95.58 |
| | | AAEF | 85.63 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| HDFC BANK LTD. | AACF | AALTFR | 1,500.00 | - |
| | AAFRF | AAFTP5-14MP | 1,000.00 | 1,000.00 |
| | | AAFTP2-QPA | 2,448.01 | - |
| | | AATAP | 494.41 | - |
| | | AAFTP4-QPC | 9,771.18 | 9,951.69 |
| | | AAFTP3-QPF | 4,908.03 | - |
| | | AAFTP3-QPE | 4,908.15 | - |
| | | AAFRF | 3,690.82 | - |
| | | AAFDF | 468.18 | - |
| | | AACF | 27,423.10 | - |
| HERO HONDA MOTORS LTD. | AAFTP2-QPH | AADYF | 3,097.16 | - |
| | AAFTP2-QPB | | - | - |
| | AAFTP2-QPC | | - | - |
| | AAFTP2-QPE | | - | - |
| | AAFTP3-QPA | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPF | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-HYA | | - | - |
| | AADAF-PLAN A | | - | - |
| HINDALCO INDUSTRIES LTD. | AAFTP2-QPH | AAEF | 1,369.73 | - |
| | AAFTP2-QPB | AAOF | 1,119.94 | - |
| | AAFTP2-QPE | AAFLF | 233.31 | - |
| | AALTFRF | AATAP | 252.75 | - |
| | AAFTP3-QPE | AADYF | 96.93 | - |
| | AAFTP3-QPF | AAMIP | 193.85 | - |
| | AAFTP3-QPG | | - | - |
| | AAFDF | | - | - |
| | AAFTP6-QPB | | - | - |
| HINDUJA TMT | AAFRF | AAMIP | 62.75 | - |
| | AACF | AAOF | 1,140.66 | 196.94 |
| | AAFTP5-13MP | AATAP | 649.01 | 366.66 |
| | | AAFLF | 2,024.85 | 646.04 |
| HINDUSTAN LEVER LTD. | AAFTP2-QPH | AAEF | 612.91 | - |
| | AAFTP2-QPB | AAOF | 49.59 | - |
| | AACF | AADYF | 496.41 | 89.36 |
| | AAFTP3-YP | AAFRF | - | - |
| | AAFTP3-QPB | AAMIP | 48.94 | - |
| | AAFTP3-QPD | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-QPA | | - | - |
| | AAFTP5-13MP | | - | - |
| HINDUSTAN ZINC LTD | AAFDF | AAEF | 951.20 | - |
| | AALTFRF | AAOF | 1,469.12 | - |
| | AACF | AAFLF | 1,192.11 | - |
| | AAFTP3-QPA | AATAP | 846.35 | - |
| | AAFTP3-YP | AAMIP | 120.69 | - |
| | AAFTP3-QPD | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPG | | - | - |
| IDFC | AACF | AAEF | 857.26 | 422.85 |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| | | AAFDF | 2,400.00 | - |
| | | AAOF | 746.21 | 464.70 |
| | | AAFTP4-16M | 900.00 | - |
| | | AAFTP4-17MP | 1,700.00 | - |
| | | AAFTPS2-13A | 507.50 | - |
| | | AATAP | 249.63 | 193.77 |
| | | AAMIP | 38.67 | - |
| IFCI LTD | AAFRF | AAFLF | 999.87 | 758.18 |
| IPCL | AAFTP3-QPD | AAOF | 287.07 | - |
| | AAFTP3-QPE | AADYF | 239.77 | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-HYA | | - | - |
| | AAFTP3-QPG | | - | - |
| ITC LTD. | AAFRF | AAEF | 2,376.34 | - |
| | AAFTP2-QPH | AAOF | 1,114.07 | - |
| | AAFTP2-QPE | AATAP | 966.13 | - |
| | AAFTP3-YP | AAMIP | 49.35 | - |
| | AAFTP3-QPC | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP3-QPH | | - | - |
| | AAFTP4-QPA | | - | - |
| JINDAL STAINLESS LTD | AACF | AAFDF | 490.82 | - |
| LARSEN & TOUBRO LTD. | AAEF | AATAP | 1,260.66 | 583.24 |
| | AACF | AAOF | 1,564.70 | 549.21 |
| | AAFTP3-QPE | AACF | 2,500.00 | - |
| | | AAMIP | 49.67 | - |
| | | AAEF | 1,644.89 | 792.23 |
| MAHINDRA & MAHINDRA LTD. | AAFDF | AAEF | 1,210.53 | 314.70 |
| | AAFTP2-QPB | AAFRF | 5,701.60 | 300.03 |
| | AALTFRF | AAFLF | 5,000.00 | - |
| | | AAFTP1 | 1,500.00 | 1,199.48 |
| | | AATAP | 978.73 | - |
| | | AALTFR | 2,100.00 | - |
| | | AADYF | 2,172.07 | - |
| | | AAOF | 960.68 | - |
| | | AAFTP3-QPC | 998.66 | - |
| | | AAFTP3-YP | 700.00 | - |
| | | AAFTP4-17MP | 1,500.00 | 195.53 |
| | | AAFTP3-QPG | 3,200.00 | - |
| | | AACF | 19,763.28 | 2,502.41 |
| | | AAMIP | 80.19 | - |
| | | AAMIP | - | 500.67 |
| | | ABN-DAF-BS1 | - | 48.88 |
| | | ABN-DAF | - | 1,222.04 |
| MARUTI UDYOG LIMITED | AAFRF | AAEF | 3,132.46 | 369.09 |
| | AAFTP3-QPB | AAOF | 1,813.35 | - |
| | AAFTP3-QPC | AATAP | 704.65 | - |
| | AAFTP2-QPH | AAMIP | 155.22 | - |
| | AAFTP4-YP | | | |
| | AAFTP5-13MP | | | |
| MOTOR INDUSTRIES CO LTD | AAFTP3-QPC | AAEF | 657.74 | - |
| | AAFTP4-YP | | | |
| | AAFTP5-13MP | | | |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| RAYMOND LTD | AAFTP2-QPH | AALTFR | 2,000.00 | - |
| | AACF | AAFTPS2-13A | 1,000.00 | - |
| | AAFTP3-QPF | AAFTP3-QPD | 300.00 | - |
| | | AAFDF | 1,500.00 | - |
| | | AACF | 12,500.00 | - |
| | | AAFRF | 4,000.00 | - |
| RELIANCE INDUSTRIES LTD | AACF | AAEF | 5,487.05 | 733.11 |
| | AAFRF | AATAP | 1,651.06 | 248.71 |
| | | AAOF | 4,254.61 | - |
| | | AACF | 1,036.97 | - |
| | | AAMIP | 71.33 | - |
| STATE BANK OF BIKANER & JAIPUR | AACF | AAFDF | 1,500.00 | 200.00 |
| | AAFRF | AACF | 17,843.81 | - |
| | | AALTFR | 197.13 | - |
| | | AAFTP2-QPE | 1,489.82 | - |
| | | AAFTP6-QPB | 975.00 | 977.93 |
| | | AAFRF | 5,813.88 | - |
| | | AAMIP | - | 800.00 |
| STATE BANK OF HYDERABAD | AALTFRF | AAFTP2-QPC | 10,000.00 | - |
| | | AAFTP6-QPB | 858.27 | 860.85 |
| | | AAFTP4-16M | 117.04 | 117.39 |
| STATE BANK OF INDORE | AAFRF | AACF | 2,361.85 | - |
| | | AAFTP2-QPA | 2,451.82 | - |
| | | AAFTP3-QPG | 969.75 | - |
| | | AAFTP4-17MP | 1,939.50 | - |
| | | AAFTP4-QPB | 2,446.32 | - |
| STERLITE INDUSTRIES LTD. | AACF | AAEF | 2,672.25 | - |
| | AALTFRF | AACF | 13,900.00 | - |
| | | AAFRF | 6,700.00 | - |
| | | AAMIP | 1,000.00 | - |
| | | AAFDF | 5,200.00 | - |
| | | AAOF | 3,144.63 | - |
| | | AAFTP2-QPC | 4,200.00 | - |
| | | AAFLF | 4,725.63 | - |
| | | AAFTPS2-13A | 2,100.00 | - |
| | | AAFTP1 | 800.00 | - |
| | | AATAP | 1,400.93 | - |
| | | AAFTP4-17MP | 200.00 | - |
| | | AAFTP3-QPE | 3,200.00 | - |
| | | AAFTP3-QPB | 100.00 | - |
| | | AAFTP3-YP | 1,400.00 | - |
| | | AAFTP3-QPA | 800.00 | - |
| TATA CONSULTANCY LTD | AALTFRF | AAEF | 2,819.31 | 660.85 |
| | AAFTP2-QPC | AAMIP | 24.56 | - |
| | AAFTP2-QPB | AAOF | 1,379.44 | - |
| | | AAFLF | 600.21 | - |
| | | AATAP | 499.64 | - |
| TECH MAHINDRA | AAFTP3-QPC | AAEF | 869.84 | - |
| | | AAMIP | 67.05 | - |
| | | AAOF | 415.52 | - |
| | | AADYF | 7.59 | - |
| | | AATAP | 13.16 | - |
| | | AAFLF | 54.13 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| ULTRATECH CEMCO LTD | AAFTP2-QPH | AAOF | 96.53 | - |
| | AAFTP3-QPA | AAMIP | 48.27 | - |
| | AALTFRF | AAEF | 96.53 | - |
| | | AAFLF | 834.77 | - |
| UNION BANK OF INDIA | AAFRF | AAEF | 216.78 | - |
| | | AAFDF | 980.55 | - |
| | | AAMIP | 2,455.25 | - |
| | | AAOF | 30.28 | - |
| | | AALTFR | 7,989.46 | - |
| | | AAFTPS2-13A | 980.55 | - |
| | | AAFTP3-QPD | 980.55 | - |
| | | AAFTP3-QPE | 1,274.72 | - |
| | | AAFTP4-17MP | 4,902.77 | - |
| | | AAFTP4-QPD | 1,999.14 | - |
| | | AAFTP5-13MP | 903.34 | 904.14 |
| VIDESH SANCHAR NIGAM LTD. | AAFTP2-QPH | AAEF | 329.74 | 231.72 |
| | AAFTP2-QPB | | | |
| | AAFTP2-QPC | | | |
| | AALTFRF | | | |
| | AAFTP3-QPA | | | |
| | AAFTP3-QPB | | | |
| | AAFTP3-QPG | | | |
| | AAFTP4-YP | | | |
| WIPRO LTD. | AAFTP2-QPB | AAEF | 1,316.85 | - |
| | AAFTP2-QPC | AAMIP | 25.05 | - |
| | AAFTP2-QPE | AAOF | 1,108.22 | - |
| | AAFTP3-QPB | AADYF | 151.06 | - |
| | AAFTP3-QPC | AATAP | 463.37 | - |
| | AAFTP3-QPD | AAFLF | 1,456.46 | - |
| | AAFTP3-QPF | | | |
| | AAFTP3-QPG | | | |
| | AAFTP2-QPH | | | |
| | AAFTP4-QPA | | | |
| | AAFTP4-HYA | | | |
| | AAFTP6-QPB | | | |

**AACF** – ABN AMRO Cash Fund, **AAFRF** – ABN AMRO Floating Rate Fund, **AAFDF** – ABN AMRO Flexi Debt Fund, **AAEF** – ABN AMRO Equity Fund, **AAMIP** – ABN AMRO Monthly Income Plan, **AAOF** – ABN AMRO Opportunities Fund, **AADYF** – ABN AMRO Dividend Yield Fund, **AALTFRF** – ABN AMRO Long Term Floating Rate Fund, **AATAP** – ABN AMRO Tax Advantage Plan (ELSS), **AAFTP-1** – ABN AMRO Fixed Term Plan Series - 1, **AAFTP-2-13M** – ABN AMRO Fixed Term Plan Series 2-13 Months Plan, **AAMMF** – ABN AMRO Multi Manager Fund, **AAFLF** – ABN AMRO Future Leaders Fund, **AAFTP-3-YPA** – ABN AMRO Fixed Term Plan - Series 3: Yearly Plan A, **AADAF-B-S1** – ABN AMRO Dual Advantage Fund Plan B Series 1, **AAFTP-S4-17M** – ABN AMRO Fixed Term Plan - Series 4: Seventeen Months Plan, **AAFTP-4-QPC** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan C, **AAFTP-4-16M** – ABN AMRO Fixed Term Plan - Series 4: Sixteen Months Plan, **AAFTP-4-QPD** – ABN AMRO Fixed Term Plan – Series 4: Quarterly Plan D**, AAFTP-4-HYPA** – ABN AMRO Fixed Term Plan – Series 4: Half Yearly Plan A, **AAFTP-4-QPE** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan E, **AAMMF-2A** – ABN AMRO Multi Manager Fund - Series 2A, **AAMMF-3** – ABN AMRO Multi Manager Fund - Series 3, **AAMMF-2B** – ABN AMRO Multi Manager Fund - Series 2B**, AAFTP-5-13M,** ABN AMRO Fixed Term Plan – Series 5: Thirteen Months Plan, **AAFTP-6-QPB** – ABN AMRO Fixed Term Plan – Series 6: Quarterly Plan B, **AAFTP-2-QPE** – ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan E, **AAFTP-2-HYP** – ABN AMRO Fixed Term Plan - Series 2: Half Yearly Plan A, **AAFTP3-QPA** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan A, **AAFTP-3-QPB** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan B, **AAFTP-3-QPC** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan C**, AAFTP-3-QPD** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan D, **AAFTP-3-QPE-** ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan E, **AAFTP-3-QPF** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan F**, AAFTP-3-QPG** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan G, **AAFTP-3-QPH** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan H, **AAFTP-4-QPA** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan A, **AAFTP-4-QPB** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan B, **AADAF** – ABN AMRO Dual Advantage Fund - Plan A - Series 1.

# TRUSTEE REPORT

Dear Sir / Madam,

ABN AMRO Mutual Fund (the "Fund") commenced its operations in the month of August 2004. The Fund manages 29 Schemes as on March 31, 2007 with Assets under Management of Rs.5191.91 Crores, which have increased from Rs.2769.27 Crores as on March 31, 2006 showing an increase of 87%. It gives us pleasure in presenting the Third Annual Report of the Schemes of the Fund for the year ended March 31, 2007.

## 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, biased 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 well-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 Managers the recent tightening measures by Central Bank have led to moderation in credit growth, stabilisation in asset prices and softening of the inflation. Recent turbulence of sub prime market in US has led to significant volatility in Global market including moderation in the market, valuation parameters. Current economic indicator suggests a slow down in US economy going forward. Market participants now expect FED to cut interest rates before the end of the year. Accordingly interest rates are expected to be stable with downward biases in the immediate future.

## DIRECTORS OF THE ABN AMRO ASSET MANAGEMENT (INDIA) LIMITED:

| | |
|---|---|
| **Mr. Romesh Sobti** | Associate Director |
| **Mr. Arne Lindman** | Associate Director |
| **Mr. Nikhil Johri** | Associate Director |
| **Mr. Rajan Ray** | Independent Directors |
| **Mr. Arun Nanda** | Independent Director |
| **Mr. Ninad Karpe** | Independent Director |

## DIRECTORS OF THE ABN AMRO TRUSTEE (INDIA) PRIVATE LIMITED:

| | |
|---|---|
| **Mr. Pradip Nayak** | Independent Director |
| **Mr. Pradyumna Naware** | Independent Director |
| **Mr. Shariq Contractor** | Independent Director |
| **Mr. Gururajan Sethu** | Independent Director |
| **Mr. Kalpathi Sridhar** | Associate Director |
| **Mr. A. Dhananjaya*** | Associate Director |

* Appointed as an Associate Director w.e.f. July 31, 2007.

**Risk Management System:**

SEBI vide its circular dated September 30, 2002, has mandated the establishment of a full- fledged risk- management framework for mutual funds in India. In the opinion of the Trustees and to the best of their knowledge, the management system in ABN AMRO Mutual Fund is adequate.

## PERFORMANCE OF THE SCHEMES AS ON MARCH 31, 2007

**1 ABN AMRO Fixed Term Plan - Series 4: Seventeen Months Plan (AAFTP-4:17M)**

**(A close-ended 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. The Scheme does not guarantee / indicate any returns.

| | Since Inception (% Absolute) |
|---|---|
| AAFTP-4: SM - Regular Plan - Growth Option | 0.66 |
| AAFTP-4: SM - Institutional Plan - Growth Option | 0.88 |
| CRISIL Short-term Bond Fund Index | 0.94 |

Period: December 15, 2006 - March 30, 2007. 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-4: 17M was launched towards the end of period under review and was still in the process of investing. Considering that, performance is considered satisfactory.

**2 ABN AMRO Fixed Term Plan - Series 4: Sixteen Months Plan (AAFTP-4:16M)**

**(A close-ended 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. The Scheme does not guarantee / indicate any returns.

| | Since Inception (% Absolute) |
|---|---|
| AAFTP-4: 16M - Regular Plan - Growth Option | 0.95 |
| AAFTP-4: 16M - Institutional Plan - Growth Option | 1.04 |
| CRISIL Short-term Bond Fund Index | 0.45 |

Period: January 29, 2007 - March 30, 2007. 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-4:16 M performed satisfactorily during the period under review. Tight liquidity conditions at the time of the launch of the fund aided the performance as it generates high yield due to rising interest rate at the time of investment.

**3 ABN AMRO Fixed Term Plan - Series 5: Thirteen Months Plan (AAFTP-5:13M)**

**(A close-ended income scheme)**

The Investment objective of the scheme and the plan launched hereunder would be to achieve growth of capital through investments made in a basket of fixed income securities in the line with the duration of the plan(s) thereunder. The Scheme does not guarantee / indicate any returns. This Plan would comprise of securities normally maturing in line with the Scheme. In addition, the AMC and the Trustee reserves the right to introduce multiple plans of the same maturity period in line with SEBI regulations.

| | Since Inception (% Absolute) |
|---|---|
| AAFTP-5: 13M - Regular Plan - Growth Option | 0.19 |
| AAFTP-5: 13M - Institutional Plan - Growth Option | 0.19 |
| CRISIL Short-term Bond Fund Index | 0.06 |

Period: March 26, 2007 - March 30, 2007. Past performance may or may not be sustained in future and should not be used as a basis ofcomparison 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-5:13 performed satisfactorily during the period under review. Tight liquidity conditions at the time of the launch of the fund aided the performance as it generates high yield due to rising interest rate at the time of investment

**4 ABN AMRO Fixed Term Plan - Series 5: Fourteen Months Plan (AAFTP-5:14M)**

**(A close-ended income scheme)**

The Scheme was launched towards the end of the period under review and the allotment was done on March 30, 2007 and was still in the process of investing, hence the performance details can not be provided.

**INVESTMENT IN FOREIGN SECURITIES BY MUTUAL FUNDS**

No Scheme has invested in foreign securities yet.

In term of SEBI's letter dated December 8, 2006 having reference No.IMD/81816/06 and subsequent updation, prevailing limits of foreign investments by ABN AMRO Mutual Fund is as follows:

(1) ADRs / GDRs / Foreign Securities - 10% of the net assets managed as on March 31, 2007 i.e. Rs. 519.19 Crores.

(2) Overseas ETFs - US $50 million.

**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 28, 2007

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 4: SIXTEEN MONTHS PLAN

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 4: SIXTEEN MONTHS PLAN ('the Scheme') as at March 31, 2007 and also the revenue account for the period from January 16, 2007 to March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **649,599** |
| Reserves and surplus | 2(b) & 4 | **6,753** |
| Current liabilities | 5 | **241** |
| | | **656,593** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | **652,658** |
| Other current assets | 7 | **3,935** |
| | | **656,593** |

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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**R. Sivakumar**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | JANUARY 16, 2007 TO MARCH 31, 2007 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **10,256** |
| Profit on sale/redemption of investments, net | 2(d) | **148** |
| | | **10,404** |
| **EXPENSES AND LOSSES** | | |
| Provision for net unrealised loss in value of investments | 2(c) & 6(ii) | **2,952** |
| Management fee | 9 | **239** |
| Trusteeship fee | 9 | **5** |
| Custodian service charges | | **1** |
| Registrar service charges | | **29** |
| Commission to distributors | | **1,201** |
| Publicity expenses | | **6** |
| Audit fee | | **20** |
| Other operating expenses | | **37** |
| Expenses reimbursed by the AMC | 10 | **(841)** |
| | | **3,649** |
| Surplus for the period | | **6,755** |
| Income distribution on capital account | | **(2)** |
| Income-tax on distributed income | | **(0)** |
| Surplus transferred to the balance sheet | 4 | **6,753** |

**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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**R. Sivakumar**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan -Series 4: Sixteen Months Plan ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on January 16, 2007 and the initial offer closed on January 22, 2007.

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

The investment objective of the scheme and plan launched hereunder would be to achieve growth of capital through investments made in a basket of fixed income securities in line with the duration of the plan(s) thereunder.The Scheme does not guarantee / indicate any returns.Presently the Scheme will have Sixteen Months Plan.This plan would comprise of securities normally maturing in line with the Scheme.In addition,the AMC and the Trustee reserves the right to introduce multiple plans of the same maturity period in line with SEBI regulations.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - Monthly Dividend

Regular - Dividend On Maturity

Institutional - Growth (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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular - Growth** | | |
| Issued | | |
| - new fund offer | **18,428,976.890** | **184,290** |
| Outstanding, end of period | **18,428,976.890** | **184,290** |
| **Regular - Monthly Dividend** | | |
| Issued | | |
| - new fund offer | **22,500.000** | **225** |
| - during the year | **109.292** | **1** |
| Outstanding, end of period | **22,609.292** | **226** |
| **Regular - Dividend On Maturity** | | |
| Issued | | |
| - new fund offer | **2,500.000** | **25** |
| - during the year | **13.661** | **0** |
| Outstanding, end of period | **2,513.661** | **25** |
| **Institutional - Growth** | | |
| Issued | | |
| - new fund offer | **46,505,808.165** | **465,058** |
| Outstanding, end of period | **46,505,808.165** | **465,058** |
| **Total** | | |
| Issued | | |
| - new fund offer | **64,959,785.055** | **649,598** |
| - during the year | **122.953** | **1** |
| Outstanding, end of period | **64,959,908.008** | **649,599** |

**4. RESERVES AND SURPLUS** **(Rs. in 000's)**

| | Amount 2007 |
|---|---|
| **Retained surplus** | |
| Surplus transferred from revenue account | **6,753** |
| Balance, end of period | **6,753** |
| **Balance, end of year** | **6,753** |
| The share of the plans in the reserves and surplus is as follows : | |
| Regular - Growth | **1,799** |
| Regular - Monthly Dividend | **1** |
| Regular - Dividend On Maturity | **0** |
| Institutional - Growth | **4,953** |
| | **6,753** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **156** |
| Trusteeship fee payable | **5** |
| Other current liabilities | **80** |
| | **241** |

**6. INVESTMENTS**

| | |
|---|---|
| Privately placed debentures and bonds | **417,443** |
| Commercial paper | **11,890** |
| Certificates of deposit | **223,325** |
| | **652,658** |

(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 | **2,952** |

(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 | **1,458,535** |
| - as a percentage of average daily net assets | **223.43** |

*Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)*

| | |
|---|---|
| - amount | **808,095** |
| - as a percentage of average daily net assets | **123.79** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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(Excluding Certificates of Deposit and Commercial Paper)as on March 31, 2007 valued in good faith **417,443**

(Rs. in 000's)

| | Amount 2007 |
|---|---|
| **7. OTHER CURRENT ASSETS** | |
| Sundry debtors for units issued to investors | **1** |
| Balances with banks in current accounts | **57** |
| Receivable from AMC | **841** |
| Collateralised Lending | **214** |
| Outstanding and accrued income | **2,822** |
| | **3,935** |
| **8. INTEREST** | |
| Debentures and bonds | **4,371** |
| Money market instruments | **4,489** |
| Collateralised Lending | **1,340** |
| Others | **56** |
| | **10,256** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.26 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10.** The AMC has borne Rs. 8.41 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/ Offer document, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

| | |
|---|---|
| *Income* | |
| - amount | **10,404** |
| - as a percentage of average daily net assets | **9.38** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | **697** |
| - as a percentage of average daily net assets | **0.63** |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| ABN AMRO Bank N.V. | Commission paid for procuring unit capital | **820** |

| **13. NET ASSET VALUE** | **2007** |
|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | |
| Regular - Growth | **Rs. 10.0976** |
| Regular - Monthly Dividend | **Rs. 10.0351** |
| Regular - Dividend On Maturity | **Rs. 10.0351** |
| Institutional - Growth | **Rs. 10.1065** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **FINANCE** | **1,090,000** | **98,083** | **14.94** | **23.50** |
| HDFC Ltd.* | 1,090,000 | 98,083 | 14.94 | 23.50 |
| **FINANCE (ASSET BACKED SECURITY)** | **19** | **110,894** | **16.90** | **26.56** |
| Indian Corporate Loan Securitisation Trust* | 9 | 89,085 | 13.57 | 21.34 |
| Indian Retail ABS Trust* | 10 | 21,809 | 3.33 | 5.22 |
| **NON BANKING FINANCE** | **2,100,000** | **208,466** | **31.76** | **49.94** |
| DSP Merill Lynch Capital Ltd.* | 900,000 | 89,912 | 13.70 | 21.54 |
| Kotak Mahindra Prime Ltd.* | 900,000 | 88,854 | 13.53 | 21.29 |
| GE Capital Services Ltd.* | 300,000 | 29,700 | 4.53 | 7.11 |
| **TOTAL** | **3,190,019** | **417,443** | **63.60** | **100.00** |
| **CERTIFICATE OF DEPOSITS** | | | | |
| **BANKS** | **2,440,000** | **223,325** | **34.03** | **100.00** |
| ICICI Bank Ltd.* | 2,300,000 | 209,649 | 31.94 | 93.87 |
| State Bank Of Hyderbad * | 120,000 | 11,743 | 1.79 | 5.26 |
| Development Credit Bank Ltd. * | 20,000 | 1,933 | 0.30 | 0.87 |
| **TOTAL** | **2,440,000** | **223,325** | **34.03** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| **FINANCE** | **120,000** | **11,890** | **1.81** | **100.00** |
| Reliance Capital Ltd.* | 120,000 | 11,890 | 1.81 | 100.00 |
| **TOTAL** | **120,000** | **11,890** | **1.81** | **100.00** |
| **DEPOSITS** | | **-** | **-** | |
| **OTHER CURRENT ASSETS** | | **3,935** | **0.60** | |
| **TOTAL ASSETS** | | **656,593** | **100.04** | |
| **LESS: CURRENT LIABILITIES** | | **241** | **0.04** | |
| **NET ASSETS** | | **656,352** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | | as on 31.03.07 |
|---|---|---|---|
| (a) | Net Asset Value, per unit | | |
| | | Growth | **Rs. 10.0976** |
| | | Monthly Dividend | **Rs. 10.0351** |
| | | Dividend On Maturity | **Rs. 10.0351** |
| | | Institutional Growth | **Rs. 10.1065** |
| (b) | Gross Income: | | |
| | i) | Income other than profit on sale of investment,per unit | **0.1579** |
| | ii) | profit on interscheme sale/transfer of investment,per unit | **-** |
| | iii) | profit on sale of investment to third party,per unit | **0.0023** |
| | iv) | transfer to Revenue Account from past year's reserve per unit | |
| (c) | Aggregate of expenses,write offs, amortisation and charges,per unit | | **0.0107** |
| (d) | Net unrealised depreciation in value of investments | | **0.0454** |
| (e) | Net Income, per unit | | **0.1041** |
| (f) | i ) | Highest traded price | |
| | ii ) | Lowest traded price | |
| | iii) | Highest repurchase price/NAV | |
| | | Growth | **-** |
| | | Monthly Dividend | **-** |
| | | Dividend On Maturity | **-** |
| | | Institutional Growth | **-** |
| | iv) | Highest resale price | |
| | | Growth | **10.0000** |
| | | Monthly Dividend | **10.0000** |
| | | Dividend On Maturity | **10.0000** |
| | | Institutional Growth | **10.0000** |
| | v) | Lowest repurchase price/NAV | |
| | | Growth | **-** |
| | | Monthly Dividend | **-** |
| | | Dividend On Maturity | **-** |
| | | Institutional Growth | **-** |
| | vi) | Lowest resale price | |
| | | Growth | **10.0000** |
| | | Monthly Dividend | **10.0000** |
| | | Dividend On Maturity | **10.0000** |
| | | Institutional Growth | **10.0000** |
| | vii) | Price Earning Ratio | **NA** |
| | viii) | Ratio of Expenses to Average Net Assets(%) Regular Plan | **0.63%** |
| | ix) | Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **1.14%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 4: SEVENTEEN MONTHS PLAN

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 4: SEVENTEEN MONTHS PLAN ('the Scheme') as at March 31, 2007 and also the revenue account for the period from January 16, 2007 to March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **1,146,556** |
| Reserves and surplus | 2(b) & 4 | **9,878** |
| Current liabilities | 5 | **1,432** |
| | | **1,157,866** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | **1,140,924** |
| Other current assets | 7 | **16,942** |
| | | **1,157,866** |

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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**R. Sivakumar**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | DECEMBER 05, 2006 TO MARCH 31, 2007 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **30,150** |
| Profit on sale/redemption of investments, net | 2(d) | **28** |
| | | **30,178** |
| **EXPENSES AND LOSSES** | | |
| Provision for net unrealised loss in value of investments | 2(c) & 6(ii) | **12,865** |
| Loss on inter-scheme transfer/sale of investments, net | 2(d) | **5,059** |
| Management fee | 9 | **605** |
| Trusteeship fee | 9 | **6** |
| Custodian service charges | | **26** |
| Registrar service charges | | **102** |
| Commission to distributors | | **1,668** |
| Publicity expenses | | **3** |
| Audit fee | | **20** |
| Other operating expenses | | **102** |
| Expenses reimbursed by the AMC | 10 | **(205)** |
| | | **20,251** |
| Surplus for the period | | **9,927** |
| Income distribution on capital account | | **(42)** |
| Income-tax on distributed income | | **(7)** |
| Surplus transferred to the balance sheet | 4 | **9,878** |

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 28, 2007

For and on behalf of

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

**Shariq Contractor**
*Director*

**Kalpathi Sridhar**
*Director*

For and on behalf of

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

**Nikhil Johri**
*Managing Director*

**R. Sivakumar**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan - Series 4: Seventeen Month Plan ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on December 05, 2006 and the initial offer closed on December 11,2006.

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

The investment objective of the scheme is to 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.

The Scheme offers its investors the following plans :

Regular - Growth

Regular - Monthly Dividend

Institutional - Growth (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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular - Growth** | | |
| Issued | | |
| - new fund offer | **17,595,044.667** | **175,950** |
| Outstanding, end of period | **17,595,044.667** | **175,950** |
| **Regular - Monthly Dividend** | | |
| Issued | | |
| - new fund offer | **1,159,000.000** | **11,590** |
| - during the year | **14.877** | **0** |
| Outstanding, end of period | **1,159,014.877** | **11,590** |
| **Institutional - Growth** | | |
| Issued | | |
| - new fund offer | **95,901,611.774** | **959,016** |
| Outstanding, end of period | **95,901,611.774** | **959,016** |
| **Total** | | |
| Issued | | |
| - new fund offer | **114,655,656.441** | **1,146,556** |
| - during the year | **14.877** | **0** |
| Outstanding, end of period | **114,655,671.318** | **1,146,556** |

**4. RESERVES AND SURPLUS** **(Rs. in 000's)**

| | Amount 2007 |
|---|---|
| Retained surplus | |
| Surplus transferred from revenue account | **9,878** |
| Balance, end of period | **9,878** |
| **Balance, end of period** | **9,878** |
| The share of the plans in the reserves and surplus is as follows : | |
| Regular - Growth | **1,197** |
| Regular - Monthly Dividend | **30** |
| Institutional - Growth | **8,651** |
| | **9,878** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **289** |
| - Others | **1,014** |
| Trusteeship fee payable | **5** |
| Other current liabilities | **124** |
| | **1,432** |

**6. INVESTMENTS**

| | |
|---|---|
| Privately placed debentures and bonds | **1,138,449** |
| Certificates of deposit | **2,475** |
| | **1,140,924** |

(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 | **12,865.34** |

(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 | **4,762,596** |
| - as a percentage of average daily net assets | **413.11** |

*Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)*

| | |
|---|---|
| - amount | **3,606,834** |
| - as a percentage of average daily net assets | **312.86** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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(Excluding Certificates of Deposit) as on March 31, 2007 valued in good faith **1,138,449**

(Rs. in 000's)

| | Amount 2007 |
|---|---|
| **7. OTHER CURRENT ASSETS** | |
| Balances with banks in current accounts | **59** |
| Collateralised Lending | **1,884** |
| Outstanding and accrued income | **14,999** |
| | **16,942** |
| **8. INTEREST** | |
| Debentures and bonds | **22,631** |
| Money market instruments | **3,550** |
| Deposits | **168** |
| Collateralised Lending | **3,152** |
| Others | **650** |
| | **30,151** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.18 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10.** The AMC has borne Rs. 2.05 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/ Offer document, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

| | |
|---|---|
| *Income* | |
| - amount | **30,178** |
| - as a percentage of average daily net assets | **8.93** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | **2,327** |
| - as a percentage of average daily net assets | **0.69** |

**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**

| Associate | Nature of transactions | Amount |
|---|---|---|
| ABN AMRO Bank N.V | Bank Charges | **1** |
| | Commission paid for procuring unit capital | **301** |

**13. NET ASSET VALUE**

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

| | |
|---|---|
| Regular - Growth | **Rs. 10.0680** |
| Regular - Monthly Dividend | **Rs. 10.0255** |
| Institutional - Growth | **Rs. 10.0902** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **FINANCE** | **2,110,000** | **191,422** | **16.55** | **16.82** |
| HDFC Ltd.* | 1,910,000 | 171,869 | 14.86 | 15.10 |
| Mahindra & Mahindra Financial Services Ltd.* | 200,000 | 19,553 | 1.69 | 1.72 |
| **FINANCE (ASSET BACKED SECURITY)** | **16** | **158,374** | **13.70** | **13.91** |
| Indian Corporate Loan Securitisation Trust* | 16 | 158,374 | 13.70 | 13.91 |
| **NON BANKING FINANCE** | **8,000,000** | **788,653** | **68.20** | **69.27** |
| GE Capital Services Ltd.* | 1,700,000 | 168,300 | 14.55 | 14.78 |
| GE Money Financial Services Ltd.* | 1,700,000 | 167,782 | 14.51 | 14.74 |
| Kotak Mahindra Prime Ltd.* | 1,600,000 | 157,963 | 13.66 | 13.88 |
| Citifinancial Consumer Finance India Ltd.* | 1,500,000 | 147,505 | 12.76 | 12.96 |
| DSP Merill Lynch Capital Ltd.* | 1,500,000 | 147,103 | 12.72 | 12.92 |
| **TOTAL** | **10,110,016** | **1,138,449** | **98.45** | **100.00** |
| **CERTIFICATE OF DEPOSITS** | | | | |
| **Banks** | **25,000** | **2,475** | **0.21** | **100.00** |
| ING Vysya Bank * | 25,000 | 2,475 | 0.21 | 100.00 |
| **Total** | **25,000** | **2,475** | **0.21** | **100.00** |
| **DEPOSITS** | | **-** | **-** | |
| **OTHER CURRENT ASSETS** | | **16,942** | **1.46** | |
| **TOTAL ASSETS** | | **1,157,866** | **100.12** | |
| **LESS: CURRENT LIABILITIES** | | **1,432** | **0.12** | |
| **NET ASSETS** | | **1,156,434** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | | | as on 31.03.07 |
|---|---|---|---|
| (a) | Net Asset Value, per unit | | |
| | | Growth | **Rs. 10.0680** |
| | | Monthly Dividend | **Rs. 10.0255** |
| | | Institutional Growth | **Rs. 10.0902** |
| (b) | Gross Income : | | |
| | i) | Income other than profit on sale of investment,per unit | **0.2630** |
| | ii) | profit on interscheme sale/transfer of investment,per unit | **(0.0441)** |
| | iii) | profit on sale of investment to third party,per unit | **0.0002** |
| | iv) | transfer to Revenue Account from past year's reserve per unit | |
| (c) | Aggregate of expenses,write offs, amortisation and charges,per unit | | **0.0203** |
| (d) | Net unrealised depreciation in value of investments | | **0.1122** |
| (e) | Net Income, per unit | | **0.0866** |
| (f) | i) | Highest traded price | |
| | ii) | Lowest traded price | |
| | iii) | Highest repurchase price/NAV | |
| | | Growth | **-** |
| | | Monthly Dividend | **-** |
| | | Institutional Growth | **-** |
| | iv) | Highest resale price | |
| | | Growth | **10.0000** |
| | | Monthly Dividend | **10.0000** |
| | | Institutional Growth | **10.0000** |
| | v) | Lowest repurchase price/NAV | |
| | | Growth | **-** |
| | | Monthly Dividend | **-** |
| | | Institutional Growth | **-** |
| | vi) | Lowest resale price | |
| | | Growth | **10.0000** |
| | | Monthly Dividend | **10.0000** |
| | | Institutional Growth | **10.0000** |
| | vii) | Price Earning Ratio | **NA** |
| | viii | Ratio of Expenses to Average Net Assets(%) | |
| | | Regular Plan | **0.69%** |
| | ix) | Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **1.06%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 5: THIRTEEN MONTHS PLAN

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 5 : THIRTEEN MONTHS PLAN ('the Scheme') as at March 31, 2007 and also the revenue account for the period from January 16, 2007 to March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | 1,395,664 |
| Reserves and surplus | 2(b) & 4 | 3,076 |
| Current liabilities | 5 | 204 |
| | | **1,398,944** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | 685,659 |
| Deposits | | 650,000 |
| Other current assets | 7 | 63,285 |
| | | **1,398,944** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**R. Sivakumar**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | JANUARY 16, 2007 TO MARCH 31, 2007 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | 3,274 |
| | | **3,274** |
| **EXPENSES AND LOSSES** | | |
| Provision for net unrealised loss in value of investments | 2(c) & 6(ii) | 72 |
| Management fee | 9 | 92 |
| Trusteeship fee | 9 | 5 |
| Registrar service charges | | 33 |
| Publicity expenses | | 29 |
| Audit fee | | 20 |
| Other operating expenses | | 24 |
| Expenses reimbursed by the AMC | 10 | (77) |
| | | **198** |
| Surplus for the period | | 3,076 |
| Surplus transferred to the balance sheet | 4 | **3,076** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee**
**(India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset**
**Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**R. Sivakumar**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan - Series 5: Thirteen Months Plan ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on March 20, 2007 and the initial offer closed on March 22, 2007.

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

The investment objective of the scheme and plan launched hereunder would be to achieve growth of capital through investments made in a basket of fixed income securities in line with the duration of the plan(s) thereunder.The Scheme does not guarantee / indicate any returns.This plan would comprise of securities normally maturing in line with the Scheme.In addition,the AMC and the Trustee reserves the right to introduce multiple plans of the same maturity period in line with SEBI regulations.

The Scheme offers its investors the following plans :

Regular Plan - Growth

Regular Plan - Monthly Dividend

Regular Plan - Quarterly Dividend

Regular Plan - Dividend On Maturity

Institutional Plan - Growth

Institutional Plan - Dividend on Maturity (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 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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular Plan - Growth** | | |
| Issued | | |
| - new fund offer | **13,299,090.485** | **132,991** |
| Outstanding, end of period | **13,299,090.485** | **132,991** |
| **Regular Plan - Monthly Dividend** | | |
| Issued | | |
| - new fund offer | **220,000.000** | **2,200** |
| Outstanding, end of period | **220,000.000** | **2,200** |
| **Regular Plan - Quarterly Dividend** | | |
| Issued | | |
| - new fund offer | **85,000.000** | **850** |
| Outstanding, end of period | **85,000.000** | **850** |
| **Regular Plan - Dividend On Maturity** | | |
| Issued | | |
| - new fund offer | **1,331,520.490** | **13,315** |
| Outstanding, end of period | **1,331,520.490** | **13,315** |
| **Institutional Plan - Growth** | | |
| Issued | | |
| - new fund offer | | |
| - during the year | **94,180,835.822** | **941,808** |
| Outstanding, end of period | **94,180,835.822** | **941,808** |
| **Institutional Plan - Dividend on Maturity** | | |
| Issued | | |
| - new fund offer | **30,450,000.000** | **304,500** |
| Outstanding, end of period | **30,450,000.000** | **304,500** |
| **Total** | | |
| Issued | | |
| - new fund offer | **139,566,446.797** | **1,395,664** |
| Outstanding, end of period | **139,566,446.797** | **1,395,664** |

**4. RESERVES AND SURPLUS** **(Rs. in 000's)**

| | Amount 2007 |
|---|---|
| **Retained surplus** | |
| Surplus transferred from revenue account | **3,076** |
| Balance, end of period | **3,076** |
| **Balance, end of period** | **3,076** |
| The share of the plans in the reserves and surplus is as follows : | |
| Regular Plan - Growth | **293** |
| Regular Plan - Monthly Dividend | **5** |
| Regular Plan - Quarterly Dividend | **2** |
| Regular Plan - Dividend On Maturity | **29** |
| Institutional Plan - Growth | **2,076** |
| Institutional Plan - Dividend on Maturity | **671** |
| | **3,076** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Amount due to AMC for management fees | **86** |
| Trusteeship fee payable | **5** |
| Other current liabilities | **113** |
| | **204** |

**6. INVESTMENTS**

| | |
|---|---|
| Privately placed debentures and bonds | **119,928** |
| Commercial paper | **177,954** |
| Certificates of deposit | **90,440** |
| Bills Rediscounting | **297,337** |
| | **685,659** |

(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 | **71.52** |

(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 | **1,094,849** |
| - as a percentage of average daily net assets | **78.33** |

*Sales / Redemptions (excluding Collateralised Lending & Fixed deposits)*

| | |
|---|---|
| - amount | **410,000** |
| - as a percentage of average daily net assets | **29.33** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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(Excluding Certificates of Deposit, BRDS and Commercial Paper)as on March 31, 2007 valued in good faith **119,928**

(Rs. in 000's)

| | Amount 2007 |
|---|---|
| **7. OTHER CURRENT ASSETS** | |
| Balances with banks in current accounts | **245** |
| Receivable from AMC | **77** |
| Collateralised Lending | **61,648** |
| Outstanding and accrued income | **1,315** |
| | **63,285** |

| | |
|---|---|
| **8. INTEREST** | |
| Debentures and bonds | **955** |
| Money market instruments | **882** |
| Deposits | **1,160** |
| Others | **277** |
| | **3,274** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.40 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10.** The AMC has borne Rs. 0.77 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/ Offer document, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

| | |
|---|---|
| *Income* | |
| - amount | **3,274** |
| - as a percentage of average daily net assets | **14.25** |
| *Expenditure (Excluding deferred revenue expenditure amortised,loss & interscheme loss on sale of investments,if any)* | |
| - amount | **126** |
| - as a percentage of average daily net assets | **0.55** |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| NIL | | |

| **13. NET ASSET VALUE** | **2007** |
|---|---|
| Net asset value of each unit of Rs 10 of the Scheme | |
| Regular Plan - Growth | **Rs. 10.0220** |
| Regular Plan - Monthly Dividend | **Rs. 10.0220** |
| Regular Plan - Quarterly Dividend | **Rs. 10.0220** |
| Regular Plan - Dividend On Maturity | **Rs. 10.0220** |
| Institutional Plan - Growth | **Rs. 10.0220** |
| Institutional Plan - Dividend on Maturity | **Rs. 10.0220** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **NON BANKING FINANCE COMPANY** | **1,200,000** | **119,928** | **8.57** | **100.00** |
| IL & FS Ltd.* | 1,200,000 | 119,928 | 8.57 | 100.00 |
| **Total** | **1,200,000** | **119,928** | **8.57** | **100.00** |
| **BILLS RE-DISCOUNTED** | | | | |
| **BANKS** | **3,000,000** | **297,337** | **21.26** | **52.56** |
| Development Credit Bank Ltd.* | 3,000,000 | 297,337 | 21.26 | 52.56 |
| **CERTIFICATE OF DEPOSITS** | | | | |
| **BANKS** | **1,000,000** | **90,440** | **6.47** | **15.98** |
| Union Bank of India* | 1,000,000 | 90,440 | 6.47 | 15.98 |
| **COMMERCIAL PAPER** | | | | |
| **NON BANKING FINANCE COMPANY** | **2,000,000** | **177,954** | **12.72** | **31.46** |
| Indiabulls Financial Services Ltd.* | 2,000,000 | 177,954 | 12.72 | 31.46 |
| | **6,000,000** | **565,731** | **40.45** | **100.00** |
| **DEPOSITS** | | **650,000** | **46.47** | |
| **OTHER CURRENT ASSETS** | | **63,285** | **4.52** | |
| **TOTAL ASSETS** | | **1,398,944** | **100.01** | |
| **LESS: CURRENT LIABILITIES** | | **204** | **0.01** | |
| **NET ASSETS** | | **1,398,740** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | as on 31.03.07 |
|---|---|
| (a) Net Asset Value, per unit | |
| Growth | **10.0220** |
| Monthly Dividend | **10.0220** |
| Regular Quarterly Dividend | **10.0220** |
| Regular Dividend On Maturity | **10.0220** |
| Institutional Growth | **10.0220** |
| Institutional- Dividend On Maturity | **10.0220** |
| (b) Gross Income: | |
| i) Income other than profit on sale of investment,per unit | **0.0235** |
| ii) profit on interscheme sale/transfer of investment,per unit | **-** |
| iii) profit on sale of investment to third party,per unit | **-** |
| iv) transfer to Revenue Account from past year's reserve per unit | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.0009** |
| (d) Net unrealised depreciation in value of investments | **0.0005** |
| (e) Net Income, per unit | **0.0221** |
| (f) i) Highest traded price | |
| ii) Lowest traded price | |
| iii) Highest repurchase price/NAV | |
| Growth | **-** |
| Monthly Dividend | **-** |
| Regular Quarterly Dividend | **-** |
| Regular Dividend On Maturity | **-** |
| Institutional Growth | **-** |
| Institutional- Dividend On Maturity | **-** |
| iv) Highest resale price | |
| Growth | **10.0000** |
| Monthly Dividend | **10.0000** |
| Regular Quarterly Dividend | **10.0000** |
| Regular Dividend On Maturity | **10.0000** |
| Institutional Growth | **10.0000** |
| Institutional- Dividend On Maturity | **10.0000** |
| v) Lowest repurchase price/NAV | |
| Growth | **-** |
| Monthly Dividend | **-** |
| Regular Quarterly Dividend | **-** |
| Regular Dividend On Maturity | **-** |
| Institutional Growth | **-** |
| Institutional- Dividend On Maturity | **-** |
| vi) Lowest resale price | |
| Growth | **10.0000** |
| Monthly Dividend | **10.0000** |
| Regular Quarterly Dividend | **10.0000** |
| Regular Dividend On Maturity | **10.0000** |
| Institutional Growth | **10.0000** |
| Institutional- Dividend On Maturity | **10.0000** |
| vii) Price Earning Ratio | **NA** |
| viii) Ratio of Expenses to Average Net Assets(%) | |
| Regular Plan | **0.55%** |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **0.23%** |

## AUDITORS' REPORT

To the Trustee of

ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 5: FOURTEEN MONTHS PLAN

1. We have audited the attached balance sheet of ABN AMRO MUTUAL FUND-ABN AMRO FIXED TERM PLAN - SERIES 5 : FOURTEEN MONTHS PLAN ('the Scheme') as at March 31, 2007 and also the revenue account for the period from January 16, 2007 to March 31, 2007 ('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 Ninth Schedule 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, 2007 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, 2007; 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 28, 2007

## BALANCE SHEET

AS AT MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | 2007 |
|---|---|---|
| **SOURCES OF FUNDS** | | |
| Unit capital | 2(b) & 3 | **1,391,055** |
| Reserves and surplus | 2(b) & 4 | **969** |
| Current liabilities | 5 | **55** |
| | | **1,392,079** |
| **APPLICATION OF FUNDS** | | |
| Investments | 2(c),6 & 15 | **797,377** |
| Deposits with scheduled banks | | **350,000** |
| Other current assets | 7 | **244,702** |
| | | **1,392,079** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee (India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**R. Sivakumar**
*Fund Manager*

## REVENUE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees)

| | Schedule | MARCH 26, 2007 TO MARCH 31, 2007 |
|---|---|---|
| **INCOME** | | |
| Interest | 2(d) & 8 | **997** |
| | | **997** |
| **EXPENSES AND LOSSES** | | |
| Provision for net unrealised loss in value of investments | 2(c) & 6(ii) | **28** |
| Publicity expenses | | **32** |
| Audit fee | | **20** |
| Other operating expenses | | **3** |
| Expenses reimbursed by the AMC | | **(55)** |
| | | **28** |
| Surplus for the period | | **969** |
| Surplus transferred to the balance sheet | 4 | **969** |

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 28, 2007

For and on behalf of
**ABN AMRO Trustee (India) Private Limited**
**Shariq Contractor**
*Director*
**Kalpathi Sridhar**
*Director*

For and on behalf of
**ABN AMRO Asset Management (India) Limited**
**Nikhil Johri**
*Managing Director*
**R. Sivakumar**
*Fund Manager*

## SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

(All amounts in thousands of Rupees unless specified otherwise)

### 1. BACKGROUND

ABN AMRO Mutual Fund - ABN AMRO Fixed Term Plan - Series 5: Fourteen Months Plan ('the Scheme') was launched as a close ended fixed term income scheme with no assured returns on March 26, 2007 and the initial offer closed on March 28, 2007.

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

The investment objective of the scheme and plan launched hereunder would be to achieve growth of capital through investments made in a basket of fixed income securities in line with the duration of the plan(s) thereunder.The Scheme does not guarantee / indicate any returns.Presently the Scheme will have Fourteen Months Plan.This plan would comprise of securities normally maturing in line with the Scheme.In addition,the AMC and the Trustee reserves the right to introduce multiple plans of the same maturity period in line with SEBI regulations.

The Scheme offers its investors the following plans :

Regular Plan - Growth

Regular Plan - Monthly Dividend

Regular Plan - Quarterly Dividend

Regular Plan - Dividend On Maturity

Institutional Plan - Growth

Institutional Plan - Monthly Dividend

Institutional Plan - Quarterly Dividend

Institutional Plan - Dividend on Maturity (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 Cental 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** **(Rs. in 000's)**

| | Quantity 2007 | Amount 2007 |
|---|---|---|
| Units of Rs 10 each fully paid up | | |
| **Regular Plan - Growth** | | |
| Issued | | |
| - new fund offer | **27,416,808.049** | **274,168** |
| Outstanding, end of period | **27,416,808.049** | **274,168** |
| **Regular Plan - Monthly Dividend** | | |
| Issued | | |
| - new fund offer | **50,000.000** | **500** |
| Outstanding, end of period | **50,000.000** | **500** |
| **Regular Plan - Quarterly Dividend** | | |
| Issued | | |
| - new fund offer | - | - |
| **Regular Plan - Dividend On Maturity** | | |
| Issued | | |
| - new fund offer | **1,622,800.000** | **16,228** |
| Outstanding, end of period | **1,622,800.000** | **16,228** |
| **Institutional Plan - Growth** | | |
| Issued | | |
| - new fund offer | **99,215,251.587** | **992,153** |
| Outstanding, end of period | **99,215,251.587** | **992,153** |
| **Institutional Plan - Monthly Dividend** | | |
| Issued | | |
| - new fund offer | **500,000.000** | **5,000** |
| Outstanding, end of period | **500,000.000** | **5,000** |
| **Institutional Plan - Quarterly Dividend** | | |
| Issued | | |
| - new fund offer | **5,000,642.990** | **50,006** |
| Outstanding, end of period | **5,000,642.990** | **50,006** |
| **Institutional Plan - Dividend on Maturity** | | |
| Issued | | |
| - new fund offer | **5,300,000.000** | **53,000** |
| Outstanding, end of period | **5,300,000.000** | **53,000** |
| **Total** | | |
| Issued | | |
| - new fund offer | **139,105,502.626** | **1,391,055** |
| Outstanding, end of period | **139,105,502.626** | **1,391,055** |

**4. RESERVES AND SURPLUS** **(Rs. in 000's)**

| | Amount 2007 |
|---|---|
| **Retained surplus** | |
| Surplus transferred from revenue account | **969** |
| Balance, end of period | **969** |
| **Balance, end of period** | **969** |
| The share of the plans in the reserves and surplus is as follows : | |
| Regular Plan - Growth | **186** |
| Regular Plan - Monthly Dividend | **1** |
| Regular Plan - Dividend On Maturity | **11** |
| Institutional Plan - Growth | **696** |
| Institutional Plan - Monthly Dividend | **3** |
| Institutional Plan - Quarterly Dividend | **35** |
| Institutional Plan - Dividend on Maturity | **37** |
| | **969** |

**5. CURRENT LIABILITIES**

| | |
|---|---|
| Publicity Expenses payable | **32** |
| Audit fee payable | **20** |
| Other current liabilities | **3** |
| | **55** |

**6. INVESTMENTS**

| | |
|---|---|
| Privately placed debentures and bonds | **334,680** |
| Commercial paper | **128,807** |
| Certificates of deposit | **333,890** |
| | **797,377** |

(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 | **27.52** |

(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 | **797,117** |
| - as a percentage of average daily net assets | **57.34** |

(iv) The aggregate purchases made by the scheme during the period covered under regulation 25(11) of SEBI (Mutual Funds) Regulations. 1996 and the fair value of such investments as at March 31, 2007 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(Excluding Certificates of Deposit and Commercial Paper)as on March 31, 2007 valued in good faith **334,680**

(Rs. in 000's)

| | | Amount 2007 |
|---|---|---|
| **7.** | **OTHER CURRENT ASSETS** | |
| | Sundry debtors for units issued to investors | **95,393** |
| | Balances with banks in current accounts | **220** |
| | Receivable from AMC | **55** |
| | Collateralised Lending | **148,430** |
| | Outstanding and accrued income | **604** |
| | | **244,702** |
| **8.** | **INTEREST** | |
| | Debentures and bonds | **227** |
| | Money market instruments | **288** |
| | Deposits | **174** |
| | Collateralised Lending | **308** |
| | | **997** |

**9. MANAGEMENT AND TRUSTEESHIP FEE**

The Scheme pays fees for investment management services (excluding service tax) 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 in the scheme and net asset value of investment made in other schemes, if any. During the year ended March 31, 2007, the Scheme has paid management fee at an average rate of 0.00 per cent.

The Scheme pays fees for Trusteeship services under agreement with the Trustee, which provides for Rs. 5,000

**10.** The AMC has borne Rs. 0.55 lakhs of the Scheme's expenses, being expenses in excess of the limits specified in the SEBI Regulations/ Offer document, chargeable to the Scheme.

**11. INCOME AND EXPENDITURE**

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

| | | |
|---|---|---|
| *Income* | | |
| - | amount | **997** |
| - | as a percentage of average daily net assets | **13.08** |

**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**

| Associate | Nature of transactions | 2007 (Rs.in '000) |
|---|---|---|
| NIL | | |

| **13.** | **NET ASSET VALUE** | **2007** |
|---|---|---|
| | Net asset value of each unit of Rs 10 of the Scheme | |
| | Regular Plan - Growth | **Rs. 10.0069** |
| | Regular Plan - Monthly Dividend | **Rs. 10.0070** |
| | Regular Plan - Quarterly Dividend | - |
| | Regular Plan - Dividend On Maturity | **Rs. 10.0070** |
| | Institutional Plan - Growth | **Rs. 10.0070** |
| | Institutional Plan - Monthly Dividend | **Rs. 10.0070** |
| | Institutional Plan - Quarterly Dividend | **Rs. 10.0070** |
| | Institutional Plan - Dividend on Maturity | **Rs. 10.0070** |

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 INDUSTRY WISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2007 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2007, as well as the aggregate investments in each investment category.

| Industry and Company Particulars | Quantity | Amount (Rs.in '000) | Percentage to Net Assets | Percentage to Investment category |
|---|---|---|---|---|
| **PRIVATELY PLACED DEBENTURES AND BONDS** | | | | |
| **FINANCE** | **1,900,000** | **190,000** | **13.65** | **56.77** |
| Kotak Mahindra Prime Ltd.* | 1,900,000 | 190,000 | 13.65 | 56.77 |
| **FINANCE (ASSET BACKED SECURITY)** | **16** | **144,680** | **10.39** | **43.23** |
| Corporate Loan Securitisation Trust* | 16 | 144,680 | 10.39 | 43.23 |
| **Total** | **1,900,016** | **334,680** | **24.04** | **100.00** |
| **CERTIFICATE OF DEPOSITS** | | | | |
| Banks | 3,600,000 | 333,890 | 23.99 | 100.00 |
| Canara Bank Ltd.* | 2,100,000 | 191,412 | 13.75 | 57.33 |
| UCO Bank * | 1,500,000 | 142,478 | 10.24 | 42.67 |
| **Total** | **3,600,000** | **333,890** | **23.99** | **100.00** |
| **COMMERCIAL PAPER** | | | | |
| Finance | 1,300,000 | 128,807 | 9.25 | 100.00 |
| Reliance Capital Ltd.* | 1,300,000 | 128,807 | 9.25 | 100.00 |
| **Total** | **1,300,000** | **128,807** | **9.25** | **100.00** |
| **DEPOSITS** | | **350,000** | **25.14** | |
| **OTHER CURRENT ASSETS** | | **244,702** | **17.58** | |
| **TOTAL ASSETS** | | **1,392,079** | **100.00** | |
| **LESS: CURRENT LIABILITIES** | | **55** | **-** | |
| **NET ASSETS** | | **1,392,024** | **100.00** | |

* Non traded / thinly traded investments

## HISTORICAL PER UNIT STATISTICS

| PER UNIT STATISTICS | as on 31.03.07 |
|---|---|
| (a) Net Asset Value, per unit | |
| Regular Growth | **Rs. 10.0069** |
| Regular Monthly Dividend | **Rs. 10.0070** |
| Regular Quarterly Dividend | **-** |
| Regular Dividend On Maturity | **Rs. 10.0070** |
| Institutional Growth | **Rs. 10.0070** |
| Institutional Monthly Dividend | **Rs. 10.0070** |
| Institutional Quarterly Dividend | **Rs. 10.0070** |
| Institutional Dividend on Maturity | **Rs. 10.0070** |
| (b) Gross Income : | |
| i) Income other than profit on sale of investment,per unit | **0.0072** |
| ii) profit on interscheme sale/transfer of investment,per unit | **-** |
| iii) profit on sale of investment to third party,per unit | **-** |
| iv) transfer to Revenue Account from past year's reserve per unit | |
| (c) Aggregate of expenses,write offs, amortisation and charges,per unit | **0.00** |
| (d) Net unrealised depreciation in value of investments | **0.0002** |
| (e) Net Income, per unit | **0.0070** |
| (f) i ) Highest traded price | |
| ii ) Lowest traded price | |
| iii) Highest repurchase price/NAV | |
| Regular Growth | **-** |
| Regular Monthly Dividend | **-** |
| Regular Quarterly Dividend | **-** |
| Regular Dividend On Maturity | **-** |
| Institutional Growth | **-** |
| Institutional Monthly Dividend | **-** |
| Institutional Quarterly Dividend | **-** |
| Institutional Dividend on Maturity | **-** |
| iv) Highest resale price | |
| Regular Growth | **10.0000** |
| Regular Monthly Dividend | **10.0000** |
| Regular Quarterly Dividend | **10.0000** |
| Regular Dividend On Maturity | **10.0000** |
| Institutional Growth | **10.0000** |
| Institutional Monthly Dividend | **10.0000** |
| Institutional Quarterly Dividend | **10.0000** |
| Institutional Dividend on Maturity | **10.0000** |
| v) Lowest repurchase price/NAV | |
| Regular Growth | **-** |
| Regular Monthly Dividend | **-** |
| Regular Quarterly Dividend | **-** |
| Regular Dividend On Maturity | **-** |
| Institutional Growth | **-** |
| Institutional Monthly Dividend | **-** |
| Institutional Quarterly Dividend | **-** |
| Institutional Dividend on Maturity | **-** |
| vi) Lowest resale price | |
| Regular Growth | **10.0000** |
| Regular Monthly Dividend | **10.0000** |
| Regular Quarterly Dividend | **10.0000** |
| Regular Dividend On Maturity | **10.0000** |
| Institutional Growth | **10.0000** |
| Institutional Monthly Dividend | **10.0000** |
| Institutional Quarterly Dividend | **10.0000** |
| Institutional Dividend on Maturity | **10.0000** |
| vii) Price Earning Ratio | **NA** |
| viii) Ratio of Expenses to Average Net Assets(%) Regular Plan | **-** |
| ix) Ratio of Gross Income (including unrealised appreciation / depreciation) to Average Net Assets (%) | **0.07%** |

## 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 2006-2007.

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| ALLAHABAD BANK | AAEF | AAEF | 1,064.00 | - |
| | | AAMIP | 72.77 | - |
| | | AACF | 3,965.58 | - |
| | | AAFTP4-QPA | 1,965.96 | - |
| | | AAFLF | 1,811.84 | - |
| | | AATAP | 499.22 | - |
| | | AADYF | 1,578.82 | - |
| | | AAOF | 702.74 | - |
| | | AAFRF | 1,000.00 | - |
| BAJAJ AUTO LTD. | AAFTP2-QPB | AATAP | 1,072.06 | - |
| | | AADYF | 180.12 | - |
| | | AAOF | 859.80 | - |
| | | AAMIP | 48.60 | - |
| | | AAEF | 1,548.87 | - |
| BANK OF BARODA | AACF | AAOF | 249.99 | 213.33 |
| | | AADYF | 297.67 | - |
| BANK OF INDIA | AAFRF | AATAP | 769.51 | - |
| | | AAFLF | 1,686.81 | - |
| | | AADYF | 256.30 | - |
| | | AAOF | 1,399.19 | - |
| | | AACF | 500.00 | - |
| | | AAMIP | 581.48 | - |
| | | AAEF | 1,640.79 | 396.09 |
| BHARTI TELE VENTURES LTD. | AAFLF | AAEF | 1,628.16 | 763.90 |
| | AALTFRF | AAOF | 734.44 | - |
| | AACF | AATAP | 140.13 | 139.79 |
| | | AAMIP | 42.59 | - |
| CUMMINS INDIA LTD | AAFTP3-QPF | AAFLF | 1,155.81 | - |
| | | AADYF | 109.96 | 104.60 |
| GLAXOSMITHKLINE PHARMACEUTICALS LTD. | AAFDF | AADYF | 171.31 | - |
| GRASIM INDUSTRIES LTD. | AAFTP2-QPC | AAEF | 1,947.69 | - |
| | AALTFRF | AAOF | 1,405.44 | - |
| | AAFTP3-QPA | AAFLF | 1,368.40 | - |
| | AAFTP3-QPE | AAFTP1 | 3,500.00 | - |
| | | AATAP | 996.54 | - |
| | | AAFRF | 1,900.00 | - |
| | | AAFDF | 3,400.00 | - |
| | | AAMIP | 110.07 | - |
| | | AACF | 3,000.00 | - |
| GREAT EASTERN SHIPPING CO. LTD. | AAFTP2-QPE | AAEF | 681.52 | - |
| | | AATAP | 544.29 | - |
| | | AADYF | 2,436.03 | - |
| | | AAMIP | 89.82 | - |
| HCL TECHNOLOGIES LTD. | AAFTP3-YP | AAOF | 1,295.26 | - |
| | | AAFLF | 1,042.52 | - |
| | | AATAP | 330.96 | - |
| | | AADYF | 2,370.97 | 95.58 |
| | | AAEF | 85.63 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| HDFC BANK LTD. | AACF | AALTFR | 1,500.00 | - |
| | AAFRF | AAFTP5-14MP | 1,000.00 | 1,000.00 |
| | | AAFTP2-QPA | 2,448.01 | - |
| | | AATAP | 494.41 | - |
| | | AAFTP4-QPC | 9,771.18 | 9,951.69 |
| | | AAFTP3-QPF | 4,908.03 | - |
| | | AAFTP3-QPE | 4,908.15 | - |
| | | AAFRF | 3,690.82 | - |
| | | AAFDF | 468.18 | - |
| | | AACF | 27,423.10 | - |
| HERO HONDA MOTORS LTD. | AAFTP2-QPH | AADYF | 3,097.16 | - |
| | AAFTP2-QPB | | - | - |
| | AAFTP2-QPC | | - | - |
| | AAFTP2-QPE | | - | - |
| | AAFTP3-QPA | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPF | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-HYA | | - | - |
| | AADAF-PLAN A | | - | - |
| HINDALCO INDUSTRIES LTD. | AAFTP2-QPH | AAEF | 1,369.73 | - |
| | AAFTP2-QPB | AAOF | 1,119.94 | - |
| | AAFTP2-QPE | AAFLF | 233.31 | - |
| | AALTFRF | AATAP | 252.75 | - |
| | AAFTP3-QPE | AADYF | 96.93 | - |
| | AAFTP3-QPF | AAMIP | 193.85 | - |
| | AAFTP3-QPG | | - | - |
| | AAFDF | | - | - |
| | AAFTP6-QPB | | - | - |
| HINDUJA TMT | AAFRF | AAMIP | 62.75 | - |
| | AACF | AAOF | 1,140.66 | 196.94 |
| | AAFTP5-13MP | AATAP | 649.01 | 366.66 |
| | | AAFLF | 2,024.85 | 646.04 |
| HINDUSTAN LEVER LTD. | AAFTP2-QPH | AAEF | 612.91 | - |
| | AAFTP2-QPB | AAOF | 49.59 | - |
| | AACF | AADYF | 496.41 | 89.36 |
| | AAFTP3-YP | AAFRF | - | - |
| | AAFTP3-QPB | AAMIP | 48.94 | - |
| | AAFTP3-QPD | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-QPA | | - | - |
| | AAFTP5-13MP | | - | - |
| HINDUSTAN ZINC LTD | AAFDF | AAEF | 951.20 | - |
| | AALTFRF | AAOF | 1,469.12 | - |
| | AACF | AAFLF | 1,192.11 | - |
| | AAFTP3-QPA | AATAP | 846.35 | - |
| | AAFTP3-YP | AAMIP | 120.69 | - |
| | AAFTP3-QPD | | - | - |
| | AAFTP3-QPE | | - | - |
| | AAFTP3-QPG | | - | - |
| IDFC | AACF | AAEF | 857.26 | 422.85 |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| | | AAFDF | 2,400.00 | - |
| | | AAOF | 746.21 | 464.70 |
| | | AAFTP4-16M | 900.00 | - |
| | | AAFTP4-17MP | 1,700.00 | - |
| | | AAFTPS2-13A | 507.50 | - |
| | | AATAP | 249.63 | 193.77 |
| | | AAMIP | 38.67 | - |
| IFCI LTD | AAFRF | AAFLF | 999.87 | 758.18 |
| IPCL | AAFTP3-QPD | AAOF | 287.07 | - |
| | AAFTP3-QPE | AADYF | 239.77 | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP4-HYA | | - | - |
| | AAFTP3-QPG | | - | - |
| ITC LTD. | AAFRF | AAEF | 2,376.34 | - |
| | AAFTP2-QPH | AAOF | 1,114.07 | - |
| | AAFTP2-QPE | AATAP | 966.13 | - |
| | AAFTP3-YP | AAMIP | 49.35 | - |
| | AAFTP3-QPC | | - | - |
| | AAFTP3-QPG | | - | - |
| | AAFTP3-QPH | | - | - |
| | AAFTP4-QPA | | - | - |
| JINDAL STAINLESS LTD | AACF | AAFDF | 490.82 | - |
| LARSEN & TOUBRO LTD. | AAEF | AATAP | 1,260.66 | 583.24 |
| | AACF | AAOF | 1,564.70 | 549.21 |
| | AAFTP3-QPE | AACF | 2,500.00 | - |
| | | AAMIP | 49.67 | - |
| | | AAEF | 1,644.89 | 792.23 |
| MAHINDRA & MAHINDRA LTD. | AAFDF | AAEF | 1,210.53 | 314.70 |
| | AAFTP2-QPB | AAFRF | 5,701.60 | 300.03 |
| | AALTFRF | AAFLF | 5,000.00 | - |
| | | AAFTP1 | 1,500.00 | 1,199.48 |
| | | AATAP | 978.73 | - |
| | | AALTFR | 2,100.00 | - |
| | | AADYF | 2,172.07 | - |
| | | AAOF | 960.68 | - |
| | | AAFTP3-QPC | 998.66 | - |
| | | AAFTP3-YP | 700.00 | - |
| | | AAFTP4-17MP | 1,500.00 | 195.53 |
| | | AAFTP3-QPG | 3,200.00 | - |
| | | AACF | 19,763.28 | 2,502.41 |
| | | AAMIP | 80.19 | - |
| | | AAMIP | - | 500.67 |
| | | ABN-DAF-BS1 | - | 48.88 |
| | | ABN-DAF | - | 1,222.04 |
| MARUTI UDYOG LIMITED | AAFRF | AAEF | 3,132.46 | 369.09 |
| | AAFTP3-QPB | AAOF | 1,813.35 | - |
| | AAFTP3-QPC | AATAP | 704.65 | - |
| | AAFTP2-QPH | AAMIP | 155.22 | - |
| | AAFTP4-YP | | | |
| | AAFTP5-13MP | | | |
| MOTOR INDUSTRIES CO LTD | AAFTP3-QPC | AAEF | 657.74 | - |
| | AAFTP4-YP | | | |
| | AAFTP5-13MP | | | |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| RAYMOND LTD | AAFTP2-QPH | AALTFR | 2,000.00 | - |
| | AACF | AAFTPS2-13A | 1,000.00 | - |
| | AAFTP3-QPF | AAFTP3-QPD | 300.00 | - |
| | | AAFDF | 1,500.00 | - |
| | | AACF | 12,500.00 | - |
| | | AAFRF | 4,000.00 | - |
| RELIANCE INDUSTRIES LTD | AACF | AAEF | 5,487.05 | 733.11 |
| | AAFRF | AATAP | 1,651.06 | 248.71 |
| | | AAOF | 4,254.61 | - |
| | | AACF | 1,036.97 | - |
| | | AAMIP | 71.33 | - |
| STATE BANK OF BIKANER & JAIPUR | AACF | AAFDF | 1,500.00 | 200.00 |
| | AAFRF | AACF | 17,843.81 | - |
| | | AALTFR | 197.13 | - |
| | | AAFTP2-QPE | 1,489.82 | - |
| | | AAFTP6-QPB | 975.00 | 977.93 |
| | | AAFRF | 5,813.88 | - |
| | | AAMIP | - | 800.00 |
| STATE BANK OF HYDERABAD | AALTFRF | AAFTP2-QPC | 10,000.00 | - |
| | | AAFTP6-QPB | 858.27 | 860.85 |
| | | AAFTP4-16M | 117.04 | 117.39 |
| STATE BANK OF INDORE | AAFRF | AACF | 2,361.85 | - |
| | | AAFTP2-QPA | 2,451.82 | - |
| | | AAFTP3-QPG | 969.75 | - |
| | | AAFTP4-17MP | 1,939.50 | - |
| | | AAFTP4-QPB | 2,446.32 | - |
| STERLITE INDUSTRIES LTD. | AACF | AAEF | 2,672.25 | - |
| | AALTFRF | AACF | 13,900.00 | - |
| | | AAFRF | 6,700.00 | - |
| | | AAMIP | 1,000.00 | - |
| | | AAFDF | 5,200.00 | - |
| | | AAOF | 3,144.63 | - |
| | | AAFTP2-QPC | 4,200.00 | - |
| | | AAFLF | 4,725.63 | - |
| | | AAFTPS2-13A | 2,100.00 | - |
| | | AAFTP1 | 800.00 | - |
| | | AATAP | 1,400.93 | - |
| | | AAFTP4-17MP | 200.00 | - |
| | | AAFTP3-QPE | 3,200.00 | - |
| | | AAFTP3-QPB | 100.00 | - |
| | | AAFTP3-YP | 1,400.00 | - |
| | | AAFTP3-QPA | 800.00 | - |
| TATA CONSULTANCY LTD | AALTFRF | AAEF | 2,819.31 | 660.85 |
| | AAFTP2-QPC | AAMIP | 24.56 | - |
| | AAFTP2-QPB | AAOF | 1,379.44 | - |
| | | AAFLF | 600.21 | - |
| | | AATAP | 499.64 | - |
| TECH MAHINDRA | AAFTP3-QPC | AAEF | 869.84 | - |
| | | AAMIP | 67.05 | - |
| | | AAOF | 415.52 | - |
| | | AADYF | 7.59 | - |
| | | AATAP | 13.16 | - |
| | | AAFLF | 54.13 | - |

| Company Name | Investment by Company in Schemes | Investment by Schemes in the Company | Aggregate Cost of Acquisition during the period (Rs. in Lakhs) * | Mkt Value (Rs. in Lakhs) as on 30/03/2007 |
|---|---|---|---|---|
| ULTRATECH CEMCO LTD | AAFTP2-QPH | AAOF | 96.53 | - |
| | AAFTP3-QPA | AAMIP | 48.27 | - |
| | AALTFRF | AAEF | 96.53 | - |
| | | AAFLF | 834.77 | - |
| UNION BANK OF INDIA | AAFRF | AAEF | 216.78 | - |
| | | AAFDF | 980.55 | - |
| | | AAMIP | 2,455.25 | - |
| | | AAOF | 30.28 | - |
| | | AALTFR | 7,989.46 | - |
| | | AAFTPS2-13A | 980.55 | - |
| | | AAFTP3-QPD | 980.55 | - |
| | | AAFTP3-QPE | 1,274.72 | - |
| | | AAFTP4-17MP | 4,902.77 | - |
| | | AAFTP4-QPD | 1,999.14 | - |
| | | AAFTP5-13MP | 903.34 | 904.14 |
| VIDESH SANCHAR NIGAM LTD. | AAFTP2-QPH | AAEF | 329.74 | 231.72 |
| | AAFTP2-QPB | | | |
| | AAFTP2-QPC | | | |
| | AALTFRF | | | |
| | AAFTP3-QPA | | | |
| | AAFTP3-QPB | | | |
| | AAFTP3-QPG | | | |
| | AAFTP4-YP | | | |
| WIPRO LTD. | AAFTP2-QPB | AAEF | 1,316.85 | - |
| | AAFTP2-QPC | AAMIP | 25.05 | - |
| | AAFTP2-QPE | AAOF | 1,108.22 | - |
| | AAFTP3-QPB | AADYF | 151.06 | - |
| | AAFTP3-QPC | AATAP | 463.37 | - |
| | AAFTP3-QPD | AAFLF | 1,456.46 | - |
| | AAFTP3-QPF | | | |
| | AAFTP3-QPG | | | |
| | AAFTP2-QPH | | | |
| | AAFTP4-QPA | | | |
| | AAFTP4-HYA | | | |
| | AAFTP6-QPB | | | |

**AACF** – ABN AMRO Cash Fund, **AAFRF** – ABN AMRO Floating Rate Fund, **AAFDF** – ABN AMRO Flexi Debt Fund, **AAEF** – ABN AMRO Equity Fund, **AAMIP** – ABN AMRO Monthly Income Plan, **AAOF** – ABN AMRO Opportunities Fund, **AADYF** – ABN AMRO Dividend Yield Fund, **AALTFRF** – ABN AMRO Long Term Floating Rate Fund, **AATAP** – ABN AMRO Tax Advantage Plan (ELSS), **AAFTP-1** – ABN AMRO Fixed Term Plan Series - 1, **AAFTP-2-13M** – ABN AMRO Fixed Term Plan Series 2-13 Months Plan, **AAMMF** – ABN AMRO Multi Manager Fund, **AAFLF** – ABN AMRO Future Leaders Fund, **AAFTP-3-YPA** – ABN AMRO Fixed Term Plan - Series 3: Yearly Plan A, **AADAF-B-S1** – ABN AMRO Dual Advantage Fund Plan B Series 1, **AAFTP-S4-17M** – ABN AMRO Fixed Term Plan - Series 4: Seventeen Months Plan, **AAFTP-4-QPC** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan C, **AAFTP-4-16M** – ABN AMRO Fixed Term Plan - Series 4: Sixteen Months Plan, **AAFTP-4-QPD** – ABN AMRO Fixed Term Plan – Series 4: Quarterly Plan D**, AAFTP-4-HYPA** – ABN AMRO Fixed Term Plan – Series 4: Half Yearly Plan A, **AAFTP-4-QPE** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan E, **AAMMF-2A** – ABN AMRO Multi Manager Fund - Series 2A, **AAMMF-3** – ABN AMRO Multi Manager Fund - Series 3, **AAMMF-2B** – ABN AMRO Multi Manager Fund - Series 2B**, AAFTP-5-13M,** ABN AMRO Fixed Term Plan – Series 5: Thirteen Months Plan, **AAFTP-6-QPB** – ABN AMRO Fixed Term Plan – Series 6: Quarterly Plan B, **AAFTP-2-QPE** – ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan E, **AAFTP-2-HYP** – ABN AMRO Fixed Term Plan - Series 2: Half Yearly Plan A, **AAFTP3-QPA** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan A, **AAFTP-3-QPB** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan B, **AAFTP-3-QPC** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan C**, AAFTP-3-QPD** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan D, **AAFTP-3-QPE-** ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan E, **AAFTP-3-QPF** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan F**, AAFTP-3-QPG** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan G, **AAFTP-3-QPH** – ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan H, **AAFTP-4-QPA** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan A, **AAFTP-4-QPB** – ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan B, **AADAF** – ABN AMRO Dual Advantage Fund - Plan A - Series 1.

**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. **Load Structure**: **Entry Load**: In respect of each Subscription / Switch In of Units for an amount less than Rs. 5 crores in value, entry load of 2.25% is payable. In respect of each Subscription / Switch In of Units for an amount equal to Rs. 5 crores or more in value, entry load payable would be Nil. **Exit Load**: Nil. **CDSC**: In respect of each Subscription / Switch - In of Units for an amount less than Rs. 5 crores in value, CDSC of 1% is payable if the Units are redeemed / switched - out within 6 months from the date of such Subscription / Switch - In. In respect of each Subscription / Switch-in of Units for an amount equal to Rs. 5 crores or more in value, CDSC payable would be Nil. **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 or 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. **Load Structure**: **Entry Load**: In respect of each Subscription / Switch In of Units for an amount less than Rs. 5 crores in value, entry load of 2.25% is payable. In respect of each Subscription / Switch In of Units for an amount equal to Rs. 5 crores or more in value, entry load payable would be Nil. **Exit Load**: Nil. **CDSC**: In respect of each Subscription / Switch - In of Units for an amount less than Rs. 5 crores in value, CDSC of 1% is payable if the Units are redeemed / switched - out within 6 months from the date of such Subscription / Switch - In. In respect of each Subscription / Switch - In of Units for an amount equal to Rs. 5 crores or more in value, CDSC payable would be Nil. **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 0.50%, at the time of investment. **Load Structure**: **Entry Load**: In respect of each Subscription / Switch In of Units for an amount less than Rs. 5 crores in value, entry load of 2.25% is payable. In respect of each Subscription / Switch In of Units for an amount equal to Rs. 5 crores or more in value, entry load payable would be Nil. **Exit Load**: Nil. **CDSC**: In respect of each Subscription / Switch - In of Units for an amount less than Rs. 5 crores in value, CDSC of 1% is payable if the Units are redeemed / switched - out within 6 months from the date of such Subscription / Switch - In. In respect of each Subscription / Switch - In of Units for an amount equal to Rs. 5 crores or more in value, CDSC payable would be Nil. **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. **Load Structure**: **Entry Load** : In respect of each Subscription / Switch – in* of Units for an amount less than Rs. 5 crores in value:2.25%. In respect of each Subscription / Switch – in* of Units for an amount equal to Rs. 5 crores or more in value: Nil. There is no Exit Load or CDSC. * No entry load is payable for switch-in from other equity schemes of ABN AMRO Mutual Fund. **ABN AMRO Future Leaders Fund**: To seek to generate long-term capital appreciation by investing primarily in companies with high growth opportunities in the middle and small capitalization segment, defined as 'Future Leaders'. The fund will emphasize on companies that appear to offer opportunities for long-term growth and will be inclined towards companies that are driven by dynamic style of management and entrepreneurial flair. **Load Structure**: **Entry Load**: In respect of each Subscription / Switch In of Units for an amount less than Rs. 5 crores in value, entry load of 2.25% is payable. In respect of each Subscription / Switch In of Units for an amount equal to Rs. 5 crores or more in value, entry load payable would be Nil. **Exit Load**: Nil. **CDSC**: In respect of each Subscription / Switch - In of Units for an amount less than Rs. 5 crores in value, CDSC of 1% is payable if the Units are redeemed / switched - out within 6 months from the date of such Subscription / Switch - In. In respect of each Subscription / Switch - In of Units for an amount equal to Rs. 5 crores or more in value, CDSC of 0.5% is payable if the Units are redeemed / switched - out within 3 months from the date of such Subscription / Switch - In. **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. **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 maximize income while maintaining an optimum balance between yield, safety and liquidity. **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 Money Plus 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 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. **Load Structure for ABN AMRO Cash Fund, ABN AMRO Floating Rate Fund, ABN AMRO Money Plus Fund :** There is no Entry or Exit Load or CDSC. **Load Structure for ABN AMRO Flexi Debt Fund:** There is no Entry or Exit Load. **CDSC:** In respect of each Subscription / Switchin of Units for an amount less than Rs. 5 crores in value, a CDSC of 0.50% is payable if Units are redeemed / Switched-out within 6 months from the date of allotment. In respect of each Subscription / Switch-in of Units equal to Rs. 5 crores in value or more, no CDSC is payable. **Load Structure for ABN AMRO Monthly Income Plan:** There is no Entry or Exit Load. **CDSC:** In respect of each Subscription / Switch-in of Units, a CDSC of 1.00% is payable if Units are redeemed / Switched-out within a period of less than or equal to 12 months from the date of allotment of such Subscription / Switch-in. **ABN AMRO Multi Manager Fund:** The Investment objective of the scheme is to seek to provide long-term capital appreciation by investing in a portfolio of diversified equity schemes and liquid/short term/floating rate schemes of mutual funds registered with SEBI. **Load Structure:** There will be no Entry or Exit Load. **CDSC**: During prescribed Liquidity Window, as per the structure mentioned in the table given in the offer document. **ABN AMRO Multi Manager Fund – Series 2A:** The Investment objective of the scheme is to seek to provide long-term capital appreciation by investing in a portfolio of equity schemes and liquid/short term/floating rate schemes of mutual funds registered with SEBI. **Load Structure:** There will be no Entry or Exit Load. **CDSC**: During prescribed Liquidity Window, as per the structure mentioned in the table given in the offer document. **ABN AMRO Multi Manager Fund – Series 2B:** The Investment objective of the scheme is to seek to provide long-term capital appreciation by investing in a portfolio of equity schemes and liquid/short term/ floating rate schemes of mutual funds registered with SEBI. **Load Structure:** There will be no Entry or Exit Load. **CDSC**: In case of redemption before the Maturity Date (i.e. during the Liquidity Window), proportionate unamortized initial issue expenses will be recovered from the redemption proceeds of the investors. **ABN AMRO Multi Manager Fund – Series 3:** The Investment objective of the scheme is to seek to provide long-term capital appreciation by investing in a portfolio of equity schemes and liquid/short term/floating rate schemes of mutual funds registered with SEBI. **Load Structure:** There will be no Entry or Exit Load. **CDSC**: In case of redemption before the Maturity Date (i.e. during the Liquidity Window), proportionate unamortized initial issue expenses will be recovered from the redemption proceeds of the investors. **ABN AMRO Dual Advantage Fund : Plan A & B - Series 1:** The Objective of the Scheme is to generate income by investing in the Debt & Money Market instrument and to generate capital appreciation by investing in equity index options. However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee / indicate any returns. **Load Structure:** Entry Load – Nil. **CDSC** - In case of redemption before the maturity date (i.e. during the liquidity window), proportionate unamortized initial issue expense will be recovered from the redemption proceeds of the investor. **ABN AMRO Fixed Term Plan - Series 4: Sixteen 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. **Load Structure: Entry Load** - Nil. **Exit Load**: 3% if investor redeems within 6 months of allotment; 2% if investor redeems anytime after 6 months but before the date of maturity. Switching from Growth Option to the Dividend Option of the Scheme and vice versa will be without any Entry or Exit Load and CDSC. **ABN AMRO Fixed Term Plan - Series 4: Seventeen 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. **Load Structure: Entry Load** - Nil. **Exit Load**: 3% if investor redeems within 6 months of allotment; 2% if investor redeems anytime after 6 months but before the date of maturity. Switching from Growth Option to the Dividend Option of the Scheme and vice versa will be without any Entry or Exit Load and CDSC. **ABN AMRO Fixed Term Plan - Series 5: Thirteen Months Plan:** The Investment objective of the scheme and the plan launched hereunder would be to achieve growth of capital through investments made in a basket of fixed income securities in the line with the duration of the plan(s) thereunder. The Scheme does not guarantee / indicate any returns. This Plan would comprise of securities normally maturing in line with the Scheme. In addition, the AMC and the Trustee reserves the right to introduce multiple plans of the same maturity period in line with SEBI regulations. **Load Structure: Entry Load** - Nil. **Exit Load**: 3% if investor redeems within 6 months of allotment; 2% if investor redeems anytime after 6 months but before the date of maturity. Switching from Growth Option to the Dividend Option of

the Scheme and vice versa will be without any Entry or Exit Load and CDSC. **ABN AMRO Fixed Term Plan - Series 5: Fourteen Months Plan:** The Investment objective of the scheme and the plan launched hereunder would be to achieve growth of capital through investments made in a basket of fixed income securities in the line with the duration of the plan(s) thereunder. The Scheme does not guarantee / indicate any returns. This Plan would comprise of securities normally maturing in line with the Scheme. In addition, the AMC and the Trustee reserves the right to introduce multiple plans of the same maturity period in line with SEBI regulations. **Load Structure: Entry Load** - Nil. **Exit Load**: 3% if investor redeems within 6 months of allotment; 2% if investor redeems anytime after 6 months but before the date of maturity. Switching from Growth Option to the Dividend Option of the Scheme and vice versa will be without any Entry or Exit Load and CDSC**. Load Structures: ABN AMRO Fixed Term Plan - Series 1**: **Exit Load**: 3% if withdrawn within 6 months, 2% if withdrawn after 6 months but before one year and 1% after one year but before maturity. **ABN AMRO Fixed Term Plan - Series 2: 13 Months Plan** - **Entry Load**: Nil, **Exit Load**: 3% if investor redeems within six months of allotment; 2% if investor redeems after 6 months but before 13 months from date of allotment. **ABN AMRO Fixed Term Plan - Series 2: Half Yearly Plan A, ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan A, ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan B, ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan C, ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan D, ABN AMRO Fixed Term Plan - Series 2: Quarterly Plan E, ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan A, ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan B, ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan C, ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan D, ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan E, ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan F and ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan G** - **Entry Load**: Nil, **Exit Load**: 3% for redemptions submitted before the maturity date. **ABN AMRO Fixed Term Plan - Series 3: Yearly Plan** - **Exit Load** : 3% if investor redeems within 6 months from allotment date and 2% if investor redeems after 6 months but before maturity date. **ABN AMRO Fixed Term Plan - Series 3: Quarterly Plan H, ABN AMRO Fixed Term Plan - Series 4: Half Yearly Plan A, ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan A, ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan B, ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan C, ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan D, ABN AMRO Fixed Term Plan - Series 4: Quarterly Plan E, ABN AMRO Fixed Term Plan - Series 6: Quarterly Plan B and ABN AMRO Fixed Term Plan - Series 6: Quarterly Plan C** - **Entry Load**: Nil, **Exit Load**: 2% for redemptions submitted before the maturity date. **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 Scheme. **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. The names of the Schemes 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.