

Equity Markets

Wish you all a very Happy and Prosperous New Year 2007.

The Year 2006 was another dream year for the equity markets. The indices scaled new peaks successively riding on high volatility. The markets recorded gains close to around 46% for the year.

The global liquidity flowed into Indian stock markets in a big way this year, thanks to the sustained economic growth posted by Indian economy. Most of the sectors showed growth and continue to show promise in the years to come. Several companies in India, across sectors, made their mark on the global map, either by acquisition, or by attracting capital inflows. The economic growth forecast is also helping us to bargain better deals with some of the developed nations on various fronts. A notable one being the signing of Nuclear deal with US which bodes well for India's power needs and future economic growth, without compromising on our national security.

Some of the statistics do give credence to our belief of the strength of growth being witnessed now. The total FDI in the month of October '06 equaled \$1.7 billion which is 312% higher than the previous year figures for the same month. The exports recorded a growth of 57% (y-o-y) to \$9.7 billion in the month of November '06. The exports for the whole year are expected to touch the much aspired figure of \$125 billion for FY07. In the first nine months of the year i.e. April-December the Centre's net direct tax collections surged by 41.55% to Rs.109000 crores as compared to Rs.77000 crores collected in the same period last year, which is around 52% of the budget estimates. As many as 73 companies entered the domestic equity market with their IPO's thereby tapping the increased disposable income available with various entities.

Talking of outlook we can say that over short term period, we expect the mid cap stocks which have not shown the same rise as that of large caps during the last six months, should do well vis-à-vis large cap stocks. However, over a long term period, the factors that would drive our economy would be the sustained corporate earnings growth, overall Indian economic growth, domestic inflation and interest rates, government policies on major growth sectors like telecom, power, retail etc., global economy, global liquidity and global interest rate scenario. We expect that the year 2007 would see more volatile and interesting times. We are convinced that the long term growth story is intact.

MARKET RETURNS

	Sensex	Nifty	CNX Midcap	10 Yr G-Sec Yld Range
December 2006	-0.42%	-0.78%	1.43%	7.38% - 7.70%
Year - 2006	46.82%	39.86%	28.18%	7.31 - 8.40

Debt Market

The debt market which went through an extended period of bullishness finally lost some of its ground in the month of December. The surprise of the month was the hike in CRR by 50 basis points by RBI and subsequent tightening of liquidity in the system to sterilise the rupee supply resulting from intervention in the Forex market.

The government securities market remained volatile for most part of the month. However, the rise in G-sec yields was limited as compared to the other segment of the bond market. This was mainly on account of the continued incremental Statutory Liquidity Ratio (SLR) requirement of the banks and buying by other large institutional investors.

The government securities market started the month on a positive note with the yield on ten-year bond falling to 7.38% levels against the previous month close of 7.43%. The hike of Cash Reserve Ratio (CRR) by 50bps then took over the market sentiments for the remaining period of the month with sharp rise in yield on ten-year G-sec. The knee jerk reaction of the hike and overnight money gradually becoming expensive, the sell off in the bond market saw the ten year G-sec touch a high of 7.68% during the mid month. The market saw good buying at these levels due to the investment demand and lower than expected inflation numbers. The ten-year yield gradually softened to the levels of 7.59% before closing the month at 7.62%.

The liquidity remained strained for most part of the month. The impact of CRR hike was seen immediately after the announcement. The overnight call rates which remained in the range of 6.00-6.10% in the first week gradually moved up to 11.00-11.50% by month end, touching a high of 19% levels. The tightening of liquidity condition was evident in the Liquidity adjustment facility (LAF) figures of RBI. The market which had comfortable liquidity condition in the week ended 9th December with a reverse repo figure of Rs.28,020 cr suddenly saw a reversal of trend. The rupee liquidity dwindled for the remaining part of the month mainly on account of advance tax outflows and the CRR hike. The market was having surplus funds in the first week eventually borrowed from RBI repo window. The repo average for the last week stood at Rs.31,598 cr.

The inflation numbers moderated for the weeks ending Nov 25th and Dec 2nd to the levels of 5.30% and 5.16% respectively. The fall in the inflation number was due to the fall in the index of primary articles and a drop in the domestic fuel prices. The inflation gradually moved up to 5.43% for the week ended Dec16th mainly on account of a softer base of the previous year.

The Indian rupee continued to fare well against the US \$ for most part of the month. The rupee opened at 44.73/\$ and gradually appreciated to touch a high of 44.17/\$ before closing the month at 44.23/\$. This was mainly on account of weakness of US\$ against other currencies and the tight liquidity condition prevailing in the domestic market. However, mid-month saw a brief spell of US\$ strengthening to the levels of 44.93/\$, due to the sell off in the equity market owing to the RBI measures to curb the credit growth. The Dollar was further supported by the demand from importers and weak sentiments in the Asian markets.

The Federal Open Market Committee maintained its target Fed funds rate at 5.25% for the fourth consecutive time. However, the committee remained apprehensive over elevated levels of core inflation in the economy.

The yields in the corporate bond market segment remained under pressure. There was a rise of 80-100bps in the across the yield curve. The 1 month bank CDs closed the month at 8.20-8.25% against the opening level of 7.45-7.50%. Similarly, the yield on 6 months to 1 year corporate papers closed the month in the range of 9.25-9.40%.

The liquidity in the system is expected to remain tight in the coming weeks. However, a temporary easing is expected in the first week of January mainly on account of SDS interest payments and government spending. The second tranche of CRR hike from 6th Jan is expected to keep the short term rates under pressure. We expect the overnight call rates to trade higher. The yield of the government securities is expected to trade in a narrow range as the investment demand of the banks and other institutional investors will provide the required buying support. We expect the ten-year G-sec to remain in the range of 7.55-7.75% in the month of January. However, any fresh supply of bond with tight liquidity scenario can further put upward pressure on the G-sec yield.

The corporate bond market segment is likely to see some tough times in the coming months. The rates will continue to see upward movement due to the tight liquidity in the system and increasing requirement of funds by the banks and corporates. We expect the rates to gradually harden from the current levels by 30-50bps. The market seems to be ripe for the debt funds to make use of the opportunities arising in the last quarter. Sahara Income Fund, Sahara Gilt Fund and Sahara Liquid Fund continue to offer excellent investment opportunity to our investors.

Sahara TAX GAIN FUND

SAHARA
TAX GAIN fund

An Open-Ended Equity Linked Saving Scheme (ELSS)

The objective of the scheme....	Ideal for....	Minimum application
is to provide immediate tax relief and long-term growth of capital to investors. Unit holders can avail of deduction under Section 80C of the Income Tax Act 1961 for investment up to Rs.1 lakh p.a.	investors seeking high returns at relatively medium risk across long-term horizon by investing in equity and equity related instruments.	Rs. 500/- and additional investments in multiples of Rs. 500/-. Investment Option: a) Growth b) Dividend Payout & Dividend Reinvestment Option.

Load Structure	Entry Load: 2.25%	Exit Load: Nil	NAV as on December 29, 2006 Dividend - Rs. 18.2479 / Growth - Rs. 20.8904
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Systematic Investment Plan	Monthly SIP	Quarterly SIP	Bonus Declared (Rec. Dt. - Aug 29, 2005)
Entry Load : 2.25% - for SIP/STP investments Exit Load : 1 % if redeemed on or before 1 year from date of allotment of SIP/STP investments.	6 postdated cheques for minimum of Rs. 500/- each and in multiples of Rs. 500/-.	4 postdated cheques for a minimum of Rs. 500/- each and in multiples of Rs. 500/-.	Growth Plan - 7:1 Dividend Plan - 3:1

Systematic Investment Plan (SIP) Returns			
Sahara Taxgain Fund			
XIRR	3 Years	5 Years	
Taxgain	38.84%	42.00%	
BSE 200	29.28%	37.15%	

Note: 1) Considering Rs. 1,000/- investment done on the 1st of the month.
2) Load has not be considered for the purpose of calculation.

Portfolio as on 29.12.2006			
Industry	Security Name	% of Grand Total	% of Industry Total
EQUITY SHARES			
Industrial Capital Goods	Crompton Greaves Ltd.	4.10	16.07
	Larsen and Toubro Ltd.	3.98	
	Siemens Ltd.	3.35	
	Bharat Heavy Electricals Ltd.	3.16	
	Indo Tech Transformers Ltd.	1.48	
Software	Infosys Technologies Ltd.	5.28	13.21
	Tata Consultancy Services Ltd.	3.84	
	Mphasis BFL Ltd.	2.98	
Cement	3I-Infotech Ltd.	1.11	
	Century Textiles & Industries Ltd.	3.63	9.37
	Orient Paper and Inds Ltd.	3.28	
Consumer Non Durables	Shri Digvijay Cement Ltd.	2.46	
	ITC Limited	4.15	8.94
	Marico Ltd.	2.67	
Textile Products	Hanung Toys & Textiles Ltd.	2.12	
	Aditya Birla Nuvo (Indian Rayon)	5.07	6.11
	Siyaram Silk Ltd.	1.04	
Auto	Mahindra & Mahindra Ltd.	4.10	5.92
	Maruthi Udyog Ltd.	1.82	
Paper	Ballarpur Industries Ltd.	2.96	4.97
	Tamil Nadu Newsprint & Papers Ltd.	2.01	
Non Ferrous Metals	Hindalco Industries Ltd. *	3.60	3.60
Finance	Reliance Capital Ltd.	3.58	3.58
Chemicals	Gujarat Alkalies and Chemicals Ltd.	3.22	3.22
Industrial Products	SKF India Ltd.	3.21	3.21
Entertainment	Inox Leisure Limited	2.97	2.97
Hotels	Royal Orchid Hotels Ltd.	2.75	2.75
Power	Torrent Power Ltd.	2.00	2.55
	Tata Power Company Ltd.	0.55	
Auto Ancillaries	Motor Industries Co Ltd.	2.06	2.06
Pharmaceuticals	Cipla Ltd.	1.97	1.97
Equity Total		90.52	90.52
Current Assets		9.48	9.48
Total		100	100

* - Including partly paid shares

Dividend during the year 2005 & 2006			
Record Date	Rate	% of Div	Cum Div NAV (Rs)
19.01.2005	Rupees 10 per unit	100.00%	70.61
23.03.2005	Rupees 20 per unit	200.00%	66.75
24.03.2006	Rupees 2.50 paise per unit*	25.00%	19.4041

*Post Bonus

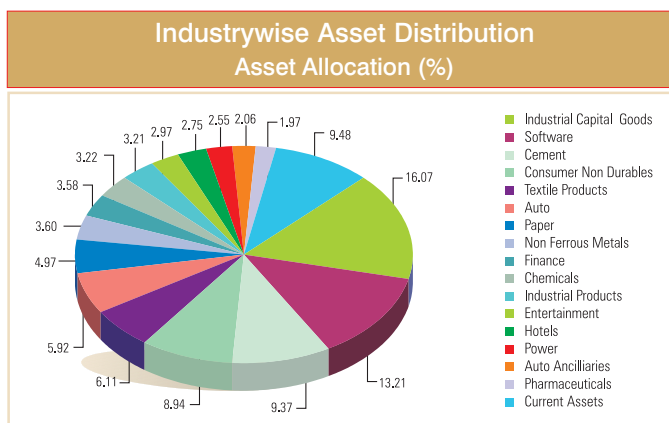
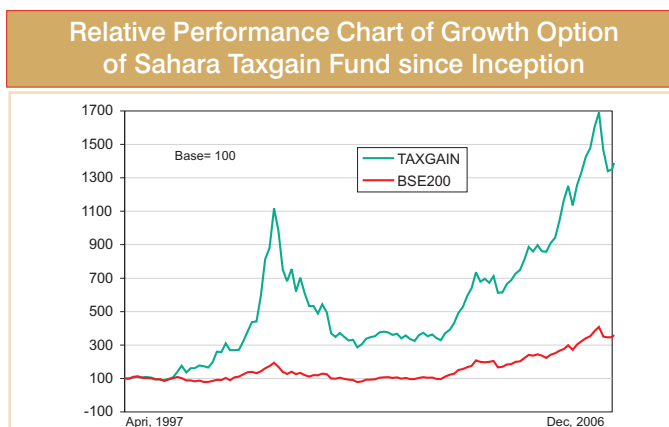
Dividend Declared
Dividend declared on the face value of Rs. 10/-
Past performance may or may not be sustained in future

Performance (%)			
Sahara Taxgain Fund			
Scheme/ Index Name	3 Yrs	5 Yrs	Incep
Taxgain**	31.52%	36.94%	33.46%
BSE 200	29.28%	37.15%	17.87%

** Adjusted for bonus

Note: Annualised Returns

Inception Date: April 1, 1997



Sahara GROWTH FUND

SAHARA
GROWTH fund

An Open-Ended Growth Fund

The objective of the scheme....	Ideal for....	Minimum application
is to achieve capital appreciation by investing in equity and equity related instruments.	investors seeking high returns at relatively medium risk across long-term horizon.	Rs. 3000/- and additional investments in multiples of Rs. 500/- and in multiples of Re.1/- thereafter.

Load Structure	Entry Load	Exit Load
	2.25%: for investments < Rs. 1 cr ; NIL: for investment >= Rs. 1 cr	< Rs. 1 cr ; Nil, >= Rs. 1 cr: 1% if redeemed on or before 3 months

Investment Option:
a) Growth b) Dividend Payout & Dividend Reinvestment Option.

Systematic Investment Plan	Monthly SIP	Quarterly SIP	NAV as on December 29, 2006
Entry Load : 2.25% - for SIP/STP investments Exit Load : 1 % if redeemed on or before 1 year from date of allotment of SIP/STP investments.	6 postdated cheques for minimum of Rs. 1000/- each.	4 postdated cheques for minimum of Rs. 2000/- each.	Dividend - Rs. 25.5032 Growth - Rs. 50.4081

Systematic Investment Plan (SIP) Returns			
Sahara Growth Fund			
XIRR	1 Yr	2 Yrs	3 Yrs
Growth Fund	42.86%	47.52%	44.54%
Nifty	39.83%	38.07%	28.27%

Note: 1) Considering Rs. 1,000/- investment done on the 1st of the month.
2) Load has not be considered for the purpose of calculation.

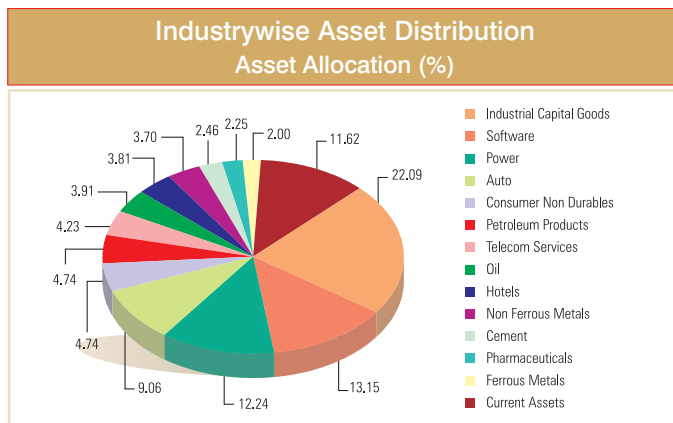
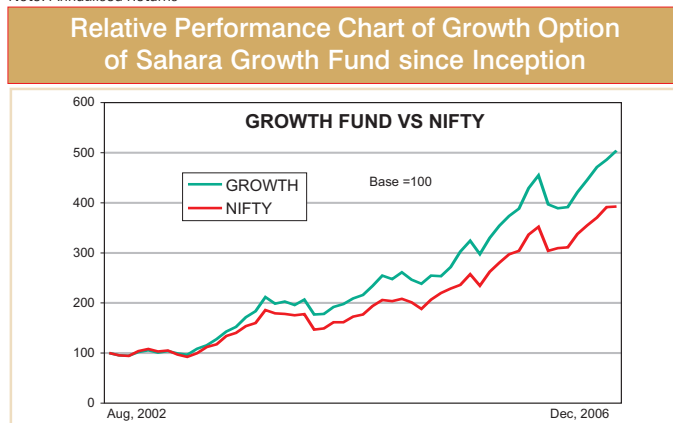
Dividend since September 2003			
Record Date	Rate	% of Div	Cum Div NAV (Rs)
13.03.2006	Rupees 7.50 paise per unit	75.00%	28.22
28.01.2005	Rupees 3 per unit	30.00%	19.57
25.09.2003	Rupees 3 per unit	30.00%	14.95

Dividend Declared
Dividend declared on the face value of Rs. 10/-
Past performance may or may not be sustained in future

Portfolio as on 29.12.2006			
Industry	Security Name	% of Grand Total	% of Industry Total
EQUITY SHARES			
Industrial Capital Goods	Crompton Greaves Ltd.	4.21	22.09
	Bharat Heavy Electricals Ltd.	4.12	
	Siemens Ltd.	4.08	
	Larsen and Toubro Limited	3.89	
	Bharat Earth Movers Ltd.	3.18	
	Thermax Ltd.	2.61	
Software	Infosys Technologies Ltd.	6.23	13.15
	Tata Consultancy Services Ltd.	5.48	
	HCL Technologies Ltd.	1.44	
Power	Reliance Energy Ltd.	6.06	12.24
	National Thermal Power Corp Ltd.	3.67	
	Tata Power Company Ltd.	2.51	
Auto	Mahindra & Mahindra Ltd.	4.89	9.06
	Maruti Udyog Ltd.	4.17	
Consumer Non Durables	ITC Limited	4.74	4.74
Petroleum Products	Reliance Industries Ltd.	2.85	4.74
	Bharat Petroleum Corporation Ltd.	1.89	
Telecom Services	Reliance Communication Ventures Ltd.	4.23	4.23
Oil	Oil & Natural Gas Corp Ltd.	3.91	3.91
Hotels	Indian Hotels Company Ltd.	3.81	3.81
Non Ferrous Metals	Hindustan Zinc Ltd.	3.70	3.70
Cement	Shri Digvijay Cement Ltd.	2.46	2.46
Pharmaceuticals	Cipla Ltd.	2.25	2.25
Ferrous Metals	Steel Authority of India Ltd.	2.00	2.00
Equity Total		88.38	88.38
Current Assets		11.62	11.62
Total		100.00	100.00

Performance (%)		
Sahara Growth Fund	Scheme Returns	CNX Nifty Returns
1 year	42.32%	39.83%
2 years	40.68%	38.07%
3 years	33.49%	28.27%
Inception (30.8.2002)	45.27%	37.03%

Note: Annualised Returns



Sahara WEALTH PLUS FUND

SAHARA

WEALTH plus fund

An Open-Ended Growth Fund

The objective of the scheme....	Ideal for....	Minimum application
is to invest in equity and equity related instruments of companies that would be wealth builders in the long term.	investors seeking consistent and growing returns over a long period of time.	Rs. 1000/- and additional investments of Rs. 500/- and multiples of Re. 1/-

Load Structure	Entry Load	Exit Load
	< Rs. 1 cr : 2.25% ; >= Rs. 1 cr : Nil	< Rs. 1 cr ; Nil, >= Rs. 1 cr: 1% if redeemed on or before 3 months

Systematic Investment Plan Load Structure	Monthly SIP	Quarterly SIP
Entry Load : 2.25% - for SIP/STP investments Exit Load : 1 % if redeemed on or before 1 year from date of allotment of SIP/STP investments.	6 postdated cheques for minimum of Rs. 1000/- each.	4 postdated cheques for minimum of Rs. 2000/- each.

NAV as on December 29, 2006

Fixed Pricing (Div.) - Rs. 14.6155

Variable Pricing (Div.) - Rs. 14.7284

Fixed Pricing (Gr.) - Rs. 14.6155

Variable Pricing (Gr.) - Rs. 14.7284

Investment Option:

A) Fixed Pricing Option

- 1) Dividend Option incl. Dividend RI
- 2) Growth Option

B) Variable Pricing Option

- 1) Dividend Option incl. Dividend RI
- 2) Growth Option

**Portfolio
ROE 25.87%**

Portfolio as on 29.12.2006

Industry	Security Name	% of Grand Total	% of Industry Total
EQUITY SHARES			
Industrial Capital Goods	Thermax Ltd	3.98	20.34
	Larsen and Toubro Ltd	3.92	
	Crompton Greaves Ltd	3.78	
	Siemens Ltd	3.77	
	Bharat Heavy Electricals Ltd	3.32	
	Asea Brown Boveri Ltd	1.57	
Software	Tata Consultancy Services Ltd	4.42	11.19
	Infosys Technologies Ltd	3.79	
	Tech Mahindra Ltd	2.01	
	HCL Technologies Ltd	0.97	
Auto	Mahindra & Mahindra Ltd	4.38	6.34
	Maruti Udyog Ltd	1.96	
Consumer Non Durables	ITC Limited	3.55	5.45
	Marico Ltd	1.90	
Textile Products	Aditya Birla Nuvo (Indian Rayon)	2.74	4.67
	Raymond Ltd	1.93	
Oil	Oil & Natural Gas Corp Ltd	3.68	3.68
Consumer Non-Durables	Hindustan Lever Ltd	3.13	3.13
Petroleum Products	Reliance Industries Ltd	3.06	3.06
Cement	Grasim Industries Ltd	2.63	2.63
Ferrous Metals	Wellspun Gujarat S R Ltd	2.41	2.41
Pharmaceuticals	Ranbaxy Laboratories Ltd	2.36	2.36
Chemicals	Gujarat Alkalies and Chemicals Ltd	2.29	2.29
Industrial Products	KSB Pumps Ltd.	2.12	2.12
Consumer Durables	Voltas Ltd	2.07	2.07
Power	Reliance Energy Ltd	2.04	2.04
Hotels	Indian Hotels Company Ltd	1.86	1.86
Finance	Tata Investment Corporation Ltd.	1.15	1.15
Equity Total		76.79	76.79
Debt Instruments			
Floating Rate NCDs	Whirlpool India Ltd	6.03	6.03
Current Assets		17.18	17.18
Grand Total		100.00	100.00

Performance (%)

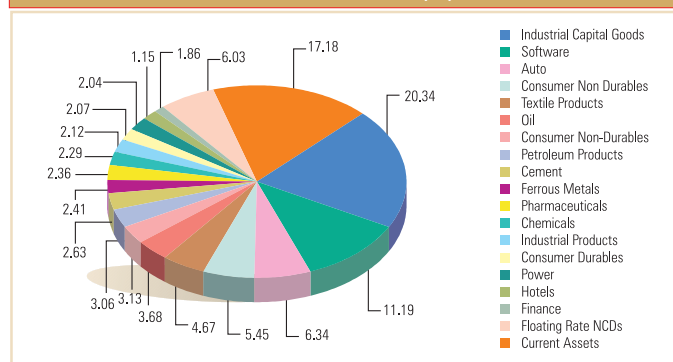
Sahara Wealth Plus Fund (Growth Option)	Variable Pricing Option	Fixed Pricing Option	CNX 500 Returns
Inception (1st Sept. 2005)	33.37%	34.15%	38.58%

Note: Annualised Returns

ROE-THE THEME OF SAHARA WEALTH PLUS FUND

Return on Equity (ROE) is a combination of profit margin, asset management and financial leverage. Breaking return on equity into these component parts not only allows the investor to determine what kind of return is being generated by a company, but also to examine the quality of that return as well as the amount of financial risk the company is taking to create it. The Return on Equity trend over the years tells investors how effectively their capital is being reinvested. Thus, it serves as a far better gauge of management's fiscal adeptness than the annual earnings per share. Sahara Wealth Plus fund is the only fund in the Indian Mutual Fund industry where stock selection for creation and management of a portfolio wealth is based on Return on Equity (ROE) as the main theme.

Industrywise Asset Distribution Asset Allocation (%)



Sahara MIDCAP FUND

SAHARA

MID-CAP fund

An Open-Ended Growth Fund

The objective of the scheme....	Ideal for....	Minimum application
is to achieve long-term capital growth at medium level of risks by investing primarily in mid-cap stocks.	investors seeking high returns at relatively medium risk across long-term horizon.	Rs. 1000/- and additional investments of Rs. 500/- and in multiples of Re. 1/- thereafter.

Load Structure	Entry Load	Exit Load
	< Rs. 1 cr : 2.25% ; >= Rs. 1 cr : Nil	< Rs. 1 cr ; Nil, >= Rs. 1 cr : 1% if redeemed on or before 3 months

Systematic Investment Plan Load Structure	Monthly SIP	Quarterly SIP
Entry Load : 2.25% - for SIP/STP investments Exit Load : 1 % if redeemed on or before 1 year from date of allotment of SIP/STP investments.	6 postdated cheques for minimum of Rs. 1000/- each.	4 postdated cheques for minimum of Rs. 2000/- each.

NAV as on December 29, 2006

Dividend - Rs. 15.9754	Auto-payout - Rs. 17.8980
Growth - Rs. 17.8980	Bonus - Rs. 17.8980

Investment Option:

Growth Option, Dividend Option, Growth Auto-payout Option and Bonus Option.

Dividend History

Record Date	Rate	% of Div	Cum Div NAV (Rs)
20.09.2005	Rs. 1.50 paise per unit	15.00%	14.2829

Dividend Declared

Dividend declared on the face value of Rs. 10/-
Past performance may or may not be sustained in future

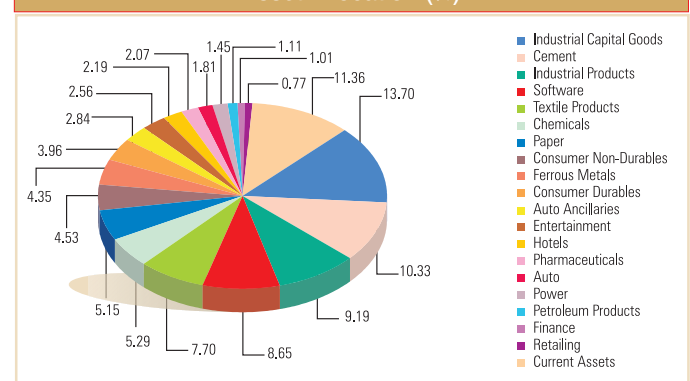
Portfolio as on 29.12.2006

Industry	Security Name Total	% of Grand Total	% of Industry
EQUITY SHARES			
Industrial Capital Goods	Crompton Greaves Ltd	3.80	13.70
	Thermax Ltd	3.36	
	Asian Electronics Ltd	1.88	
	Indo Tech Transformers Ltd.	1.53	
	Siemens Ltd	1.47	
	FCI OEN Connectors Ltd.	1.32	
	Indo Asian Fusegear Ltd	0.34	
Cement	Century Textiles & Industries Ltd	3.84	10.33
	Orient Paper and Inds Ltd	3.38	
	Shri Digvijay Cement Ltd	3.11	
Industrial Products	SKF India Ltd.	3.77	9.19
	KSB Pumps Ltd.	2.94	
	Atlas Copco (India) Ltd	2.48	
Software	Tata Consultancy Services Ltd	5.29	8.65
	NIIT Technologies Ltd	2.38	
	3I-Inoftech Ltd	0.98	
Textile Products	Aditya Birla Nuvo (Indian Rayon)	5.62	7.70
	Raymond Ltd	2.08	
Chemicals	Gujarat Alkalies and Chemicals Ltd	3.42	5.29
	Tata Chemicals Ltd.	1.87	
Paper	Ballarpur Industries Ltd	2.80	5.15
	Tamil Nadu Newsprint & Papers Ltd.	2.35	
Consumer Non-Durables	Tata Tea Ltd	2.50	4.53
	Hanung Toys & Textiles Ltd	2.03	
Ferrous Metals	Wellspun Gujarat S R Ltd	2.33	4.35
	Maharashtra Seamless Ltd	2.02	

Portfolio as on 29.12.2006

Industry	Security Name Total	% of Grand Total	% of Industry
EQUITY SHARES			
Consumer Durables	Voltas Ltd	3.96	3.96
Auto Ancillaries	Sundaram Fasteners Ltd	1.56	2.84
	Exide Industries Ltd	1.28	
Entertainment	Inox Leisure Ltd	2.12	2.56
	Shree Ashtavinayak Cine Vision Ltd	0.44	
Hotels	Royal Orchid Hotels Ltd	2.19	2.19
Pharmaceuticals	IPCA Laboratories Ltd	2.07	2.07
Auto	Mahindra & Mahindra Ltd	1.81	1.81
Power	Torrent Power Ltd	1.45	1.45
Petroleum Products	Apar Industries Ltd	1.11	1.11
Finance	Tata Investment Corporation Ltd.	1.01	1.01
Retailing	Trent Ltd	0.77	0.77
Equity Total		88.64	88.64
Current Assets		11.36	11.36
Grand Total		100.00	100.00

Industrywise Asset Distribution Asset Allocation (%)



Sahara INFRASTRUCTURE FUND

An Open-Ended Growth Fund

SAHARA

INFRASTRUCTURE fund

The objective of the scheme....	Ideal for....	Minimum application
is to provide income distribution and / or medium to long term capital gains by investing predominantly in equity/ equity related instruments of companies in the Infrastructure sector.	investors seeking consistent and growing returns over a long period of time.	Rs. 1000/- under Growth Option and Rs 5000/- under Dividend Option and additional investments of Rs. 500 and in multiples of Re. 1/- thereafter.

Load Structure	Entry Load	Exit Load
	2.25%: for investments < Rs. 1 cr ; NIL: for investment >= Rs. 1 cr	< Rs. 1 cr ; Nil, >= Rs. 1 cr: 1% if redeemed on or before 3 months

Systematic Investment Plan Load Structure	Monthly SIP	Quarterly SIP
Entry Load : 2.25% - for SIP/STP investments Exit Load : 1 % if redeemed on or before 1 year from date of allotment of SIP/STP investments.	6 postdated cheques for minimum of Rs. 1000/- each.	4 postdated cheques for minimum of Rs. 2000/- each.

NAV as on December 29, 2006

Fixed Pricing (Div.) - Rs. 11.1064	Variable Pricing (Div.) - Rs. 11.1561
Fixed Pricing (Gr.) - Rs. 11.1064	Variable Pricing (Gr.) - Rs. 11.1561

Investment Option:

A) Fixed Pricing Option

- 1) Dividend Option incl. Dividend RI
- 2) Growth Option

B) Variable Pricing Option

- 1) Dividend Option incl. Dividend RI
- 2) Growth Option

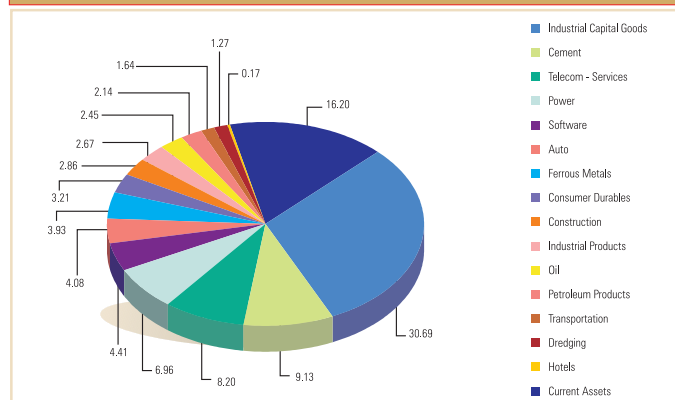
Portfolio as on 29.12.2006

Industry	Security Name	% of Grand Total	% of Industry Total
EQUITY SHARES			
Industrial Capital Goods	Jyoti Structures Ltd	4.05	30.69
	Siemens Ltd	3.83	
	Crompton Greaves Ltd	3.67	
	Larsen and Toubro Ltd	3.65	
	Bharat Heavy Electricals Ltd	3.62	
	Areva T & D India Ltd	3.53	
	Thermax Ltd	2.92	
	Bharat Earth Movers Ltd	2.28	
	Asea Brown Boveri Ltd	1.67	
Suzlon Energy Ltd	1.47		
Cement	Orient Paper and Inds Ltd	4.22	9.13
	Grasim Industries Ltd	3.15	
	Shri Digvijay Cement Ltd.	1.76	
Telecom - Services	Reliance Communication Ventures Ltd	3.44	8.20
	Videsh Sanchar Nigam Ltd	2.75	
	Tata Teleservices (Maharashtra) Ltd	2.01	
Power	Reliance Energy Ltd	3.51	6.96
	National Thermal Power Corp Ltd	3.45	
Software	Infosys Technologies Ltd	4.41	4.41
Auto	Mahindra & Mahindra Ltd	4.08	4.08
Ferrous Metals	Maharashtra Seamless Ltd	3.93	3.93
Oil	Oil & Natural Gas Corp Ltd	2.45	3.45
	Great Offshore Ltd	1.00	
Consumer Durables	Voltas Ltd	3.21	3.21
Construction	Jai Prakash Associate Ltd.	2.86	2.86
Industrial Products	KSB Pumps Ltd.	2.67	2.67
Petroleum Products	Reliance Industries Ltd	2.14	2.14
Dredging	Dredging Corporation of India Ltd	1.27	1.27
Transportation	GE Shipping Ltd	0.64	0.64
Hotels	Indian Hotels Company Ltd	0.17	0.17
Equity Total		83.80	83.80
Current Assets		16.20	16.20
TOTAL		100.00	100.00

THE CUTTING EDGE.....

Sahara Infrastructure Fund is an ideal vehicle to ride the economic boom through the SIP route. This strategy provides investor dual benefits. Firstly investing in this fund allows an investor to be a part of the economic boom. The commitment of the government to ensure that the GDP growth is over 8% next five years, automatically favours all related sectors and stocks. Our aim is to capture the growth of these stocks. Secondly by adopting SIP strategy, an investor is able to invest in small amounts regularly, providing him the advantage of rupee cost averaging.

Industrywise Asset Distribution Asset Allocation (%)



Sahara GILT FUND

SAHARA
GILT fund

An Open-Ended Gilt Fund

The objective of the scheme....		Ideal for....		Minimum application
is to provide long term capital gains with income distribution along with capital gains to its unit holders at all times, emphasizing the importance of capital preservation.		investors with low-moderate risk appetite, PF trusts, Financial Institutions/Banks & Corporates.		Rs. 5000/- and additional investments in multiples of Rs. 1000/- and in multiples of Re.1/- thereafter.
Load Structure	Entry Load	Nil	Exit Load	< Rs. 5 cr ; 1% if redeemed within 1 year, >= Rs. 5 cr: Nil
Systematic Investment Plan Load Structure		Monthly SIP		Quarterly SIP
Entry Load : Nil - for SIP/STP investments Exit Load : As per normal Exit Load		5 postdated cheques for minimum of Rs. 1000/- each.		4 postdated cheques for minimum of Rs. 1250/- each.

NAV as on December 29, 2006

Dividend - Rs. 11.2677

Growth - Rs. 12.3216

Investment Option:

a) Growth

b) Dividend Option & Dividend Reinvestment Option.

Portfolio as on 29.12.2006			
Portfolio	Rating	% of Portfolio	
Net Current Assets/Reverse Repo	Sov.	100.00	100.00
TOTAL			100.00
AVERAGE MATURITY TENOR : 0.0027 years			

Performance (%)		
Sahara Gilt Fund	Scheme Returns	I Sec Composite Index
1 year	5.43%	6.45%
3 years	2.23%	3.74%
Inception (22.2.2002)	4.39%	N.A.*

*Base date of index being 31/03/2002

Note: Annualised Returns

Sahara INCOME FUND

SAHARA
INCOME fund

An open-ended Income Fund

The objective of the scheme....		Ideal for....		Minimum application
is to generate regular income and the secondary objective is growth of capital through investments in debt instruments, money market and related securities, while at all times emphasizing the importance of capital preservation.		investors seeking reasonable returns at relatively low risk across a medium to long-term investment horizon.		Rs. 3000/- and additional investments in multiples of Rs. 1000/- and in multiples of Re.1/- thereafter.
Load Structure	Entry Load	Nil	Exit Load	< = Rs. 10 lakhs 0.50% if redeemed before 6 months; > Rs. 10 lakhs: Nil
Systematic Investment Plan Load Structure		Monthly SIP		Quarterly SIP
Entry Load : Nil - for SIP/STP investments Exit Load : As per normal Exit Load		6 postdated cheques for minimum of Rs. 500/- each.		4 postdated cheques for minimum of Rs. 750/- each.

NAV as on December 29, 2006

Dividend - Rs. 11.5829

Growth - Rs. 12.8705

Investment Option:

a) Growth

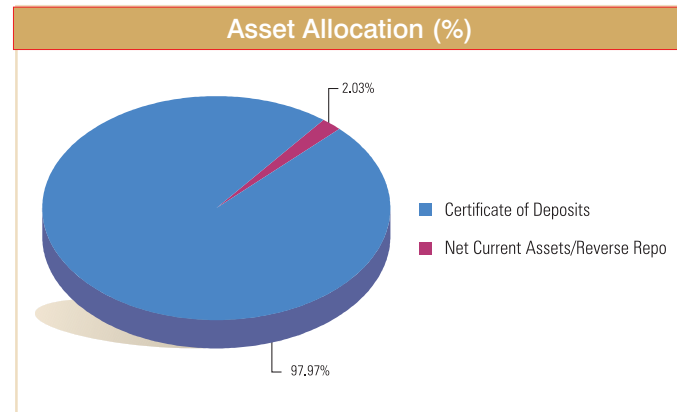
b) Dividend Option & Dividend Reinvestment Option.

Portfolio as on 29.12.2006			
Portfolio	Rating	% of Portfolio	
Certificate of Deposits			97.97%
Indian Bank	F1+	97.97%	
Net Current Assets/Reverse Repo		2.03%	2.03%
TOTAL			100.00%
AVERAGE MATURITY TENOR : 0.43 years			

Performance (%)		
Sahara Income Fund	Scheme Returns	Crisil Composite Bond Fund Index
1 year	5.93%	3.94%
3 Years	3.41%	2.75%
Inception (22.2.2002)	5.34%	N.A.*

*Base date of index being 31/03/2002

Note: Annualised Returns



Sahara LIQUID FUND

An Open-Ended Liquid Fund

**CRISIL
Rating
AAAF**

SAHARA
LIQUID fund

The objective of the scheme....	Ideal for....	Minimum application
is to create a highly liquid portfolio of good quality debt as well as money market instruments with a view to provide high liquidity and reasonable returns to the Unit holders.	investors who wish to park their short term surpluses at relatively low risk. Corporate and High Net Worth investors and individual investors who have temporary surpluses can benefit from this scheme.	Rs. 10000/- and additional investments in multiples of Rs. 5000/- and in multiples of Re.1/- thereafter.
Load Structure	Entry Load	Exit Load
	Nil	Nil
Systematic Investment Plan Load Structure	Monthly SIP	Quarterly SIP
Entry Load : Nil for SIP/STP investments Exit Load : Nil	5 postdated cheques for minimum of Rs. 2000/- each.	4 postdated cheques for minimum of Rs. 2500/- each.

Investment Option

Fixed Pricing Option	Variable Pricing Option
(a) (i) Dividend Re-investment Option- Daily Dividend / Weekly Dividend / Monthly Dividend (ii) Payout – Monthly Dividend (b) Growth Option	(a) (i) Dividend Re-investment Option- Daily Dividend / Weekly Dividend / Monthly Dividend (ii) Payout – Monthly Dividend (b) Growth Option

Performance (%)

Scheme/ Index Name	7 days	14 days	1 Mth	6 Mths	1 Yr	Incep
Variable Pricing Growth Option	8.075	7.840	7.480	6.694	6.401	6.080
Fixed Pricing Growth Option	7.813	7.574	7.257	6.455	6.149	5.814
Crisil Liquid Fund Index	6.224	5.914	5.409	5.760	5.952	N.A.*

*Base date of index - 31/03/2002 Returns - Annualised (Incep. dt. - 19-02-2002)

Portfolio as on 29.12.2006

Portfolio	Rating	% of Portfolio
Certificate of Deposits		47.46%
ICICI Bank Ltd	A1+	14.83%
State Bank of Patiala	P1+	7.65%
UTI Bank Ltd	P1+	7.41%
Federal Bank Ltd	F1+	7.33%
Indian Bank	F1+	6.57%
Allahabad Bank	P1+	3.66%
BONDS/NCD's / PTC's		38.84%
DSP Merrill Lynch	P1+	11.87%
Canbank Factors Ltd.	P1+	7.92%
Power Finance Corporation Ltd	AAA	7.92%
Global Trade Finance Ltd	P1+	7.92%
ICICI Bank Ltd PTC	AAA(SO)	1.62%
UTI Bank Ltd PTC	AAA(SO)	1.60%
Short Term Deposits		7.92%
UTI Bank Ltd	FD	7.92%
Floating Rate Bonds		3.96%
Blue Star Ltd.	PR1+	3.96%
Net Current Assets/Reverse Repo		1.83%
TOTAL		100.00%

AVERAGE MATURITY TENOR : 118 days

NAV as on December 29, 2006

Fixed Pricing - Daily Dividend Option	-	Rs. 1024.6309
Fixed Pricing - Growth Option	-	Rs. 1316.5288
Fixed Pricing - Weekly Dividend Option	-	Rs. 1025.2958
Fixed Pricing - Monthly Dividend Option	-	Rs. 1024.8279
Variable Pricing - Daily Dividend Option	-	Rs. 1024.6426
Variable Pricing - Weekly Dividend Option	-	Rs. 1020.9087
Variable Pricing - Monthly Dividend Option	-	Rs. 1025.4154
Variable Pricing - Growth Option	-	Rs. 1320.1193

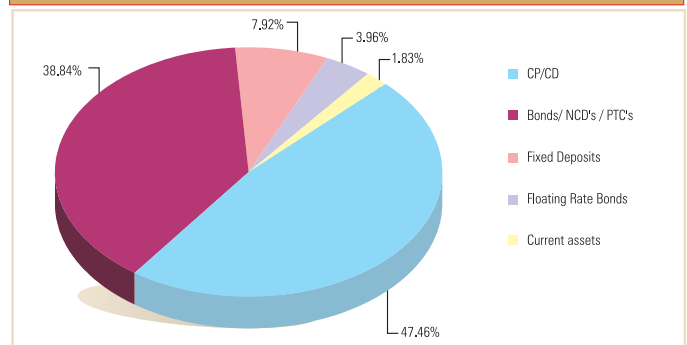
The face value of the units have been changed from Rs. 10/- per unit to Rs. 1000/- per unit by consolidation of units w.e.f. 27th October, 2005.

Also, the Variable Pricing Option has been introduced under the scheme w.e.f. 27th October, 2005.

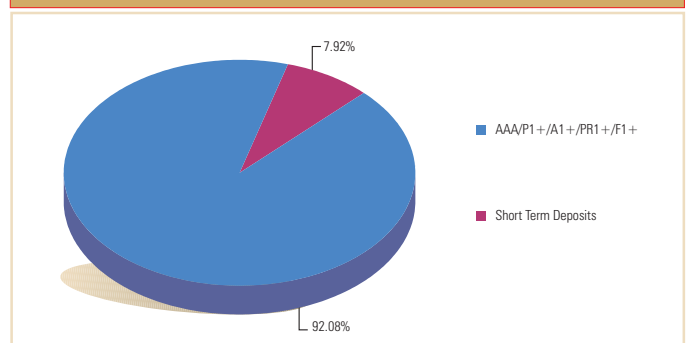
Rating indicates that the fund portfolio holdings provide very strong protection against losses from credit defaults.

Disclaimer clause: The rating of CRISIL is not an opinion of the Asset Management Company's willingness or ability to make timely payments to the Investors. The rating is also not an opinion on the stability of the NAV of the fund, which could vary with market developments.

Asset Allocation (%)



Rating Profile (%)



Jewels of Sahara Mutual Fund

Name of the Fund	Objective of the Fund	Suited for Investors	Entry Load	Exit Load
Sahara Growth Fund	A pure equity fund that aims to provide market linked returns and above	Desiring market linked or market plus returns and willing to take average market risk.	2.25% : for investments < Rs.1 cr; Nil : for investment > =Rs.1 cr	< Rs. 1 cr ; Nil > = Rs.1 cr : 1% of redeemed on or before 3 months.
Sahara Tax Gain Fund	An ELSS equity fund that aims to provide immediate tax benefits and long term capital growth by investing in good growth and value stocks.	Desiring to save tax, and believe in generating wealth over 3 years.	2.25%	Nil
Sahara Mid Cap Fund	To capture growth story in mid-caps and invest to provide good long term returns	Willing to take higher risk, for additional and above average market returns.	< Rs.1 cr : 2.25%; > = Rs. 1 cr :Nil	< Rs. 1 cr :Nil ; > =Rs. 1 cr : 1 % if redeemed on or before 3 months.
Sahara Wealth Plus Fund	Invest in good ROE stocks and build wealth for investors	Willing to take comparatively lower risk and aiming to build wealth over long term period.	< Rs.1 cr : 2.25% ; > =Rs.1 cr :Nil	< Rs. 1 cr ; Nil > = Rs. 1 cr : 1% if redeemed on or before 3 months
Sahara Infrastructure Fund	Invest in stocks associated with Infrastructure. Capture Indian economic growth story.	Who believe in Indian economic growth story and wants to participate by investing in equities.	< Rs.1 cr : 2.25% ; > =Rs.1 cr :Nil	< Rs. 1 cr ; Nil > = Rs. 1 cr : 1% if redeemed on or before 3 months
Sahara Liquid Fund	To create high liquid portfolio of good quality debt portfolio as well as money market instruments with a view to provide high quality liquid and reasonable returns	Who wish to park their short term surpluses at relatively low risk.	Nil	Nil
Sahara Gilt Fund	To generate a relatively risk free return by investing in sovereign instruments issued by Central / State governments.	Who wish to invest with low / moderate risk appetite	Nil	< Rs.5 crore : if redeemed within 1 year ; > = Rs. 5 cr :Nil
Sahara Income Fund	To generate regular income by investing in a diversified portfolio of debt and money market instruments and at the same time provide continuous liquidity along with adequate safety.	Who wish to seek reasonable returns at relatively low risk across a medium to long term investment horizon.	Nil	< = Rs.10 lakhs : 0.50% if redeemed before 6 months ; > Rs.10 lakhs:Nil