

front

cover

Sahara Mutual Fund

From the desk of
The Chief Investment Officer



Dear Investors,

We at Sahara Mutual Fund wish you a very happy Diwali and a prosperous new Samvat year. Last year was wonderful for the stock markets. We witnessed all time high levels of Sensex of around 8800 and if one calculates the year on year return since November 1, 2004, the Sensex has appreciated approximately 38% return.

It was also a record breaking year for the entire mutual fund industry, as far as the number of schemes launched or the assets managed under equity funds were concerned. As a result of efficient fund management skills adopted, all our equity oriented schemes performed very well during the last one year. Sahara Growth Fund clocked returns of 37.75% as against Nifty returns of around 32.70%, Sahara Tax Gain Fund clocked returns of 51% as against BSE 200 returns of 33.95%, and Sahara Midcap Fund clocked annualized returns of 35.31% as against CNX 500 returns of 17.48%. Sahara Wealthplus Fund which was launched only two months ago returned (-) 0.35% as against returns of (-) 3.54% of CNX 500.

On Risk Adjusted Basis, our Sahara Gilt Fund has been ranked RRR~1 by Crisil. Our liquid fund has recently been rated AA+ by Crisil. This Liquid Fund is a 5 Star rated fund by ValueResearchonline.com. Recently, we introduced Variable Pricing Option under our Liquid Fund also and became the first Mutual Fund to introduce such a revolutionary concept in the Liquid Fund category in the entire mutual fund industry. This comes on the back of one of the lowest expense ratios under the fund category in the industry. Our liquid fund has been doing exceedingly well.

Last year euphoria in the equity markets can be attributed to robust economy, strong corporate earnings, weak global markets as against strong emerging markets, huge FII inflows, committed government, investor friendly good policies and attractive valuations of Indian stocks. The markets corrected over 1000

points after touching 8800 levels, owing to FII selling and mixed trends of results of some leading companies. We have seen selling by the FII's across all emerging markets following hardening of interest rates in US and weakening of the Indian Rupee. However, the major positive factors of robust economy, committed government, and investor friendly good policies still remain intact. We had good rainfalls in the country this year enough to spur rural growth. This coupled with strong industrial growth, would mean that GDP growth is expected to be comfortably above 7%. Most companies have declared results in line with expectations. The monetary credit policies too announced growth oriented measures. While the bank rate and the CRR has been kept unchanged, measures like permitting banks to increase capital market exposure, encouraging rural and Small & Medium Enterprises lending etc. are likely to promote further growth.

A look at the statistics would reveal an increasing interest in the India growth story. Now FII's hold more than 10% stake in almost 225 companies. Infrastructure growth has been encouraging where loans close to Rs.25000 crores have already been disbursed. Consumption pattern too have shown strong positive signs leading to several foreign companies showing huge interest in India across sectors. While we expect the markets to remain volatile at times owing to technical factors the long term fundamental story is valid. We also feel that unlike last year a long term investor is expected to gain more than an investor who prefers to invest over a short term period owing to higher volatility.

We at Sahara continuously strive to excel in performance and come out with investor friendly mutual fund products. We seek your continued faith and support.

Happy Investing.

Warm Regards,



Naresh Kumar Garg

Sahara LIQUID FUND

Scheme FEATURES

Minimum Application amount : Rs.10000/- and additional investments in multiples of Rs.5000/-
Entry Load : Nil
Exit Load : Nil

Scheme Objective

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.

Scheme Type

An open - ended liquid scheme

Inception Date:

February 19, 2002

Investor Profile:

Ideal for 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.

Investment Options:

| 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 |

NAV as on October 31, 2005

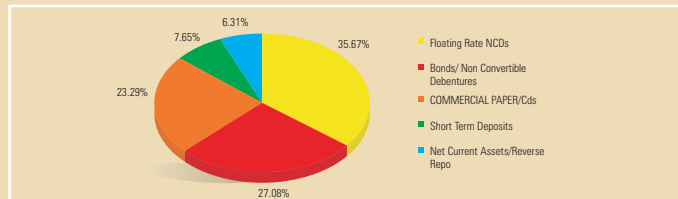
| | | |
|--|---|--------------|
| Fixed Pricing - Daily Dividend Option | - | Rs.1023.8640 |
| Fixed Pricing - Weekly Dividend Option | - | Rs.1023.8567 |
| Fixed Pricing - Monthly Dividend Option | - | Rs.1023.8567 |
| Fixed Pricing - Growth option | - | Rs.1228.8135 |
| Variable Pricing - Daily Dividend option | - | Rs.1023.8588 |
| Variable Pricing - Weekly Dividend Option | - | Rs.1023.8567 |
| Variable Pricing - Monthly Dividend Option | - | Rs.1024.4711 |
| Variable Pricing - Growth option | - | Rs.1228.8328 |

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.

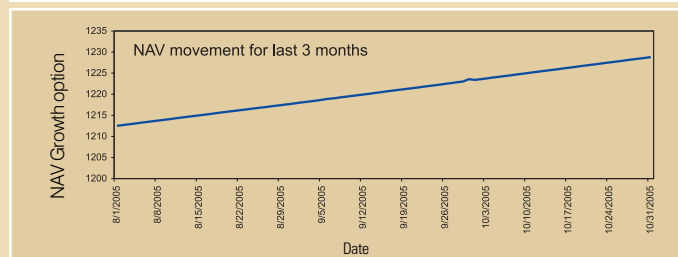
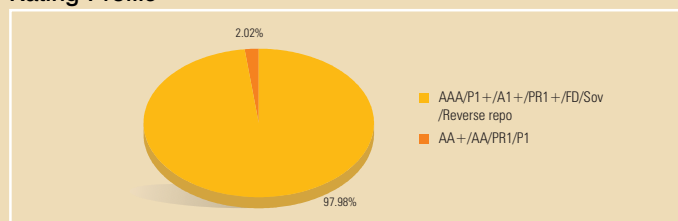
Also, the Variable Pricing Option has been introduced under the scheme w.e.f. 27th October, 2005.

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



Portfolio as on 31.10.2005

| Portfolio | Rating | % of Portfolio | |
|--|---------|----------------|---------|
| FLOATING RATE NCDs | | | 35.67% |
| Global Trade Finance Ltd | P1+ | 10.97% | |
| Kotak Mahindra Primus Ltd | P1+ | 5.97% | |
| EID Parry Ltd | P1+ | 4.81% | |
| Coromandal Fertilizers Ltd | P1+ | 2.89% | |
| Power Finance Corporation | AAA | 1.93% | |
| Sundaram Finance Ltd | P1+ | 1.93% | |
| Blue Star Ltd | PR1+ | 1.72% | |
| Berger Paints India Ltd | P1+ | 0.96% | |
| Citi Financial Consumer Finance India Ltd | AAA | 0.96% | |
| HDFC Ltd | AAA | 0.96% | |
| HUDCO Ltd | PR1+ | 0.85% | |
| Whirlpool of India Ltd | P1+ | 0.77% | |
| Mahindra & Mahindra Financial Services Ltd | P1+ | 0.60% | |
| Industrial Development Bank of India | AA+ | 0.35% | |
| BONDS/ NON CONVERTIBLE DEBENTURES | | | 27.08% |
| Cholamandalam Investment & Finance Co. Ltd | P1+ | 4.79% | |
| Ford Credit Kotak Mahindra Ltd | P1+ | 3.86% | |
| Canbank Factors Ltd | P1+ | 2.89% | |
| ICICI Bank Ltd PTC | AAA(SO) | 2.57% | |
| Redington India Ltd | P1+ | 1.93% | |
| SREI Infrastructure Finance Ltd | PR1+ | 1.93% | |
| Kotak Mahindra Investments Ltd | A1+ | 1.92% | |
| UTI Bank Ltd PTC | AAA(SO) | 1.53% | |
| Indian Railway Finance Corporation Ltd | AAA | 0.99% | |
| Industrial Development Bank of India | AA+ | 0.99% | |
| Citicorp Maruti Finance Ltd | AAA | 0.96% | |
| EXIM Bank | AAA | 0.95% | |
| Manaksia Ltd | PR1+ | 0.93% | |
| Tata Motors Ltd PTC | AAA(SO) | 0.84% | |
| COMMERCIAL PAPER/Cds | | | 23.29% |
| UCO Bank Ltd | P1+ | 9.21% | |
| UTI Bank Ltd | P1+ | 3.21% | |
| HDFC Bank Ltd | P1+ | 2.88% | |
| ICICI Bank Ltd | P1+ | 2.82% | |
| IDBI Ltd | P1+ | 1.74% | |
| ABN Amro Bank | A1+ | 1.73% | |
| State Bank of Travancore | P1+ | 1.70% | |
| SHORT TERM DEPOSITS | | | 7.65% |
| Punjab National Bank | FD | 4.04% | |
| UTI Bank Ltd | FD | 2.88% | |
| IDBI Bank Ltd | FD | 0.73% | |
| Net Current Assets/Reverse Repo | | 6.31% | 6.31% |
| TOTAL | | | 100.00% |

AVERAGE MATURITY TENOR : 88 days

"Assets Under Management as on 31st October 2005 - Rs. 518.56 crores"

Performance (%)

| Scheme/ Index Name | NAV/Index Value | 7days* | 14 days* | 1Mth | 6Mths | 1Yr | 3 Yrs | Incep |
|--------------------|-----------------|--------|----------|-------|-------|-------|-------|-------|
| Growth Plan** | 1228.8135 | 0.10% | 0.21% | 5.04% | 5.41% | 5.36% | 5.32% | 5.70% |
| Benchmark | 1183.979 | 0.09% | 0.16% | 4.09% | 4.54% | 4.65% | 4.44% | NA*** |

*** Base date of index being 31/03/2002 ** Growth Plan - Fixed Pricing Option

* Return upto 14 days - absolute returns

Return from 1 month to 3 years - annualised returns and Return since inception - CAGR Valuation of securities is being done by CRISIL

Benchmark Index: Crisil Liquid Fund index

Daily Dividend declaration w.e.f. February 26th, 2004
Past performance may or may not be sustained in future

Sahara INCOME FUND

Minimum Application amount : Rs 3000/- and in multiples of Rs 1000/- thereafter
 Entry Load : Nil
 Exit Load : <Rs 10 lakhs : 0.50% if redeemed within 6 months • >=Rs 10 lakhs : Nil

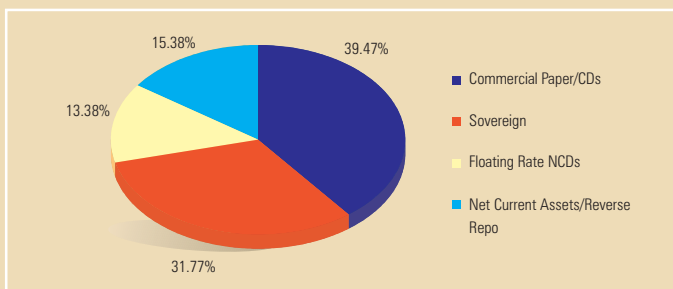
Scheme FEATURES

Portfolio as on 31.10.2005

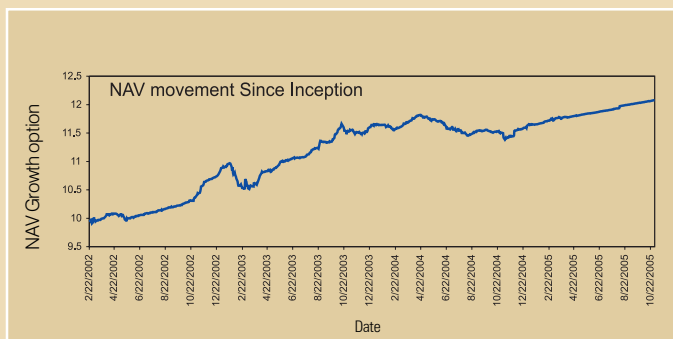
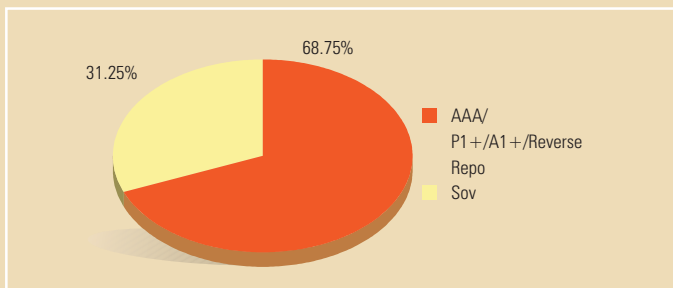
| Portfolio | Rating | % of Portfolio | |
|---------------------------------|--------|----------------|----------------|
| COMMERCIAL PAPER/CDs | | | 39.47% |
| State Bank of Travancore | P1+ | 15.72% | |
| IDBI Ltd | P1+ | 12.71% | |
| ABN Amro Bank | A1+ | 11.04% | |
| SOVEREIGN | | | 31.77% |
| 11.68% CG 2006 | Sov | 22.41% | |
| 12.00% CG 2008 | Sov | 9.36% | |
| FLOATING RATE NCDs | | | 13.38% |
| HUDCO Ltd | PR1+ | 13.38% | |
| Net Current Assets/Reverse Repo | | 15.38% | 15.38% |
| TOTAL | | | 100.00% |

AVERAGE MATURITY TENOR : 0.79 years

Asset Allocation



Rating Profile



Scheme Objective

Primary objective of the scheme 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.

Scheme Type

An open - ended Income fund

Investor Profile:

Ideal for investors seeking reasonable returns at relatively low risk across a medium to long term investment horizon.

Investment Option:

Investors under the Sahara Income Fund have the choice of Growth, Dividend and Dividend Reinvestment options.

Inception Date:

February 21, 2002

NAV as on October 31, 2005

Dividend - Rs. 10.8714

Growth - Rs. 12.0783

Benchmark Index:

Crisil Composite Bond Fund Index

Performance (%)

| Scheme/ Index Name | NAV/Index Value | 1 Yr | 3 Yrs | Incep |
|--------------------|-----------------|-------|-------|-------|
| Growth Plan | 12.0783 | 5.01% | 5.23% | 5.34% |
| Benchmark | 1246.289 | 5.88% | 5.25% | NA* |

Benchmark Index: Crisil Composite Bond Fund Index

* Base date of index being 31/03/2002

Note: Annualised Returns for 1 year and CAGR for more than 1 year period

Note: Past Performance is no guarantee of future results.

Dividend History:

| Record Date | Rate | % of Div | Cum Div NAV(Rs) |
|-------------|---------------------|----------|-----------------|
| 07.11.2002 | 20 paise per unit | 2.00% | 10.4409 |
| 06.02.2003 | 25 paise per unit | 2.50% | 10.5300 |
| 12.05.2003 | 18 paise per unit | 1.80% | 10.4246 |
| 12.08.2003 | 22 paise per unit | 2.20% | 12.5339 |
| 15.10.2003 | 17.5 paise per unit | 1.80% | 10.6654 |

Dividend Declared

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

Sahara SHORT TERM PLAN

Scheme FEATURES

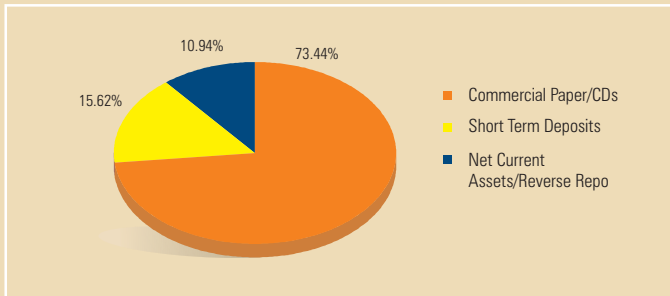
Minimum Application amount : Rs 5000/- and in multiples of Rs 1000/- thereafter
 Entry Load : Nil
 Exit Load : Nil

Portfolio as on 31.10.2005

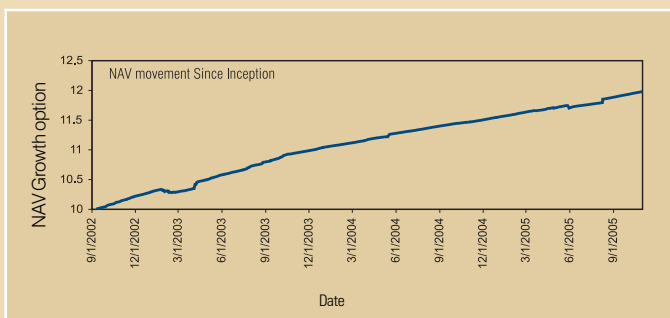
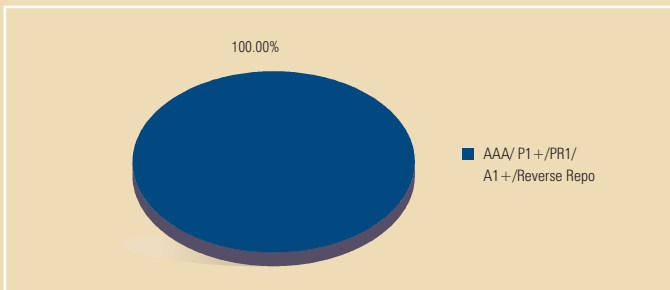
| Portfolio | Rating | % of Portfolio | |
|---------------------------------|--------|----------------|---------|
| COMMERCIAL PAPER/CDs | | | 73.44% |
| State Bank of Travancore | P1+ | 21.88% | |
| ABN Amro Bank | A1+ | 14.06% | |
| UCO Bank | P1+ | 37.50% | |
| SHORT TERM DEPOSITS | | | 15.62% |
| IDBI Bank Ltd | FD | 15.62% | |
| Net Current Assets/Reverse Repo | | 10.94% | 10.94% |
| TOTAL | | | 100.00% |

AVERAGE MATURITY TENOR : 273 days

Asset Allocation



Rating Profile



Scheme Objective

The Primary Objective of Sahara Income Fund is to generate regular income and secondary objective is growth of capital through investment in debt instruments, money market and related instruments, whilst at all times emphasizing the importance of capital preservation.

(The overall objective of Sahara Short Term Plan would be in consonance with the investment objective of Sahara Income Fund; however the specific objective is to generate returns that would endeavour to generate returns in line with Mibor linked short term papers with daily call/put option.)

Scheme Type

An open - ended Short Term Plan

Investor Profile:

Ideal for investors who have a short-term investment horizon and wish to avoid high volatility but expect superior returns than the Liquid Funds.

Investment Option:

Investors under the Sahara STP have the choice of Growth, Dividend Payout Option and Dividend Reinvestment Option.

Inception Date:

September 11, 2002

NAV as on October 31, 2005

Dividend - Rs. 10.7893

Growth - Rs. 11.9804

Benchmark Index:

Crisil Liquid Fund index

Performance (%)

| Scheme/ Index Name | NAV/Index Value | 7days | 14 days | 1 Mth | 6 Mths | 1 Yr | 3 Yrs | Incep |
|--------------------|-----------------|-------|---------|-------|--------|-------|-------|-------|
| Growth Plan | 11.9804 | 0.10% | 0.19% | 0.42% | 2.35% | 4.49% | 5.71% | 5.89% |
| Benchmark | 1183.979 | 0.09% | 0.16% | 0.35% | 2.29% | 4.65% | 4.44% | 4.82% |

Benchmark Index: Crisil Liquid Fund index

Note: Absolute Returns for period less than 1 year, annualised for period 1 year or more,

Note: Past Performance is no guarantee of future results.

Dividend History: (1 year)

| Record Date | Rate | % of Div | Cum Div NAV (Rs) |
|-------------|--------------------|----------|------------------|
| 01.02.2005 | 4 paise per unit | 0.40% | 10.4932 |
| 01.12.2004 | 3.5 paise per unit | 0.35% | 10.4482 |

Dividend Declared

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

Sahara GILT FUND

Gilt Fund - Minimum Application Amount : Rs.5000/- And Additional Investments In Multiples Of Rs. 1000/-
 Entry Load : Nil Exit Load : Nil / Exit Load : < Rs.10 lakhs : 0.50% if redeemed before 6 months, => Rs.10 lacs and
 < Rs.5 crores : 1.25% if redeemed before 1 year, => Rs.5 crores: Nil

Scheme FEATURES

Portfolio as on 31.10.2005

| Portfolio | Rating | % of Portfolio | |
|---------------------------------|--------|----------------|----------------|
| GOI Securities | | | 84.08% |
| 11.68% CG 2006 | Sov | 45.31% | |
| 12% CG 2008 | Sov | 20.00% | |
| 7.55% CG 2010 | Sov | 18.77% | |
| Net Current Assets/Reverse Repo | | 15.92% | 15.92% |
| TOTAL | | | 100.00% |

AVERAGE MATURITY TENOR : 1.55 years

Scheme Objective

To generate risk free return and thus provide medium to long term capital gains with income distribution along with capital gains tax relief to its Unit holders, at all times emphasizing the importance of capital preservation.

Scheme Type

An open - ended Gilt fund

Investor Profile:

Ideal for investors with low-moderate risk appetite, PF trusts, Financial Institutions/Banks & Corporates.

Investment Option:

Investors under the Sahara Gilt Fund have the choice of Growth, Dividend Payout and Dividend Reinvestment Option.

Inception Date:

February 21, 2002

NAV as on October 31, 2005

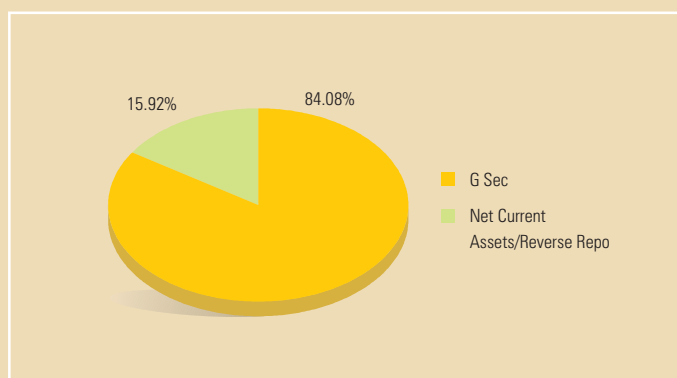
Dividend - Rs. 10.6201

Growth - Rs. 11.6132

Benchmark Index:

I Sec Composite Index

Asset Allocation



Performance (%)

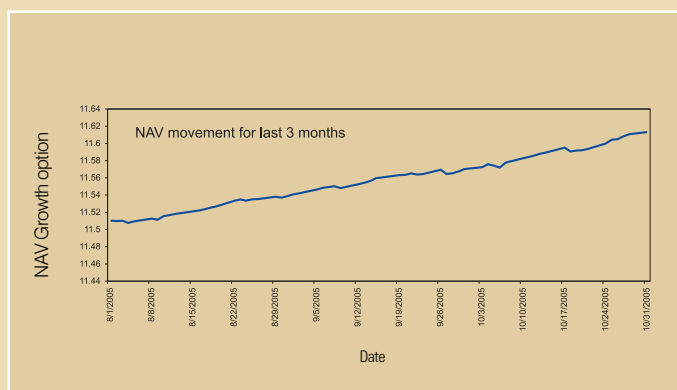
| Scheme/ Index Name | NAV/Index Value | 1 Yr | 3 Yrs | Incep |
|--------------------|-----------------|-------|-------|-------|
| Growth Plan | 11.6132 | 3.21% | 4.46% | 4.22% |
| Benchmark | 3542.414 | 7.74% | 6.88% | NA* |

Benchmark Index: I Sec Composite Index

* Base date of index being 31/03/2002

Note: Annualised Returns for 1 year and CAGR for more than 1 year period

Note: Past Performance is no guarantee of future results.



Dividend History

| Record Date | Rate | % of Div | Cum Div NAV (Rs) |
|-------------|---------------------|----------|------------------|
| 12.05.2003 | 44 paise per unit | 4.40% | 10.8567 |
| 12.08.2003 | 22 paise per unit | 2.20% | 10.7163 |
| 15.10.2003 | 17.5 paise per unit | 1.75% | 10.9535 |

Dividend Declared

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

Sahara TAXGAIN FUND

Scheme FEATURES

Tax Gain Fund - Minimum Application amount : Rs.500/- and additional investments in multiples of Rs.500/-
Entry Load : 2.00% Exit Load : Nil

Entry Load : Nil - for SIP/STP investments into Sahara Tax Gain Fund

Exit Load : Normal entry load would be charged as exit load if redeemed before 12 months for such SIP/STP investments.

Scheme Objective

The objective of the scheme 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 upto Rs.1 lakh p.a.

*Subject to notification by the Central Government.

Scheme Type

An open - ended Equity Linked Saving Scheme (ELSS)

Investor Profile:

Ideal for investors seeking high returns at relatively medium risk across long term horizon by investing in equity and equity related instruments.

Investment Option:

Investors under the Sahara Tax Gain Fund have the choice of Growth, Dividend Payout Option & Dividend Reinvestment Option.

Inception Date:

April 1, 1997

NAV as on October 31, 2005

Dividend - Rs. 14.2088

Growth - Rs. 14.1672

Bonus Declared (Record Date - Aug 29, 2005)

Growth Plan - 7:1

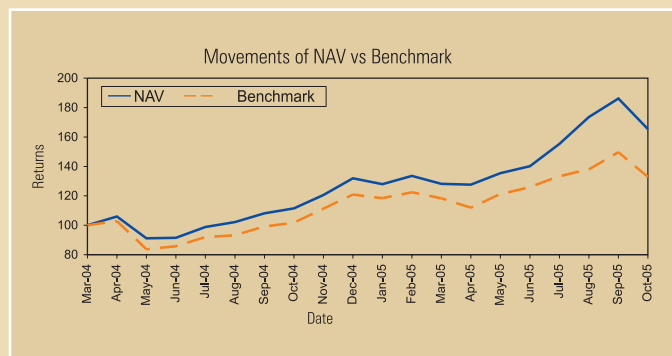
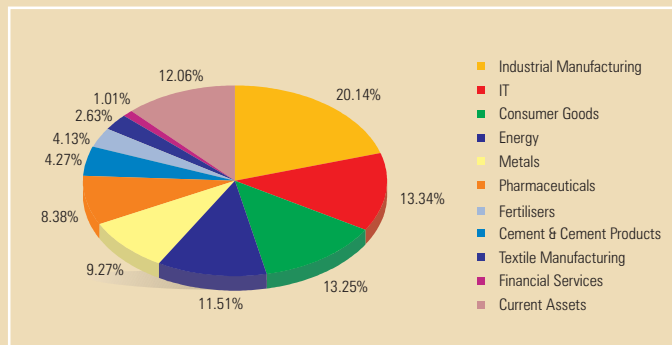
Dividend Plan - 3:1

Benchmark Index:

BSE 200

Sector-wise Asset Distribution

Asset Allocation



Portfolio as on 31.10.2005

| Sector | Security Name | % of Grand Total | % of Sector Total |
|--------------------------|---------------------------------|------------------|-------------------|
| EQUITY SHARES | | | |
| Industrial Manufacturing | Bharat Heavy Electricals Ltd. | 4.66% | 20.14% |
| | Asea Brown Boveri Ltd | 3.46% | |
| | MM Forging | 3.12% | |
| | Crompton Greaves Ltd | 2.64% | |
| | Bharat Electronics Ltd | 2.50% | |
| | SKF India Ltd. | 1.90% | |
| Bharat Forge Ltd | 1.86% | | |
| IT | Helios & Matheson Information | 4.97% | 13.34% |
| | Infosys Technologies Ltd | 4.33% | |
| | HCL Technologies Ltd | 4.03% | |
| Consumer Goods | Hindustan Lever Ltd | 6.38% | 13.25% |
| | ITC Limited | 5.37% | |
| | Voltas Ltd. | 1.50% | |
| Energy | National Thermal Power Corp Ltd | 5.01% | 11.51% |
| | Indraprastha Gas | 3.36% | |
| | Reliance Industries Ltd | 3.14% | |
| Metals | Tata Iron & Steel Company Ltd | 3.50% | 9.27% |
| | Hindalco Industries Ltd. | 2.95% | |
| | Mahindra Ugine Ltd | 2.82% | |
| Pharmaceuticals | Wockhardt Ltd | 4.14% | 8.38% |
| | TASC Pharmaceuticals Ltd | 2.21% | |
| | Smithkline Glaxo Ltd | 2.03% | |
| Fertilisers | Tata Chemicals Ltd. | 4.27% | 4.27% |
| Cement & Cement Products | ACC Ltd | 4.13% | 4.13% |
| Textile Manufacturing | Indo Count Industries Ltd | 2.63% | 2.63% |
| Financial Services | South Indian Bank Ltd | 1.01% | 1.01% |
| Current Assets | | 12.06% | 12.06% |
| GRAND TOTAL | | 100.00% | 100.00% |

Performance (%)

| Scheme/ Index Name | NAV/Index Value | 1 Yr | 3 Yrs | 5 Yrs | Incep |
|-----------------------|--------------------|--------|--------|--------|--------|
| TAXGAIN** | 14.1672 | 51.60% | 51.00% | 16.33% | 33.84% |
| Benchmark* | 999.57 | 33.95% | 41.38% | 19.53% | 14.11% |

*Benchmark Index: BSE 200

** Adjusted for bonus

Note: Annualised Returns for 1 year and CAGR for more than 1 year period

Note: Past Performance is no guarantee of future results.

Dividend History

| Record Date | Rate | % of Div | Cum Div NAV(Rs) |
|-------------|--------------------|----------|-----------------|
| 19.01.2005 | 10 rupees per unit | 100.0% | 70.61 |
| 23.03.2005 | 20 rupees per unit | 200.0% | 66.75 |

Dividend Declared

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

Sahara GROWTH FUND

Minimum Application amount : Rs.3000/- and additional investments in multiples of Rs.1000/-
 Entry Load : • 2.00% for investments < 25 lakhs • 1.50% for investment >= 25 lakhs & < 1 crore
 • Nil for investment >= 1 crore Exit Load : Nil

Entry Load : Nil - for SIP/STP investments into Sahara Growth Fund
 Exit Load : Normal entry load would be charged as exit load if redeemed before 12 months for such SIP/STP investments.

Scheme FEATURES

Scheme Objective

The investment objective of the scheme is to achieve capital appreciation by investing in equity and equity related instruments.

Scheme Type

An open - ended growth fund

Investor Profile:

Ideal for investors seeking high returns at relatively medium risk across long term horizon.

Investment Option:

Investors under the Sahara Growth Fund have the choice of Growth, Dividend Payout Option & Dividend Reinvestment Option.

Inception Date:

August 30, 2002

NAV as on October 31, 2005

Dividend - Rs. 20.5123

Growth - Rs. 29.7532

Benchmark Index:

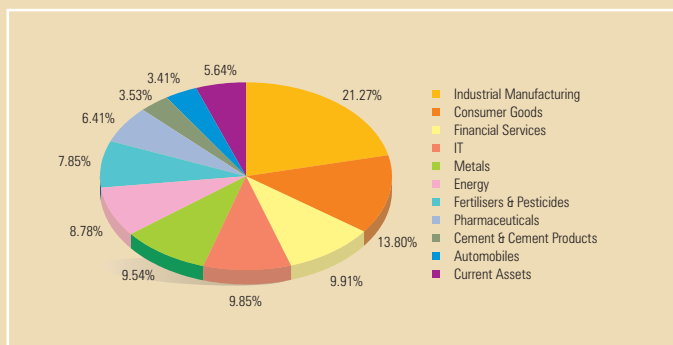
S & P CNX Nifty

Portfolio as on 31.10.2005

| Sector | Security Name | % of Grand Total | % of Sector Total |
|--------------------------|-------------------------------------|------------------|-------------------|
| EQUITY SHARES | | | |
| Industrial Manufacturing | Bharat Heavy Electricals Ltd | 5.37% | 21.27% |
| | Asea Brown Boveri Ltd | 4.23% | |
| | Siemens Ltd | 3.73% | |
| | Bharat Electronics Ltd | 3.50% | |
| | Bharat Forge Ltd | 2.69% | |
| | SKF India Ltd. | 1.75% | |
| Consumer Goods | ITC Limited | 6.10% | 13.80% |
| | Hindustan Lever Ltd | 5.63% | |
| | Voltas Ltd. | 2.08% | |
| Financial Services | HDFC Ltd | 3.68% | 9.91% |
| | Allahabad Bank | 3.20% | |
| | UTI Bank Ltd | 3.03% | |
| IT | Infosys Technologies Ltd | 5.20% | 9.85% |
| | HCL Technologies Ltd | 4.65% | |
| Metals | Tata Iron & Steel Company Ltd | 3.68% | 9.54% |
| | Hindalco Industries Ltd | 2.69% | |
| | Mahindra Ugin Ltd | 2.19% | |
| | Steel Authority of India Ltd | 0.97% | |
| Energy | National Thermal Power Corp Ltd | 3.85% | 8.78% |
| | Reliance Industries Ltd | 3.02% | |
| | Oil & Natural Gas Corp of India Ltd | 1.91% | |
| Fertilisers & Pesticides | Tata Chemicals Ltd. | 4.57% | 7.85% |
| | Gujarat Narmada Valley Fert Co. Ltd | 3.28% | |
| Pharmaceuticals | Wockhardt Ltd | 3.69% | 6.41% |
| | TASC Pharmaceuticals Ltd | 2.72% | |
| Cement & Cement Products | ACC Ltd | 3.53% | 3.53% |
| Automobiles | Mahindra & Mahindra Ltd | 3.41% | 3.41% |
| Current Assets | | 5.64% | 5.64% |
| GRAND TOTAL | | 100.00% | 100.00% |

Sector-wise Asset Distribution

Asset Allocation



Performance (%)

| Scheme/ Index Name | NAV/Index Value | 1 Yr | 2 Yrs | Incep |
|--------------------|-----------------|--------|--------|--------|
| Growth Fund | 29.7532 | 37.75% | 31.68% | 45.27% |
| Benchmark | 2370.95 | 32.69% | 23.44% | 33.92% |

Benchmark Index: S & P CNX Nifty

Note: Annualised Returns for 1 year and CAGR for more than 1 year period

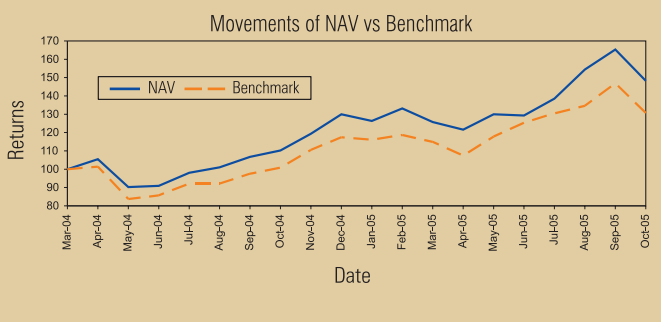
Note: Past Performance is no guarantee of future results.

Dividend History:

| Record Date | Rate | % of Div | Cum Div NAV (Rs) |
|-------------|-------------------|----------|------------------|
| 28.01.2005 | 3 rupees per unit | 30.00% | 19.57 |
| 25.09.2003 | 3 rupees 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



Sahara MIDCAP FUND

Scheme FEATURES

Minimum Application amount :Rs 1000/- and in multiples of Re 1/- thereafter
 Entry Load (w.e.f. 01.02.05) : • 2.25% for investments < 25 lakhs • 1.75% for investment > = 25 lakhs & < 1 crore
 • Nil for investment > = 1 crore Exit Load : Nil
 Entry Load : Nil - for SIP/STP investments into Sahara MidCap Fund
 Exit Load : Normal entry load would be charged as exit load if redeemed before 12 months for such SIP/STP investments.

Portfolio as on 31.10.2005

| Sector | Security Name | % of Grand Total | % of Sector Total |
|--------------------------|---------------------------------------|------------------|-------------------|
| EQUITY SHARES | | | |
| Consumer Goods | EID Parry (India) Ltd. | 3.30 | 14.20% |
| | Balrampur Chini Mills Ltd | 2.82 | |
| | Tata Coffee Ltd | 2.77 | |
| | Voltas Ltd. | 2.73 | |
| | Mawana Sugars Ltd | 2.58 | |
| Industrial Manufacturing | SKF India Ltd. | 3.45 | 14.03% |
| | Crompton Greaves Ltd | 3.42 | |
| | KSB Pumps Ltd. | 2.87 | |
| | FCI OEN Connectors Ltd. | 2.76 | |
| | Engineers India Ltd. | 1.52 | |
| Automobile | Sundaram Fasteners Ltd | 3.58 | 8.63% |
| | Gabriel India Limited | 2.60 | |
| | Subros Limited | 2.46 | |
| Financial Services | Tata Investment Corporation Ltd | 3.84 | 7.95% |
| | Lakshmi Vilas Bank Ltd | 3.00 | |
| | South Indian Bank Ltd | 1.11 | |
| Textiles | Raymond Ltd | 3.81 | 7.83% |
| | Alok Industries Ltd | 3.30 | |
| | Indo Count Industries Ltd | 0.72 | |
| IT | Helios & Matheson Information | 4.52 | 6.82% |
| | Tata Elxsi Ltd | 2.31 | |
| Fertilisers & Pesticides | Gujarat State Fertilisers & Chem. Ltd | 3.58 | 6.38% |
| | Gujarat Narmada Valley Fert Co. Ltd | 2.80 | |
| Chemicals | Gujarat Alkalies and Chemicals | 2.94 | 5.84% |
| | Atul Ltd | 2.90 | |
| Energy | Indraprastha Gas | 4.78 | 4.78% |
| Pharmaceuticals | Wockhardt Ltd | 3.64 | 3.64% |
| Cement & Cement Products | Century Textiles & Industries | 3.57 | 3.57% |
| Metals | Mahindra Ugine Steel Co Ltd | 3.24 | 3.24% |
| Sub-Total | | 86.94% | 86.94% |
| Short Term Deposit | IDBI Bank Ltd | 1.87 | 2.00% |
| Current Assets | | 13.06% | 13.06% |
| GRAND TOTAL | | 100.00% | 100.00% |

Scheme Objective

The investment objective of the scheme is to achieve long term capital growth at medium level of risks by investing primarily in mid-cap stocks. The investment manager will have the discretion to invest upto 100% of the assets in the portfolio in equity/equity related instruments at a given point of time.

Scheme Type

An open - ended growth fund

Investor Profile:

Ideal for investors seeking high returns at relatively medium risk across long term horizon.

Investment Option:

Investors under the Sahara Midcap Fund have the choice of Growth Plan, Dividend Plan, Growth Auto-payout Plan and Bonus Plan.

Benchmark Index (w.e.f. 1/08/2005):
S&P CNX 500

Inception Date:
December 31, 2004

NAV as on October 31, 2005

Dividend - Rs. 11.5536
Auto Payout - Rs. 12.9426

Growth - Rs. 12.9426
Bonus - Rs. 12.9426

Dividend History

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

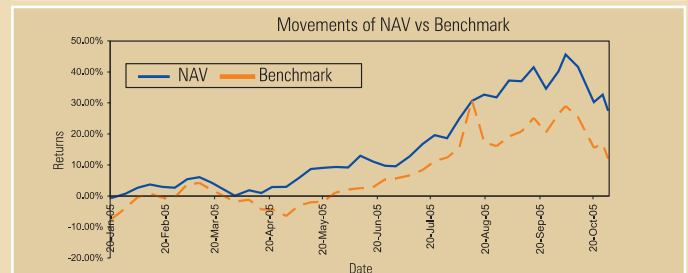
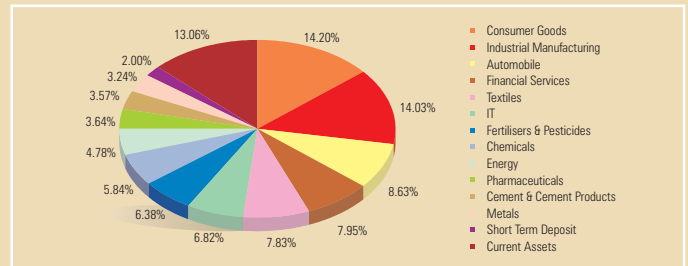
Performance (%) - Absolute Returns

| Scheme/ Index Name | NAV/Index Value | 3 months | 6 months | Incep |
|-----------------------|-----------------|----------|----------|--------|
| Midcap Fund | 12.9426 | 9.13% | 25.74% | 29.43% |
| Benchmark | 2067.80 | 1.99% | 22.45% | 14.57% |

Benchmark Index: S&P CNX 500

Sector-wise Asset Distribution

Asset Allocation



Past performance may or may not be sustained in future

Dividend Declared

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

Sahara WEALTH PLUS FUND

Minimum application amount :Rs. 1000 and additional investment of Rs. 500 and in multiples of Re1/- thereafter.

Entry Load : 2.25% for investments <= 1 crore.

1.75% for investments > 1 crore to <= 5 crores. * Nil for investments > 5 crores

Exit Load : 1% if redeemed before 3 months - for investments > 5 crores.

Entry Load : For SIP/STP investments into Sahara Wealth Plus Fund - Nil.

Exit Load : Normal entry load would be charged as exit load if redeemed before 12 months for such SIP/STP investments.

Scheme FEATURES

Portfolio as on 31.10.2005

| Sector | Security Name | % of Grand Total | % of Sector Total |
|--------------------------|------------------------------------|------------------|-------------------|
| EQUITY SHARES | | | |
| Industrial Manufacturing | Bharat Heavy Electricals Ltd | 3.94% | 22.14% |
| | Siemens Ltd. | 3.72% | |
| | Crompton Greaves Ltd | 2.92% | |
| | Bharat Electronics Ltd | 2.88% | |
| | ACC Ltd | 2.68% | |
| | ABB Ltd | 1.78% | |
| | Larsen & Toubro Limited | 1.64% | |
| | Bharat Forge Ltd | 1.48% | |
| | KSB Pumps Ltd | 1.09% | |
| Consumer Goods | Hindustan Lever Ltd | 4.34% | 12.60% |
| | ITC Limited | 4.28% | |
| | Ballrampur Chini Mills Ltd | 2.12% | |
| | Mawana Sugars Ltd | 1.86% | |
| IT | Infosys Technologies Ltd | 4.79% | 12.23% |
| | Tata Consultancy Services Ltd. | 2.66% | |
| | Tata Elxsi Ltd | 2.53% | |
| | Helios & Matheson Information | 2.25% | |
| Financial Services | UTI Bank | 3.41% | 8.71% |
| | State Bank of India | 2.26% | |
| | HDFC Ltd | 1.53% | |
| | Tata Investment Corporation Ltd | 1.51% | |
| Pharmaceuticals | Wockhardt Ltd | 3.08% | 5.75% |
| | Glaxo SmithKline Pharma Ltd | 2.67% | |
| Energy | Oil & Natural Gas Corporation Ltd. | 2.94% | 5.72% |
| | Reliance Industries Ltd. | 2.78% | |
| Metals | Tata Iron And Steel Co Limited | 3.39% | 5.20% |
| | Hindalco Industries Ltd | 1.82% | |
| Automobile | Sundaram Fasteners Ltd | 1.90% | 3.73% |
| | Mahindra & Mahindra Ltd. | 1.82% | |
| Textiles | Alok Industries Ltd. | 2.66% | 2.66% |
| Services | Indian Hotels Company Limited | 2.27% | 2.27% |
| Sub-Total | | 81.00% | 81.00% |
| DEBT INSTRUMENTS | | | |
| Certificate of Deposit | UTI Bank | 3.37% | 3.37% |
| Floating Rate Note | Mahindra & Mahindra Ltd. | 3.01% | 3.01% |
| Short Term Deposit | IDBI Bank | 0.47% | 0.47% |
| Sub-Total | | 6.86% | 6.86% |
| Current Assets | | 12.14% | 12.14% |
| GRAND TOTAL | | 100.00% | 100.00% |

Scheme Objective

The Primary objective of the fund would be to invest in equity and equity related instruments of companies that would be wealth builders in the long term.

Scheme Type

An open - ended growth scheme

Investor Profile:

Ideal for investors seeking consistent and growing returns over a long period of time.

Investment Option:

Investors have the choice of options

A) Fixed Pricing Option

1) Dividend Option 2) Growth Option

B) Variable Pricing Option

1) Dividend Option 2) Growth Option

Benchmark Index:

S&P CNX 500

Inception Date: 1st September 2005

NAV as on October 31, 2005

Fixed Pricing Option - Dividend - Rs. 9.9563

Fixed Pricing Option - Growth - Rs. 9.9563

Variable Pricing Option - Dividend - Rs. 9.9654

Variable Pricing Option - Growth - Rs. 9.9654

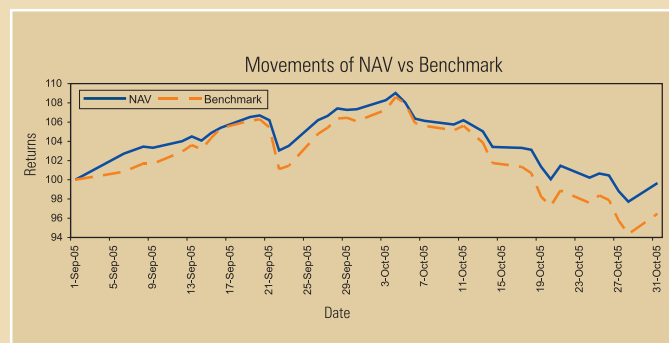
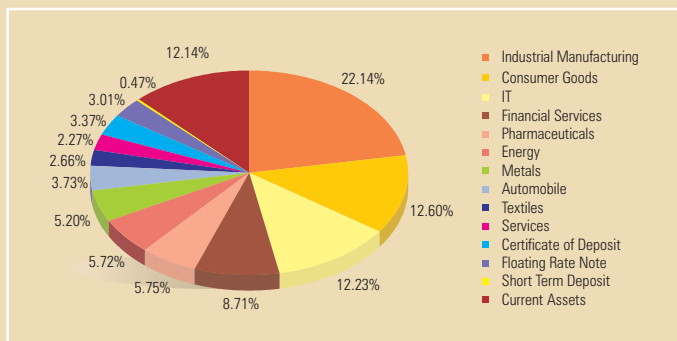
Performance (%) - Absolute Returns

| Scheme/ Index Name | NAV/Index | Since inceptions |
|--|-----------|---------------------|
| Wealth Plus Fund- Fixed Pricing Option | 9.9563 | -0.44% |
| Wealth Plus Fund-Variable Pricing Option | 9.9654 | -0.35% |
| Benchmark | 2067.80 | -3.54% |

Benchmark Index: S&P CNX 500

Sector-wise Asset Distribution

Asset Allocation



Past performance may or may not be sustained in future

Sahara

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