

STATEMENT OF ADDITIONAL INFORMATION (SAI)

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STATEMENT OF ADDITIONAL INFORMATION (SAI)

This Statement of Additional Information (SAI) contains details of BENCHMARK MUTUAL FUND, its constitution and certain tax, legal and general information. It is incorporated by reference into the Scheme Information Document (is legally a part of the Scheme Information Document). Capitalised terms not defined herein shall have the meaning ascribed to them in the relevant Scheme Information Documents.

This SAI is dated July 14, 2011.

I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES

A. Constitution of the Mutual Fund

Benchmark Mutual Fund (“Mutual Fund”) has been constituted as a Trust on February 14, 2001 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with Niche Financial Services Pvt. Ltd., as the Sponsor and Benchmark Trustee Company Pvt. Ltd. as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on June 12, 2001 under Registration Code MF/045/01/6.

B. Sponsor

Benchmark Mutual Fund is sponsored by Goldman Sachs Asset Management LP (“GSAM LP”). Niche Financial Services Private Limited (*the erstwhile sponsor of the Fund*) is the Settlor of the trust constituting the Mutual Fund. The Sponsor has entrusted a sum of Rs. 1,00,000/- to the Trustee as the initial contribution towards the corpus of the Mutual Fund.

Brief details about GSAM LP

GSAM LP is a limited partnership domiciled in the State of Delaware, USA, established on April 18, 1990. The principal activity of the Sponsor is to undertake asset management business (which includes mutual fund business). The Sponsor is the main operating company for Goldman Sachs’ asset management business in the USA, and is owned (99% directly and 1% indirectly) by the Goldman Sachs Group, Inc. The Goldman Sachs Group, Inc. is listed on the New York Stock Exchange and is the parent company of the Goldman Sachs group companies. The Goldman Sachs Group, Inc. is regulated as a Bank Holding Company (a “BHC”) under the United States Bank Holding Company Act of 1956, as amended. Goldman Sachs is a BHC and a leading global investment banking, securities and investment management firm providing services worldwide to a substantial and diversified client base that includes corporations, financial institutions, funds, governments and high net worth individuals.

Financial Performance of the Sponsor (past three years):

(Rs. in crores*)

Particulars	FY 2010	FY 2009	FY 2008
Networth	1,364	998	1,086
Profit After Tax	1,195	1,299	1,286
Total Income	7,548	8,121	7,581
Assets Under Management	21,40,935	24,13,173	19,24,993
*Conversion rate (Rs./USD)	Rs 45.74	Rs 48.37	Rs 42.58

* Conversion rate represents the daily average exchange rate over the entire reporting period for each year.

C. The Trustee

Benchmark Trustee Company Pvt. Ltd. (the “Trustee”), through its Board of Directors, shall discharge its obligations as Trustee of Benchmark Mutual Fund. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC.

Details of Trustee Directors:

Name	Age/Qualification	Brief Experience
Dr. S. A. Dave	74/ M. A. Ph.D	He was the Chairman of Unit Trust of India (UTI) for nearly six years from April 1990 to January 1996. He was the Chairman of Securities & Exchange Board of India (SEBI) for two years from April 1988 to March 1990. He has been Advisor to IDBI from May 1996 to May 1998. He was the Executive Director of IDBI and during his tenure he looked after the Project Finance Department, Rehabilitation Finance Department, Development Finance Institutions Department and Management Services Department amongst other departments. He is also a director on the board of various Companies and trustee of charitable institutions.
Dr. P. P. Shah	66/C.A., ICWA., Ph.D. in Cost Accounting	He is a fellow member of the Institute of Chartered Accountants. He also holds Ph. D. in Cost Accounting from Mumbai University and is a member of Institute of Cost of Works Accountants of India. He was awarded a prize for proficiency in Cost Accounting. He is a Managing Partner of M/s. Pravin P. Shah & Co., Chartered Accountants, Mumbai. He has over 39 years of experience (including 6 years in the United States of America) in the areas of financial consultancy, corporate structuring/restructuring, taxation, management consultancy, valuation, property matters and accounting. He has contributed several technical papers at conferences and published books and articles in India and the USA on the abovementioned subjects. He is also a director on the board of various Companies.
Dr. A. C. Shah	78/M.A., Ph.D.(Economics)	He is M. A. & Ph. D. (Economics) from University of Mumbai. He has retired in February 1993 as Chairman and Managing Director of Bank of Baroda after a meritorious service of over 30 years during which he held many responsible positions in the Bank. He was advisor to Unit Trust of India (UTI) for setting up a full-fledged commercial bank. UTI Bank, inaugurated in April 1994, was the first Bank in the private sector. He was a guest faculty at: Indian Institute of Management (IIM) - Ahmedabad National Institute of Bank Management - Pune Bankers’ Training College of RBI. He is also a director on the board of various Companies.
Mr. Shriraj Dhruv	41/L.L.B.	Mr. Dhruv is a partner of Dhru & Co., a firm of Solicitors, Advocates & Notary. He is also a director on the board of various Companies.

Duties and Responsibilities of the Trustee

The duties and responsibilities of the Trustee shall be in accordance with Regulation 18 under Chapter III of the Regulations and Trust Deed. The Trustees shall discharge such duties and responsibilities as provided in the Regulations and Trust Deed.

The Trust Deed dated February 14, 2001 contains among others, the following clauses that may be material to the Investors:

1. The Trustee shall maintain arms length relationship with companies, institutions, financial intermediaries or bodies corporate with which the Trustee may be associated in any capacity in carrying out their responsibilities.
2. A Director shall not participate in the meetings of the Trustee Company when any decisions for investments in which he may be interested are taken.
3. Each Director of the Trustee shall furnish particulars of interest which he may have in any other company or institution or financial intermediary or any corporate by virtue of his position as director, partner or with which he/she may be associated in any other capacity.
4. The Trustee shall take into their custody or under their control all the property of the Schemes of the Mutual Fund and hold it in trust for the Unit holders.
5. It shall be the duty of the Trustee to act in the interest of the Unit holders.
6. It shall be the duty of the Trustee to provide or cause to provide information to the Unit holders and SEBI as may be required by SEBI from time to time.
7. The Trustee shall take reasonable care to ensure that the funds under various Schemes floated, are managed by the AMC in accordance with the Trust Deed and SEBI Regulations.
8. The Trustee have powers to dismiss the AMC under the specific events with the prior approval of the board in accordance with the regulations.
9. The Trustee shall supervise the collection of any income due to be paid to the scheme and for claiming any repayment of tax and holding any income received in trust for the holders.
10. The Trustee shall not acquire nor allow the AMC to acquire any assets out of the Trust Fund and/or Unit Capital which involves the assumption of unlimited liability or results in the encumbrances of Trust Fund and/or Unit Capital in any way.
11. No amendments to the Trust Deed shall be carried out without the prior approval of SEBI and Unit holder's approval would be obtained where it affects the interest of Unit holders.

Other Duties and Responsibilities of Trustees

1. The Trustee has entered into an Investment Management Agreement with the AMC by which the latter is entrusted with the task of floating and managing the Schemes of Mutual Fund.
2. The Investment Management Agreement contains such clauses as are mentioned in the Fourth Schedule of SEBI Regulations and such other clauses as are necessary for the purpose of making investments.
3. The Trustee shall have the right to obtain from the AMC such information as is considered necessary by the Trustee and shall review all reports and compliance procedures from the AMC.
4. The Trustee shall ensure before the launch of any Scheme that the AMC has:
 - a. Systems in place for its back office, dealing room and accounting;
 - b. Appointed all key personnel including fund manager(s) for the Scheme and submitted to the Trustee their bio-data which shall contain the educational qualifications, past experience in the securities market within fifteen days of their appointment;
 - c. Appointed auditors to audit the accounts of the Scheme;
 - d. Appointed a compliance officer who will be responsible for monitoring compliance with Act, Rules and regulations, notifications guidelines and instructions issued by SEBI or the Central Government and to redress Investor grievances;
 - e. Appointed registrars and lay down parameters for their supervision;
 - f. Prepared a compliance manual and designed internal control mechanisms including

- g. internal audit systems;
 - g. Specified norms for empanelment of brokers and marketing agents; and
 - h. Obtained, wherever required under the regulations, prior in-principle approval from the recognised stock exchange(s) where Units are proposed to be listed.
5. The Trustee shall ensure that the AMC has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker;
 6. The Trustee shall ensure that the AMC has not given any undue or unfair advantage to any associates or dealt with any of the associates of the AMC in any manner detrimental to the interest of the holders of the Units;
 7. The Trustee shall ensure that the transactions entered into by the AMC are in accordance with the Regulations and the Schemes;
 8. The Trustee shall ensure that the AMC has been managing the Mutual Fund Schemes independently of other activities and have taken adequate steps to ensure that the interest of the Investors of the Schemes are not being compromised with those of any other Scheme or of other activities of the AMC;
 9. The Trustee are required to ensure that all the activities of the AMC are in accordance with the provisions of the Regulations and shall exercise general and specific due diligence as required under the Regulations.
 10. Where the Trustee have reason to believe that the conduct of the business of the Fund is not in accordance with these Regulations and the provisions of the Schemes launched there under, they shall forthwith take such remedial steps as are necessary by them and to immediately inform SEBI of the violation and the action taken by it.
 11. Each Trustee shall file the details of his transactions of dealings in securities with the Mutual Fund as per the SEBI guidelines;
 12. The Trustee shall be accountable for and is required to be the custodian of the Fund's property of the Schemes and to hold the same in trust for the benefit of the Unit holders in accordance with the Regulations and the provisions of the Trust Deed.
 13. The Trustee shall take steps to ensure that the transactions of the Fund are in accordance with the provisions of the Trust Deed.
 14. The Trustees are responsible for the calculation of any income due to be paid to the Mutual Fund and also of any income received in the Mutual Fund for the holders of the Units of the Schemes in accordance with the Regulations and the Trust Deed.
 15. The Trustee is required to obtain the consent of the Unit holders of the Scheme:
 - a. When the Trustee is required to do so by SEBI in the interest of the Unit holders of the Scheme; or
 - b. Upon a requisition made by three-fourths of the Unit holders of the Scheme; or
 - c. If a majority of the Trustees decide to wind up the Scheme or pre-maturely redeem the Units.
 16. The Trustee shall ensure that no change in the fundamental attributes of the Schemes or the trust or the fees and expenses payable or any changes which would modify the Schemes and affects the interest of Unit holders shall be carried out unless:-
 - a. A written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a Marathi newspaper published in the region where the Head Office of the Mutual Fund is situated; and
 - b. The Unit holders are given an option to exit at the prevailing Net Asset Value without any Exit Load regardless of Unit of Schemes held.
 17. The Trustee shall call for the details of transactions in securities by the key personnel of the AMC and shall report to SEBI as and when required;
 18. The Trustee shall quarterly review all transactions carried out between the mutual fund, AMC and its associates;
 19. The Trustee shall review the net worth of the AMC on quarterly basis and in case of any shortfall ensure that the AMC makes up for the shortfall as per the clause (f) of sub-regulation (1) of

- regulation 21 of the Regulations.
20. The Trustee shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the Unit holders.
 21. The Trustee shall ensure that there is no conflict of interest between the manner of deployment of its net worth by the AMC and the interests of the Unit holders;
 22. The Trustee shall periodically review the Investor complaints received and redressal of the same by the AMC.
 23. The Trustees shall abide by the code of conduct as specified in the Fifth Schedule of SEBI Regulations.
 24. The Trustee shall furnish to SEBI on a half yearly basis-
 - a. A report on the activities of the Mutual Fund;
 - b. A certificate stating the Directors have satisfied themselves that there have been no instances of self dealing or front running by any of the Trustee, Directors and key personnel of the AMC; and
 - c. A certificate to the effect that the AMC has been managing the Schemes independently of any other activities and in case any activities of the nature referred to in sub-regulation (2) of Regulation 24 of the Regulations have been undertaken, the AMC has taken adequate steps to ensure that the interest of the Unit holders is adequately protected.
 25. The independent Directors of the Trustee are required to give their comments on the report received from the AMC regarding the investments by the Mutual Fund in the securities of the group companies of the sponsors.
 26. The Trustee shall exercise due diligence as under:
 - A. General Due Diligence**
The Trustee shall:
 - a. Be discerning in the appointment of the directors on the board of directors of the AMC;
 - b. Review the desirability of continuance of the AMC if substantial irregularities are observed in any of the Schemes and shall not allow the AMC to float new Schemes;
 - c. Ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons;
 - d. Ensure that all service providers are holding appropriate registrations from SEBI or concerned regulatory authority;
 - e. Arrange for test checks of service contracts; and
 - f. Immediately report to SEBI of any special developments in the Fund.
 - B. Specific Due Diligence**
The Trustee shall:
 - a. Obtain internal audit reports at regular intervals from independent auditors appointed by the Trustee;
 - b. Obtain compliance certificates at regular intervals from the AMC;
 - c. Hold meeting of the board of directors of the Trustee Company frequently;
 - d. Consider the reports of the independent auditor and compliance reports of the AMC at the meetings of the board of directors of the Trustee Company for appropriate action;
 - e. Maintain records of the decisions of the board of directors of the Trustee Company at their meetings and of the minutes of the meetings;
 - f. Prescribe and adhere to a code of ethics by the Trustee, AMC and its personnel; and
 - g. Communicate in writing to the AMC of the deficiencies and check on the rectification of deficiencies.
 27. Notwithstanding anything contained herein above from points (1) to (26) the Trustees shall not be held liable for any act done in good faith if they have exercised adequate due diligence honestly.
 28. The Trustees shall pay specific attention to the following, as may be applicable namely: -

- a. The Investment Management Agreement and the compensation paid under the same;
 - b. Service contracts with affiliates - whether the AMC has charged higher fees than outside contractors would have charged for the same services;
 - c. Selection of the AMC's independent directors;
 - d. Securities transactions involving affiliates to the extent such transactions are permitted;
 - e. Selecting and nominating individuals to fill independent director vacancies;
 - f. Code of ethics have been designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transaction;
 - g. The reasonableness of fees paid to the Sponsors, AMC and any others for services provided;
 - h. Principal underwriting contracts and their renewals; and
 - i. Any service contract with the associates of the AMC.
29. The Regulations provide that the Trustee meetings will be held once in every two calendar months and at least six such meetings will be held in a year. Quorum for the meeting of the board of directors of the Trustee Company shall not be constituted unless one independent director is present at the meeting.

The Trustee discharges the supervisory role by having a number of checks and balances besides having continuous feedback from the AMC on matters of importance and a review of the Mutual Fund's operations at the Trustee Meeting.

During the financial year 2010-2011, 6 meetings of the board of directors of Trustee Company were held. The reports on Statutory Compliance received from the AMC are placed before the meetings. The bi-monthly Compliance Test Report filed with SEBI by the AMC is also sent to the Trustee as a part of Quarterly Report and such reports are reviewed by the Trustee and taken on record at the Trustee meeting. The Internal Audit Report received from the Internal Auditors to the Fund is also placed before the board meeting and discussed. The Trustee will also conduct a detailed review of half-yearly and annual accounts of the Schemes of the Fund and discuss the matters arising there from with the Statutory and Internal Auditors of the Fund, if required.

The Trustee shall also ensure that:

- a. investments are of the permitted kind and within the set limits;
- b. the Fund assets are duly protected;
- c. transactions in Units under a Scheme are properly executed by the AMC with reference to the pricing of the Units and payments into and out of the Fund;
- d. adequate internal controls are provided for by the AMC;
- e. income due to the Fund is properly accounted for;
- f. all expenses and charges to the Schemes are as permitted; and
- g. distributions from the Fund are done properly.

D. Asset Management Company

Benchmark Asset Management Company Pvt. Ltd. (AMC) is a private limited company incorporated under the Companies Act, 1956 on October 16, 2000, having its Registered Office at 405, Raheja Chambers, Free Press Journal Marg, 213, Nariman Point, Mumbai 400021. Benchmark Asset Management Company Pvt. Ltd. has been appointed as the AMC of Benchmark Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated February 14, 2001 and executed between Benchmark Trustee Company Pvt. Ltd. and Benchmark Asset Management Company Pvt. Ltd.

The AMC has obtained registration from SEBI vide Registration No. PM/INP000000647 to act as a Portfolio Manager under the SEBI (Portfolio Managers) Regulations, 1993 with effect from June 1, 2002. The activity of Portfolio Management Services of AMC is not in conflict with the activities of the Fund.

The present shareholding pattern of AMC is as follows:

Name of shareholder(s)	% of equity shareholding
Goldman Sachs Asset Management (India) Private Limited	100%
Goldman Sachs Services Private Limited (holding 1 equity share as a nominee of GS AMC)	Insignificant

Details of AMC Directors:

Name	Age/Qualification	Brief Experience
Mr. D. S. Mehta	75/ C.A., C.S.	He is a Fellow Member of Institute of Chartered Accountants of India and Institute of Company Secretaries of India. He was the Company Secretary of Bajaj Auto Ltd. from 1968 to 1995 and since then, he is the whole time director of the Company. He has over 35 years experience in the field of Corporate Law, Taxation and Finance. Mr. Mehta was also the member of the working group to re-draft the Companies Act, 1956. He was the member of Economic affairs Committee of Confederation of Engineering Industry and taxation sub-committee of FICCI. He is also a director on the board of various Companies and trustee of charitable institutions.
Mr. S. J. Parekh	79/ B.Com.	He is the Chairman-cum-Managing Director of United Shippers Ltd. He has graduated from Sydenham College of Commerce & Economics, Mumbai in the year, 1952. He has an experience of 55 years in different fields like Shipping, Construction, Manufacturing, Investment, Finance, etc. He is also a director on the board of various Companies and trustee of charitable institutions.
Mr. S. R. Halbe	63/ M. Com. (Hons.) Grad., CWA, FCS, L.L.M., Dip. In Systems Management	He is the fellow member of the Institute of Company Secretaries of India and is in practice since many years. He has contributed a fortnightly column in 'Business Standard' on Corporate Law and published various articles in 'Financial Express' and 'Economic Times of India.' He is also a director on the board of various Companies.
Mr. T. N. V. Ayyar	51/C.A.	He is a fellow member of the Institute of Chartered Accountants of India and presently practicing as a Financial Consultant. He is also a director on the board of various Companies.
Ms. Susan Thomas	44/ Ph.D (Econometrics), B.Tech in Civil Engineering	She is B.Tech in Civil Engineering from Indian Institute of Technology, Mumbai and Ph.D. in Econometrics from University of Southern California, Los Angeles. She is faculty at the Indira Gandhi Institute for Development Research in Mumbai. Her research has been in financial econometrics, specifically on models of the volatility of financial prices, and aspects of market microstructure in Indian financial markets. She has also worked on models for the Indian zero coupon yield curve, govt. bond index construction and probability of

Name	Age/Qualification	Brief Experience
		default for Indian firms. She has worked on projects for the World Bank, IFC, ADB, NSE, FMC, etc. She is a member of Secondary Markets Advisory Committee of SEBI, Technical Advisory Committee on Money, Foreign Exchange and Government Securities of RBI, Executive Committee for Futures and Options of National Securities Clearing Corporation of India Ltd. and Expert Advisory Group of ADB's Technical Assistance Project in India on Pension Reforms for the Unorganised Sector. She is also the co-author of "India's Financial Markets: An insider's guide to how market's work". She is also a director on the board of various Companies.

Powers, Duties & Responsibilities of the AMC

The duties, responsibilities of the AMC shall be governed by the Regulations and the Investment Management Agreement. The AMC, in the course of managing the affairs of the Mutual Fund, has the powers inter-alia to:

1. Invest in, acquire, hold, manage or dispose of all or any securities and to deal with, engage in and carry out all other functions and to transact all businesses pertaining to the Fund;
2. Keep the moneys belonging to the Trust with scheduled banks and Custodians as it may deem fit;
3. Obtain, wherever required under the regulations, prior in-principle approval from the recognized stock exchange(s) where Units are proposed to be listed;
4. Issue, sell and purchase Units under any Scheme;
5. Repurchase the Units that are offered for repurchase and hold, reissue or cancel them;
6. Formulate strategies, lay down policies for deployment of funds under various Schemes and set limits collectively or separately for privately placed debentures, unquoted debt instruments, securitised debts and other forms of variable securities which are to form part of the investments of the Trust Funds;
7. Arrange for investments, deposits or other deployment as well as disinvestments or refund out of the Trust Funds as per the set strategies and policies;
8. Make and give receipts, releases and other discharges for moneys payable to the Trust and for the claims and demands of the Trust;
9. Get the Units under any Scheme listed on any one or more stock exchanges in India or abroad;
10. Open one or more bank accounts for the purposes of the Fund, to deposit and withdraw money and fully operate the same;
11. Pay for all costs, charges and expenses, incidental to the administration of the Trust and the management and maintenance of the Trust property, Custodian and/or any other entities entitled for the benefit of the Fund, audit fee, management fee and other fees;
12. Furnish compliance reports to the Trustees as prescribed by SEBI;
13. Provide or cause to provide information to SEBI and the Unit holders as may be specified by SEBI;
14. Generally do all acts, deeds, matters and things which are necessary for any object, purpose or in relation to the Mutual Fund in any manner or in relation to any Scheme of the Mutual Fund.
15. Ensure that no Scheme Information Document (SID) of a Scheme, Key Information Memorandum (KIM), Abridged Half yearly results and Annual Results are issued or published without the prior approval of the Trustee.
16. Ensure that the delivery of scrips purchased is taken and that the delivery is given in case of scrips sold and Mutual Fund in no case engages in short selling or carry forward transactions or badla finance;

The AMC shall abide by the Code of Conduct as specified in the Fifth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended from time to time. The AMC shall:

1. Maintain high standards of integrity and fairness in all their dealings and in the conduct of their

business.

2. Take reasonable steps and exercise due diligence to ensure that the investment of money pertaining to any Scheme is not contrary to the provisions of the SEBI Regulations and the Trust Deed.
3. Exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
4. Render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment.

The independent directors of the AMC will pay specific attention to the following as may be applicable namely:

1. The Investment Management Agreement and the compensation paid under the Agreement.
2. Service contracts with affiliates - whether the company has charged higher fees than outside contractors for the same services.
3. Securities transactions involving affiliates to the extent such transactions are permitted.
4. Code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.
5. The reasonableness of fees paid to Sponsors, AMC and any others for services provided.
6. Principal underwriting contracts and renewals.
7. Any service contracts with the associates of the company.

Information on Key Personnel:

Name/Designation	Age/Qualification	Brief Experience
Mr. Sanjiv Shah Executive Director	45/MMS., M.Sc. (Economics)	He is B. Com., Master of Management Studies from Mumbai University and M. Sc. (Economics) in International Accounting and Finance from London School of Economics. He has obtained an FRM certification from Global Association of Risk Professionals. He has over 16 years of experience in the Capital Markets. He has worked with DSP Merrill Lynch Ltd., Mumbai for 14 years. During his tenure in DSP Merrill Lynch, he was Head of Debt Sales & Trading and Head of Equity Sales to FIIs. His last assignment was as Head of Derivatives. He has been involved in various committees and seminars to look into better functioning of the markets. He is working with AMC since April 2001.
Mr. Sanjay Gaitonde Executive Director	41/C.A.,ICWA	He is a Chartered Accountant and Cost Accountant with over 10 years experience. He is an Executive Director of Niche Financial Services Pvt. Ltd. He was instrumental in setting up the financial advisory services, dealings in debt market and capital market activities. He previously worked with the CRISIL Ltd., India's premier rating agency. Since beginning of 2001, he is associated with AMC as its Executive Director.
Mr. Vishal Jain Chief Investment Officer	38/B.Sc., MBA	He is B.Sc. and MBA with over 10 years experience. He was previously with the CRISIL Ltd., India's premier rating agency, where he was part of the Index group, which was involved in the calculation, maintenance and dissemination of CRISIL Equity

Name/Designation	Age/Qualification	Brief Experience
		Indices. He was then deputed to India Index Services & Products Ltd (IISL), a joint venture of CRISIL and NSE, which has a licensing and consulting agreement with Standard & Poor's, the world largest index service provider. He is working with the AMC since October 2000. Presently he is designated as Chief Investment Officer and is responsible for the Fund Management of all the Schemes of Benchmark Mutual Fund.
Mr. Anil Desai National Sales Head	44/B.Com., C.A.	He is a Chartered Accountant with 20 years work experience in the fields of Taxation, Corporate Finance, Investment Banking, Wealth Management and Mutual Funds. He has worked with Lakme Ltd., in Corporate Finance, Birla Sunlife Asset Management Company Ltd. - setting up the Retail Sales network, Birla Sun Life Distribution Co. Ltd. as Head of Indirect Channels, DSP Merrill Lynch Asset Management Company Ltd. as Head of Institutional Sales and DSP Merrill Lynch Ltd. as Market Director - Private Client Group. He has been working with AMC since July 2009.
Mr. Gautam Rathor Senior Vice President - Compliance & Compliance Officer	41/C.S., L.L.B.	He is a Company Secretary and a L.L.B with more than 10 years of experience. He was previously with National Stock Exchange of India Ltd. (NSE) and designated as Company Secretary of DotEx International Ltd., a wholly owned subsidiary of NSE. He was also in charge of the Secretarial, Finance & Accounts and Operations of India Index Services & Products Ltd. (IISL), which is a joint venture of NSE and CRISIL Ltd. He is working with the AMC since September 2005. At Benchmark, he is responsible for all the statutory compliances.
Mr. Bhalchandra Prabhu Senior Vice President - Operations	41/B.Com., BGL	He is B.Com and BGL (Bachelor of General Laws) with over 14 years experience. He has worked with Custody services of Citibank NA, where he was handling settlement operations for local clients as well as for the Foreign Institutional Investors. Prior to Citibank, he was working with ABN AMRO Bank and was heading operations which consist of Custody, Fund Accounting, Retail depository and RTA (strategic alliance with local registrars). He was appointed as Business Manager for smooth transition of clients, business and operations when ABN AMRO had decided to sell off its custody business to Citibank. Prior to this, he worked with Deutsche Bank AG where he has gone through various functions of custody like settlement, back office operations, processing of physical shares, bad deliveries and objections within

Name/Designation	Age/Qualification	Brief Experience
		custody department. He has also worked with BSE Clearing House which was managed by BOI Shareholding Ltd. and was handling Institutions department and was responsible for the settlement of shares and money with the custodians. He has been working with AMC since April 2006.

Fund Management team

Name/Designation	Age/Qualification	Brief Experience
Mr. Vishal Jain Chief Investment Officer	38/B.Sc., MBA	He is B.Sc. and MBA with over 10 years experience. He was previously with the CRISIL Ltd., India's premier rating agency, where he was part of the Index group, which was involved in the calculation, maintenance and dissemination of CRISIL Equity Indices. He was then deputed to India Index Services & Products Ltd (IISL), a joint venture of CRISIL and NSE, which had a licensing and consulting agreement with Standard & Poor's, the world largest index service provider. He is working with the AMC since October 2000. Presently he is designated as Chief Investment Officer and is responsible for the fund management of all the Schemes of Benchmark Mutual Fund.
Ms. Payal Kaipunjal Vice President - Investments	31/MBA., PGDIM	She is a B.Com., M.B.A in Finance, PGDIM and Financial Risk Manager (GARP). At the AMC, she was handling fund management in Portfolio Management Services Department from June 2004 upto January 2006. From February 2006 she has been working in the mutual fund division and is a part of the fund management team.
Ms. Gauri Sekaria Asst. Vice President - Investments	28/BBM., M.Sc.	She is a Bachelor in Business Management (Finance) , M.Sc. International Securities, Investment and Banking from ICMA Centre, UK and Financial Risk Manager (GARP). Since September 2005, she has been involved in investments related to derivatives trading at Benchmark Mutual Fund.

E. Service providers

I. Custodian

Name & Address of the Custodian	SEBI Registration No.	Name of the Scheme
CITIBANK NA TRENT HOUSE, 3rd Floor G Block, Plot No. 60	IN/CUS/004	(i) Nifty Benchmark Exchange Traded Scheme (Nifty BeES) (ii) Junior Benchmark Exchange Traded Scheme

Name & Address of the Custodian	SEBI Registration No.	Name of the Scheme
Bandra Kurla Complex Bandra (East), Mumbai 400051		(Junior BeES) (iii) Liquid Benchmark Exchange Traded Scheme (Liquid BeES) (iv) Banking Index Benchmark Exchange Traded Scheme (Bank BeES) (v) Gold Benchmark Exchange Traded Scheme (Gold BeES) (vi) PSU Bank Benchmark Exchange Traded Scheme (PSU Bank BeES) (vii) Shariah Benchmark Exchange Traded Scheme (Shariah BeES) (viii) Hang Seng Benchmark Exchange Traded Scheme (Hang Seng BeES) (Citibank NA, Hong Kong Branch is the Custodian for overseas securities) and (ix) Infrastructure Benchmark Exchange Traded Scheme (Infra BeES) (x) Benchmark Short Term Fund
DEUTSCHE BANK AG. D. B. House Hazarimnal Somani Marg Post Box No. 1142 Fort Mumbai - 400 001	IN/CUS/003	(i) Benchmark Derivative Fund, (ii) Benchmark Equity & Derivatives Opportunities Fund and (iii) Benchmark S&P CNX 500 Fund
THE BANK OF NOVA SCOTIA 91, 3 North Avenue Maker Maxcity Bandra Kurla Complex, Bandra (East) Mumbai - 400 051	IN/CUS/018	Gold Benchmark Exchange Traded Scheme (Gold BeES)

The Trustee have appointed the Custodians to the Schemes of Benchmark Mutual Fund. All the Custodians are SEBI approved custodian. The registrations of the Custodians are still valid and effective. The Custodians shall hold the custody and possession of physical gold, securities and investment of the Fund and will discharge all the functions as are ordinarily discharged by a Custodian. The Trustee reserves the right to change the Custodians, if required.

The salient features of the Custodial Agreements and responsibilities of the Custodians include:

1. keeping in safe custody all the securities, physical gold and other such instruments belonging to the Fund segregated from the other assets of the Custodian and from the assets of other clients of the Custodian and shall be held in the name of the Trustee a/c Fund or Scheme or Custodian a/c or Scheme or in such other manner as may be mutually agreed.
2. ensuring smooth inflow/outflow of securities, physical gold and such other instruments as and when necessary, in the best interest of the Investors.
3. ensuring that the benefits due to the holdings of Fund are recovered in time.
4. responsibility for loss of / or damage to the securities, physical gold or such other instruments due to

fraud, bad faith, negligence, willful neglect, default or willful default on his part or on the part of its approved agents.

The Custodians would be entitled to remuneration for their services in accordance with the terms of their respective Custodian Agreements.

II. Registrars and Transfer Agents

Karvy Computershare Pvt. Ltd.

Karvy Registry House, H. No. 8-2-596, Avenue 4, Street No. 1
Banjara Hills, Hyderabad - 500 034
SEBI Registration No. INR 000000221

Benchmark Mutual Fund has appointed Karvy Computershare Pvt. Ltd. to act as Registrars and Transfer Agents to the Fund. Karvy is registered by SEBI as Category I Registrar under Registration No. INR00000221.

The board of directors of the Trustees and AMC have satisfied themselves, after undertaking appropriate due diligence, that Karvy has adequate capacity to discharge responsibility with regard to processing of applications, dispatch of Account Statement/Redemption proceeds to Unit holders etc. within the prescribed time limit as per SEBI Regulations and also sufficient capacity to handle the Investors complaints.

As Registrar to the Schemes, Karvy will accept and process Unit holders' applications and advise the AMC as to the amounts received for Subscriptions (duly reconciled) during the new fund offer period and when the Scheme opens for ongoing Subscriptions. They will also handle communication with Unit holders, Unit holders' grievances, perform data entry services and dispatch Account Statement or any instrument. They will also maintain an updated and accurate form for the register of Unit holders of the Schemes and other records as may be required by SEBI Regulations and Laws of India.

The Registrar is responsible for carrying out the functioning of Registrar and Transfer Agent set out in the agreement entered into with it and as per any modification from time to time. The Registrar will be entitled to remuneration for its services as per the terms of Registrar and Transfer Agreement. The AMC reserves the right to change the Registrar at any time for all or any of the Schemes of the Fund. The Unit holders will then be informed accordingly.

III. Statutory auditor for the Mutual Fund

N. M. Raiji & Co.

6th Floor,
Universal Insurance Building
P. M. Road, Fort
Mumbai - 400 001

IV. Fund Accountant

Name & Address of the Fund Accountant	Name of the Scheme
Citibank NA TRENT HOUSE, 3rd Floor G Block, Plot No. 60 Bandra Kurla Complex	(i) Nifty Benchmark Exchange Traded Scheme (Nifty BeES) (ii) Junior Benchmark Exchange Traded Scheme (Junior BeES) (iii) Liquid Benchmark Exchange Traded Scheme (Liquid BeES) (iv) Banking Index Benchmark Exchange Traded Scheme (Bank BeES)

Bandra (East) Mumbai 400051	(v) Gold Benchmark Exchange Traded Scheme (Gold BeES) (vi) PSU Bank Benchmark Exchange Traded Scheme (PSU Bank BeES) (vii) Shariah Benchmark Exchange Traded Scheme (Shariah BeES) (viii) Hang Seng Benchmark Exchange Traded Scheme (Hang Seng BeES) and (ix) Infrastructure Benchmark Exchange Traded Scheme (Infra BeES) (x) Benchmark Short Term Fund
DEUTSCHE BANK AG. D. B. House Hazarimnal Somani Marg Post Box No. 1142 Fort Mumbai - 400 001	(i) Benchmark Derivative Fund (ii) Benchmark Equity & Derivatives Opportunities Fund and (iii) Benchmark S&P CNX 500 Fund

V. Collecting Bankers

During a New Fund Offer of a Scheme, the AMC shall appoint Collecting Bankers to accept the applications for investment into the Schemes. The list of the Collecting Bankers will be disclosed in the Scheme Information Document (SID) as and when schemes are launched. There are no collecting bankers for ongoing Schemes.

F. Condensed Financial Information (CFI)

I. Name of the Scheme: **Nifty BeES**

Historical Per Unit Statistics	For the Year 2008-2009 (Audited)	For the Year 2009-2010 (Audited)	For the Year 2010-2011 (Audited)
NAV at the beginning of the year (Rs.)	478.5616	305.4702	526.2011
Dividends (Rs.) (Gross)	5.00	4.50	-
NAV at the end of the year (Rs.)	305.4702	526.2011	589.2426
Annualised Return (%)	(35.34)	74.47	11.98
Net assets at the end of period (Rs. Crores)	131.89	350.32	518.38
Ratio of Recurring Expenses to Net Assets (%)	0.50	0.50	0.50

Dividends are assumed to be reinvested at the prevailing NAV. After payment of Dividend, NAV will fall to the extent of the payout and statutory levy (if applicable).

II. Name of the Scheme: **Junior BeES**

Historical Per Unit Statistics	For the Year 2008-2009 (Audited)	For the Year 2009-2010 (Audited)	For the Year 2010-2011 (Audited)
NAV at the beginning of the year	80.9738	44.3369	107.4770
Dividends (Gross)	-	1.25	-
NAV at the end of year/period	44.3369	107.4770	112.6221
Annualised Returns (%)	(45.25)	147.86	4.79
Net assets at the end of period (Rs. Crores)	6.04	97.54	106.35
Ratio of Recurring Expenses to Net Assets (%)	1.00	1.00	1.00

Dividends are assumed to be reinvested at the prevailing NAV. After payment of Dividend, NAV will fall to the extent of the payout and statutory levy (if applicable).

III. Name of the Scheme: **Liquid BeES**

Historical Per Unit Statistics	For the Year 2008-2009 (Audited)	For the Year 2009-2010 (Audited)	For the Year 2010-2011 (Audited)
NAV at the beginning of the year	1000.00	1000.00	1000.00
Dividends (Gross)	75.58	31.87	61.76
NAV at the end of year	1000.00	1000.00	1000.00
Annualised Returns (%)	7.58	3.20	6.17
Net assets at the end of period (Rs. Crores)	287.25	316.45	469.79
Ratio of Recurring Expenses to Net Assets (%)	0.60	0.60	0.60

Dividends are assumed to be reinvested at the prevailing NAV. After payment of Dividend, NAV will fall to the extent of the payout and statutory levy (if applicable).

IV. Name of the Scheme: **Bank BeES**

Historical Per Unit Statistics	For the Year 2008-2009 (Audited)	For the Year 2009-2010 (Audited)	For the Year 2010-2011 (Audited)
NAV at the beginning of the period	665.3900	415.2850	944.6834
Dividends (Gross)	5.00	10.00	-
NAV at the end of year	415.2850	944.6834	1,174.8051
Annualised Returns (%)	(36.90)	131.91	24.36
Net assets at the end of period (Rs. Crores)	170.99	29.99	759.80
Ratio of Recurring Expenses to Net Assets (%)	0.50	0.50	0.50

Dividends are assumed to be reinvested at the prevailing NAV. After payment of Dividend, NAV will fall to the extent of the payout and statutory levy (if applicable).

V. Name of the Scheme: **Benchmark Derivative Fund**

Historical Per Unit Statistics	For the Year 2008-2009 (Audited)	For the Year 2009-2010 (Audited)	For the Year 2010-2011 (Audited)
NAV at the beginning of the period (Rs.)	Growth Option : 1263.2641 Dividend Option : 1095.6422	Growth Option : 1343.5731 Dividend Option : 1056.6102	Growth Option : 1382.0665 Dividend Option : 1046.9525
Dividends (Rs) (Gross)	Dividend Option : Rs. 105/-	Dividend Option : Rs. 39.95	Dividend Option : Rs. 50.00
NAV at the end of period (Rs.)	Growth Option : 1343.5731 Dividend Option : 1056.6102	Growth Option : 1382.0665 Dividend Option : 1046.9525	Growth Option : 1459.7483 Dividend Option : 1055.5880
Annualised Returns (%)*	Growth Option : 6.36 Dividend Option : 1.29	Growth Option : 2.87 Dividend Option : 2.89	Growth Option : 5.62 Dividend Option : 5.62

Historical Per Unit Statistics	For the Year 2008-2009 (Audited)	For the Year 2009-2010 (Audited)	For the Year 2010-2011 (Audited)
Net assets at the end of period (Rs. Crores)	16.26	32.77	13.53
Ratio of Recurring Expenses to Net Assets (%)	1.50	1.50	1.50

* The returns of Dividend Option have been calculated after adjusting for Dividend wherever applicable. Dividends are assumed to be reinvested at the prevailing NAV. After payment of Dividend, NAV will fall to the extent of the payout and statutory levy (if applicable).

VI. Name of the Scheme: **Gold BeES**

Historical Per Unit Statistics	For the Year 2008-2009 (Audited)	For the Year 2009-2010 (Audited)	For the Year 2010-2011 (Audited)
NAV at the beginning of the year	1212.4846	1499.5883	1611.4619
Dividends (Gross)	-	-	-
NAV at the end of year	1499.5883	1611.4619	2025.9724
Annualised Returns (%)	23.68	7.46	25.72
Net assets at the end of period (Rs. Crores)	295.33	772.23	1,796.81
Ratio of Recurring Expenses to Net Assets (%)	1.00	1.00	1.00

VII. Name of the Scheme: **PSU Bank BeES**

Historical Per Unit Statistics	For the Year 2008-2009 (Audited)	For the Year 2009-2010 (Audited)	For the Year 2010-2011 (Audited)
NAV at the beginning of the year/period	224.4491	159.3359	332.3648
Dividends (Gross)	-	6.00	-
NAV at the end of year/period	159.3359	332.3648	449.4856
Annualised Returns (%)	(29.01)	113.64	35.24
Net assets at the end of year/period (Rs. Crores)	14.14	7.90	10.23
Ratio of Recurring Expenses to Net Assets (%)	0.75	0.74	0.74

Dividends are assumed to be reinvested at the prevailing NAV. After payment of Dividend, NAV will fall to the extent of the payout and statutory levy (if applicable).

VIII. Name of the Scheme: **Benchmark Equity & Derivatives Opportunities Fund**

Historical Per Unit Statistics	For the Year 2008-2009 (Audited)	For the Year 2009-2010 (Audited)	For the Year 2010-2011 (Audited)
NAV at the beginning of the period	Growth Option: 10.4205 Dividend Option: 10.4205	Growth Option: 11.1045 Dividend Option: 10.6404	Growth Option: 11.4607 Dividend Option: 10.7998
Dividends (Gross)	Rs. 0.45	Rs.0.20	Rs.0.60
NAV at the end of period	Growth Option: 11.1045 Dividend Option: 10.6404	Growth Option: 11.4607 Dividend Option: 10.7998	Growth Option: 12.1911 Dividend Option: 10.8634
Annualised Returns (%)*	Growth Option: 6.56	Growth Option: 3.21	Growth Option: 6.37

Historical Per Unit Statistics	For the Year 2008-2009 (Audited)	For the Year 2009-2010 (Audited)	For the Year 2010-2011 (Audited)
	Dividend Option: 6.50	Dividend Option: 3.21	Dividend Option: 6.38
Net assets at the end of period (Rs. Crores)	63.92	43.24	8.28
Ratio of Recurring Expenses to Net Assets (%)	1.45	1.50	1.50

* The returns of Dividend Option have been calculated after adjusting for Dividend, wherever applicable. Dividends are assumed to be reinvested at the prevailing NAV. After payment of Dividend, NAV will fall to the extent of the payout and statutory levy (if applicable).

IX. Name of the Scheme: **Benchmark S&P CNX 500 Fund**

Historical Per Unit Statistics	For the period 6-1-2009 to 31-03-2009 (Audited)	For the Year 2009-2010 (Audited)	For the Year 2010-2011 (Audited)
NAV at the beginning of the period	Growth Option : 10 Dividend Option: 10	Growth Option :10.1719 Dividend Option :10.1709	Growth Option :18.3468 Dividend Option :11.4759
Dividends (Gross)	-	6.75	-
NAV at the end of period	Growth Option :10.1719 Dividend Option :10.1709	Growth Option :18.3468 Dividend Option :11.4759	Growth Option :19.5612 Dividend Option :12.2328
Annualised Returns (%)	Growth Option : 1.72* Dividend Option : 1.71*	Growth Option : 80.37 Dividend Option : 80.94	Growth Option : 6.62 Dividend Option : 6.60
Net assets at the end of period (Rs. Crores)	3.60	70.18	94.20
Ratio of Recurring Expenses to Net Assets (%)	1.50	1.50	1.50

*Returns for less than one year are absolute. The returns of Dividend Option have been calculated after adjusting for Dividend, wherever applicable.

Dividends are assumed to be reinvested at the prevailing NAV. After payment of Dividend, NAV will fall to the extent of the payout and statutory levy (if applicable).

X. Name of the Scheme: **Shariah BeES**

Historical Per Unit Statistics	For the period 18-3-2009 to 31-03-2009 (Audited)	For the Year 2009-2010 (Audited)	For the Year 2010-2011 (Audited)
NAV at the beginning of the year/period	65.9279	72.1609	122.4471
Dividends (Gross)	-	-	-
NAV at the end of period	72.1609	122.4471	129.7486
Annualised Returns (%)	7.84*	69.69	5.96
Net assets at the end of period (Rs. Crores)	1.24	1.26	0.94
Ratio of Recurring Expenses to Net Assets (%)	-	0.70	0.73

* Returns for less than one year are absolute.

XI. Name of the Scheme: **Hang Seng BeES**

Historical Per Unit Statistics	For the period 09-3-2010 to 31-03-2010 (Audited)	For the Year 2010-2011 (Audited)
NAV at the beginning of the period	1238.8917	1231.6405
Dividends (Gross)	-	-
NAV at the end of period	1231.6405	1374.0573
Annualised Returns (%)	(0.59)	11.56
Net assets at the end of period (Rs. Crores)	54.34	60.62
Ratio of Recurring Expenses to Net Assets (%)	1.00	1.00

Returns for less than one year are absolute. Returns for one year and more than one year are compounded annualized.

XII. Name of the Scheme: **Benchmark Short Term Fund**

Historical Per Unit Statistics	For the period 4-8-2010 to 31-03-2011 (Audited)
NAV at the beginning of the period	Growth Option: 10.0000 Daily Dividend Option: 10.0000 Weekly Dividend Option: 10.0000
Dividends (Gross)	Daily Dividend Option: 0.340130 Weekly Dividend Option: 0.340739
NAV at the end of period	Growth Option : 10.3473 Daily Dividend Option: 10.0000 Weekly Dividend Option: 10.0000
Annualised Returns (%) *	Growth Option : 3.47 Daily Dividend Option: 3.01 Weekly Dividend Option: 2.95
Net assets at the end of period (Rs. Crores)	9.43
Ratio of Recurring Expenses to Net Assets (%)	0.59

*The Scheme has not completed one year hence the returns for less than one year are in absolute terms. The returns of Dividend Option have been calculated after adjusting for Dividend, wherever applicable. Dividends are assumed to be reinvested at the prevailing NAV. After payment of Dividend, NAV will fall to the extent of the payout and statutory levy (if applicable).

XIII. Name of the Scheme: **Infra BeES**

Historical Per Unit Statistics	For the period 29-9-2010 to 31-03-2011 (Audited)
NAV at the beginning of the period	373.2340 (Allotment NAV)
Dividends (Gross)	-
NAV at the end of period	307.0707
Annualised Returns (%) *	-17.73
Net assets at the end of period (Rs. Crores)	33.77
Ratio of Recurring Expenses to Net Assets (%)	0.99

*The Scheme has not completed one year hence the returns for less than one year are in absolute terms.

II. HOW TO APPLY?

This section must be read in conjunction with the details provided in the Scheme Information Document of the relevant Scheme of the Mutual Fund.

- The Application Form / Transaction Slip for the sale of Units of the Schemes will be available at the Official Points of Acceptance / distributors / website of the Mutual Fund,.
- Applications should be made in adherence to the minimum application amount requirements as mentioned in the Scheme Information Document(s).
- The acknowledgment slip initialed/stamped by the collecting agency must be retained.
- Incomplete applications and applications not accompanied by cheque/demand drafts are liable to be rejected.
- The Application Form / Transaction Slip filled up and duly signed by the Investor or all joint Investors (as the case may be) should be submitted together with the cheque / demand draft / other payment instrument and supporting documents can be tendered at any of the Official Points of Acceptance In terms of SEBI Circular (No. SEBI/IMD/CIR No 18 / 198647 /2010) dated March 15, 2010, Investors subscribing to Units of any Scheme of the Mutual Fund offered during a NFO can opt to make payments for such Units by availing the ‘Applications Supported by Blocked Amount’ (“ASBA”) facility. Hence, all NFOs to be launched by the Mutual Fund, shall have ASBA facility, which will co-exist with the current process, wherein cheques/ demand drafts are used as a mode of payment. Only certain self certified syndicate banks (“SCSB”) are permitted to provide the ASBA facility. Names and other relevant details of such SCSBs are displayed by SEBI on its website at www.sebi.gov.in. For details of payment, please refer to the heading “How to Pay” in this SAI.
- In order to strengthen the Know Your Customer (“KYC”) norms and identify every participant in the securities market, SEBI has mandated that a Permanent Account Number (“PAN”) will be the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. Accordingly, it is mandatory for Investors to provide their respective PAN. Further, as per SEBI Circular ISD/AML/CIR-1/2010 dated February 12, 2010, asset management companies are required to obtain minimum prescribed information/documents from clients regarding the verification of the records of the identity of clients, and also undertake client due diligence irrespective of the amount of investment or the category of the Investor. Necessary supporting documents required with the Application Forms/Transaction Slip, if any, are to be submitted by the Investor(s).
 - ❖ Applications received without PAN / PAN card copy will be rejected. Submitting a copy of the evidence of having applied for PAN / Form 60 / Form 61 will not be acceptable.
 - ❖ In accordance with the regulatory guidelines, the PAN card copy needs to be verified with the original. The original PAN card will be returned immediately across the counter after verification. Alternatively, a distributor empanelled with the Fund can attest a copy. A bank manager’s attestation or a Notarised copy will also be accepted.
 - ❖ An Application Form should be complete in all respects before it is submitted. It will be treated as incomplete and rejected if:
 - i) the PAN is not mentioned;
 - ii) the PAN is mentioned but not supported by a photocopy of the PAN card;
 - iii) any other information or documents as may be required by the AMC or the Trustees have not

been submitted together with the Application Form / Transaction Slips.

- An Application Form may be accepted or rejected by the AMC in accordance with the policies laid down by, and/or the sole and absolute discretion of, the Trustees. Further, an Application Form may be rejected on the basis of the completion of the KYC requirements. Please refer to the Section on “Know Your Customer” in this Statement of Additional Information for further details. The Trustees may reject any application for Purchase of Units, if in the opinion of the Trustees, increasing the size of any or all of the Scheme's Unit Capital is not in the general interest of the Unit holders, or the Trustees for any other reason believe it would be in the best interest of the Schemes or its Unit holders to accept / reject such an application. Provided always that the Trustees' rights will be subject to applicable SEBI Regulations, if any.
- The Mutual Fund needs to use intermediaries such as post office, local and international couriers, banks and other intermediaries for correspondence with the Investor and for making payments to the Investor by cheques, drafts, warrants, through ECS etc. The Investor expressly agrees and authorizes the Mutual Fund to correspond with the Investor or make payments to the Investor through intermediaries including but not limited to post office, local and international couriers and banks. The Investor clearly understands that the Mutual Fund uses such intermediaries for the convenience of the Investor and such intermediaries are agents of the Investor and not the Mutual Fund. The Fund is not responsible for delayed receipt or non-receipt of any correspondence or payment through such intermediaries.
- The Trustees may request Investor / Unit holders to provide verification of their identity or other further details as may be required in the opinion of the Trustees under applicable Laws. This may result in a delay in dealing with the applicants, Unit holders, benefits, distribution, etc.
- Instructions for acceptance of certain transactions via facsimile or through electronic mode:
 - i) The AMC, the Mutual Fund, the Registrar or any other agent or representative of the AMC, the Mutual Fund, the Registrar ("**Recipient**") may accept certain transactions via facsimile or through any electronic mode ("**fax / electronic transactions**"), subject to the Investor fulfilling certain terms and conditions as stipulated by the AMC from time to time.
 - ii) Acceptance of fax / electronic transactions will be as permitted by SEBI or other regulatory authorities from time to time and will be solely at the risk of the transmitter of the fax / electronic transaction ("**Transmitter**") and the Recipient shall not in any way be liable or responsible for any loss, damage caused to the Transmitter directly or indirectly, as a result of the Transmitter sending or purporting to send such fax / electronic transactions including where a fax / electronic transaction sent / purported to be sent is not processed on account of the fact that it was not received by the Recipient.
 - iii) The Transmitter acknowledges that the fax / electronic transaction is not a secure means of giving instructions / transaction requests and that the Transmitter is aware of the risks involved including those arising out of such transmission being inaccurate, imperfect, ineffective, illegible, having a lack of quality or clarity, garbled, altered, distorted, not timely etc. and that the Transmitter's request to the Recipient to act on any fax / electronic transaction is for the Transmitter's convenience and the Recipient shall not be obliged or bound to act on the same.
 - iv) The Transmitter agrees that security procedures adopted by the Recipient may include signature verification, telephone callbacks or a combination of the same. Call-backs may be recorded by

tape recording device and the Transmitter consents to such recording and agrees to co-operate with the Recipient to enable confirmation of such fax / electronic transaction requests.

- v) The Transmitter further accepts that the fax / electronic transaction shall not be considered until time stamped appropriately as a valid transaction request in the Schemes in line with the SEBI Regulations.
- vi) In consideration of the Recipient from time to time accepting and at its sole discretion (including but not limited to the AMC extending / discontinuing such facilities from time to time) acting on any fax / electronic transaction request received / purporting to be received from the Transmitter, the Transmitter agrees to indemnify and keep indemnified the AMC, directors, employees, agents, representatives of the AMC, the Mutual Fund and Trustees (indemnified parties) from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs (including without limitation, interest and legal fees) and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on fax / electronic transaction requests including relying upon such fax / electronic transaction requests purporting to come from the Transmitter even though it may not come from the Transmitter.
- vii) The AMC reserves the right to discontinue the above mentioned facilities at any point in time. On-line investment facility may also be available. Please visit our website at www.benchmarkfunds.com.
- viii) Any application for Redemption, Purchase or Switch or any other instruction must be correct, complete, clear and unambiguous in all respects and should conform to the prescribed procedure/ documentation requirements, failing which the Trustees/AMC reserve the right to reject the same and in such a case the Trustees/AMC will not be responsible for any consequence therefrom. The Unit holder shall ensure that any overwriting or correction shall be countersigned by the Investor, failing which the Fund/Trustees/AMC may at its sole discretion reject such transaction request. Further, any requests for Purchase / Redemption / Switch or other transactions must be unconditional. The Fund/Trustees/AMC shall not be bound to take cognizance of any conditions placed on the transaction request and may at its sole discretion, reject such transaction request, or process the same as if the condition were not mentioned.

Mechanism of NSE & BSE for Subscription and Redemption of Units of Schemes other than ETF Schemes

Pursuant to SEBI Circular No. SEBI/IMD/CIR No. 11/183204 dated November 13, 2009 Units of the non-ETF Schemes of Benchmark Mutual Fund other than Liquid BeES are being offered for Subscription / Redemption on National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE).

The salient features of this new facility for Subscription / Redemption are as follows:

- (i) This facility will be available for both existing Unit Holders and new Investors.
- (ii) This facility is available subject to such limits, operating guidelines, terms and conditions as may be prescribed by NSE/BSE from time to time.
- (iii) This facility for Subscription and Redemption is available through all the trading members of NSE/BSE who are registered with Association of Mutual Funds of India (AMFI) and are empanelled as distributors with Benchmark Mutual Fund.
- (iv) The eligible AMFI certified trading members of NSE/BSE will be considered as the Official

- Points of Acceptance of Benchmark Mutual Fund.
- (v) Through this facility, Investors Subscribe to Units of Liquid BeES with a minimum amount of Re. 1 and in multiples thereof and redeem Units of Liquid BeES with a minimum of 0.001 Units and in multiples thereof.
 - (vi) The Units of the Schemes other than Liquid BeES which are available through this facility are not listed on NSE/BSE and the same cannot be traded on NSE/BSE.
 - (vii) Unit Holders/Investors who wish to avail this facility should register with trading members of NSE/BSE who are registered with AMFI, by submitting required documentation as prescribed.
 - (viii) Investors who wish to avail this facility have to comply with the Know Your Client (KYC) norms as prescribed, from time to time, by NSE/BSE/ NSDL/CDSL and Benchmark Mutual Fund.
 - (ix) Where the Investor desires to hold the Units in dematerialised form, the KYC performed by Depository Participant would be considered compliance with applicable requirement of SEBI.
 - (x) An Investor has an option to Subscribe the Units of the non-ETF Schemes in physical or dematerialised form. However, Units of Liquid BeES will be issued only in demat form as per its terms of offer.
 - (xi) Application for Subscription / Redemption of Units which are incomplete or invalid are liable to be rejected.
 - (xii) At present Investors can avail this facility between 9 a. m. and 3 p. m. Time stamping as evidenced by confirmation slip given by the trading member shall be considered for the purpose of determining Applicable NAV and Cut-off timing for the transaction. The Cut-off timings as mentioned in the Scheme Information Document (SID) and Key Information Memorandum (KIM) of the respective Schemes will be applicable for such transactions.
 - (xiii) Investors who Subscribe/Redeem Units in physical mode will be provided with an account statement issued by Benchmark Mutual Fund. For Investors who Subscribe/Redeem Units in dematerialised mode, the holding statement as issued by the Depository Participant would be deemed to be adequate compliance with requirements of SEBI regarding despatch of statements of account.
 - (xiv) In case existing Investors holding Units in physical mode wish to convert their Units in dematerialised mode, Benchmark Mutual Fund will facilitate the same through Registrar & Transfer Agents, Depositories and Depository Participants.
 - (xv) For any changes/modification in non-financial transaction like change of address, change in bank account details, etc, the Investor should approach Benchmark Mutual Fund if the Units are held in physical form and their Depository Participant if the Units are held in dematerialised form.

All other terms, conditions and other matters as mentioned in the Statement of Additional Information (SAI), SID and KIM shall remain unchanged. The Trustee reserves the right to change/modify the features of this facility at a later date.

Mechanism for transactions through clearing members of the registered Stock Exchanges and Depository Participants of registered Depositories

Pursuant to SEBI circular CIR/IMD/DF/1 7/2010 dated November 9, 2010, Units of Schemes of the Mutual Fund would be permitted to be transacted through clearing members of the registered Stock Exchanges and Depository Participants of registered Depositories would be permitted to process only Redemption request of Units held in demat form.

For Investors / Unit holders having demat account and purchasing and Redeeming Units through stock brokers and clearing members, the following shall be applicable:

- Receive Redemption amount (if Units are Redeemed) and Units (if Units are Purchased) through broker/clearing member's pool account. The Mutual Fund / AMC would pay proceeds to the broker/clearing member (in case of Redemption) and broker/clearing member in turn to the respective Investor and similarly Units shall be credited by the Mutual Funds /AMC into broker/clearing

member's pool account (in case of Purchase) and broker/clearing member in turn to the respective Investor.

- Payment of Redemption proceeds to the broker/clearing members by the Mutual Fund /AMC shall discharge the Mutual Fund /AMC of its obligation of payment to individual Investor. Similarly, in case of Purchase of Units, crediting Units into broker/clearing member pool account shall discharge the Mutual Fund /AMC of its obligation to allot Units to individual Investor.

The following may be noted in this regard:

- Clearing members and Depository Participants will be eligible to be considered as Official Points of Acceptance as per SEBI Circular No. SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006 and conditions stipulated in SEBI Circular dated November 13, 2009 for stock brokers viz. AMFI /NISM certification, code of conduct prescribed by SEBI for Intermediaries of mutual fund, shall be applicable for such clearing members and Depository Participants as well.
- Stock exchanges and Depositories shall provide Investor grievance handling mechanism to the extent they relate to disputes between their respective regulated entity and their client and shall also monitor the compliance of code of conduct specified in the SEBI Circulars MFD/CIR/20/23230/02 dated November 28, 2002 and SEBI/IMD/08/1 74648/2009 dated August 27, 2009 regarding empanelment and code of conduct for intermediaries of Mutual Funds.

Applications through ASBA

“Applications Supported by Blocked Amount” or “ASBA”: An application containing an authorization given by the Investor to block the application money in the Investor's specified bank account towards the Subscription of Units offered during the NFO of the Schemes of Benchmark Mutual Fund. If an Investor is applying through ASBA facility, the application money towards the Subscription of Units shall be debited from the Investor's specified bank account only if application of the Investor is selected for allotment of Units.

Investors under ASBA can also Subscribe to NFO of the Schemes by making physical or electronic application through SCSB for utilising ASBA facility. SCSB means a bank registered with SEBI to offer the facility of applying through the ASBA process. ASBAs can be accepted only by SCSBs, whose names appear in the list of SCSBs as displayed by SEBI on its website at www.sebi.gov.in.

Additional mode of payment through ASBA:

Pursuant to SEBI circular vide ref no. SEBI/IMD/CIR No. 18/198647/2010 dated March 15, 2010, an Investor can Subscribe to Units during NFO through ASBA facility by applying in the ASBA application form and following the procedure as prescribed therein.

Benefits of Applying through ASBA facility:

- a) The Investor need not issue a cheque or a demand draft, as the Investor needs to submit the ASBA application form accompanying an authorization to block the account to the extent of application money towards Subscription of Units of the Scheme in the NFO. The Investor can use the balance money, if any, for other purposes.
- b) Release/unblocking of blocked funds after allotment is done instantaneously.
- c) As the application amount remains in the Investor's bank account, the Investor continues to earn interest till the allotment is made.
- d) Refunds of money to the Investors do not arise as the application money towards Subscription of Units is debited only on the allotment of Units.
- e) Investor deals with a known intermediary (i.e. his/her/their own bank).

ASBA Procedure

- i) An Investor intending to Subscribe to the Units of the Scheme during the NFO through ASBA facility shall submit a duly completed ASBA application form to a SCSB with whom such Investor's bank account

is maintained.

ii) The ASBA Application Form towards the Subscription of Units can be submitted through one of the following modes:

- submit the form physically with the Designated Branches of SCSB (“Physical ASBA”); or
- submit the form electronically through the internet banking facility offered by the SCSB (“Electronic ASBA”).

iii) An acknowledgement will be given by the SCSB in the form of the counter foil or specifying the application number for reference. Such acknowledgement does not guarantee, in any manner, that the Investors will be allotted the Units he has applied for.

Note: The application would be rejected by the Bank, if the bank account specified in the ASBA application form does not have sufficient credit balance to meet the application money towards the Subscription of Units of the Scheme in the NFO.

iv) On acceptance of physical or electronic ASBA, the SCSB shall block funds available in the specified bank account to the extent of application money specified in ASBA application Form.

v) Application money towards the Subscription of Units shall be blocked in the account until (i) allotment of Units is made or (ii) the application is rejected.

vi) SCSBs shall unblock the bank accounts for (i) transfer of requisite money to the Mutual Fund / Scheme bank account against each valid application on allotment or (ii) in case the application is rejected.

vii) The list of SCSBs and their DBs where ASBA application form can be submitted is available on the websites of BSE (www.bseindia.com), NSE (www.nseindia.com) and SEBI (www.sebi.gov.in) and shall also be given in the ASBA application form.

Grounds for Technical Rejections of ASBA application forms

ASBA application forms can be rejected, at the discretion of Registrar and Transfer Agent of Benchmark Mutual Fund or AMC or SCSBs including but not limited on the following grounds-:

- i) Applications by persons not competent to contract under the Indian Contract Act, 1872, including but not limited to minors, insane persons etc.
- ii) Mode of ASBA i.e. either physical ASBA or electronic ASBA is not selected or ticked.
- iii) ASBA application form without the stamp of the SCSB.
- iv) Application by any person outside India if not in compliance with applicable foreign and Indian Laws.
- v) Bank account details not given/incorrect details given.
- vi) Duly certified power of attorney, if applicable, not submitted along with the ASBA application form.
- vii) No corresponding records available with the Depositories matching the parameters namely (a) Names of the ASBA applicants (including the order of names of joint holders) (b) DP ID (c) Beneficiary account number or any other relevant details pertaining to the Depository account.

Mechanism for Redressal of Investor Grievances:

All grievances relating to the ASBA facility may be addressed to the respective SCSBs, giving complete details such as name & address of the applicant, number of Units applied for, counterfoil or the application reference given by the SCSBs or Controlling Branches/Designated Branches of SCSBs, amount paid on application and the Designated Branch or the collection centre of the SCSB where the application form was submitted.

If the SCSB is not able to resolve the grievance, Investors should write to M/s. Karvy Computershare Pvt. Ltd. (Karvy), Hyderabad, Registrar and Transfer Agent of Benchmark Mutual Fund, or to Mr. Rajdeep Basu, Investor Relation Officer of Benchmark Mutual Fund at 405, Raheja Chambers, 405 Raheja Chambers, Free Press Journal Marg, 213, Nariman Point, Mumbai 400 021

Mode of payment

Domestic Unit holders

Investors having a bank account with such banks with whom the AMC would have an arrangement from

time to time, can make payment towards Subscription to the Units of the Schemes either by issuing a cheque drawn on such bank or by giving debit instruction to their account with any branch of such banks with whom the AMC would have arrangement from time to time.

For other Investors not covered above, payment may be made by cheque/draft, drawn locally on any bank, which is a member of the Bankers Clearing House located at the place where the Application Form is submitted.

No cash, money orders, stockinvests, outstation cheques, postdated cheques (except under the SIP facility, during continuous offer) and postal orders would be accepted as a valid mode of payment. Bank charges for out-station demand drafts (as defined herein) will have to be borne by the Investor. An out-station demand draft has, for this purpose, been defined as a demand draft issued by a bank in a place where there is no collection centre provided for the Investors. The Fund will not entertain any requests for refund of demand draft charges.

All cheques and bank drafts must be drawn in such name as mentioned in the Application Form and crossed "Account Payee only". A separate cheque or bank draft must accompany each Application Form / each Scheme. Investors must use separate Application Forms for investing simultaneously in more than one Scheme or Option of the Scheme subject to minimum application account for such Option. The Application Forms together with the cheque / demand draft / payment instruction or copy of the electronic instruction can be tendered at any of the Official Points of Acceptance No receipt will be issued for the application money. The bankers to the offer or their respective designated branches or any authorized collection agents/centers who receive the Application Form shall stamp and return the "Acknowledgment Slip" thereby acknowledging receipt of the Application Form. The Investors are requested to preserve the acknowledgement slip duly stamped by the collecting bank/center etc. This shall be subject to final verification and scrutiny by the bankers/Trustee/AMC that the cheque/demand draft and Application Form are in order/valid.

It is mandatory for every applicant to provide their name of the bank, branch, address, account type and number as per SEBI requirements and any Application Form / Transaction Slip (if applicable) without these details will be rejected. In addition to this, the investor will also be required to provide a blank cancelled cheque copy of the bank account mentioned in the application for verification. In order to protect Investors from frauds, it is advised that the Application Form number / folio number and name of the first Investor should be written at the back of the cheque / draft before they are handed over to any courier / Distributor / Official Points of Acceptance.

Note: Returned cheques will not be presented again for collection and the accompanying Application Forms shall not be considered for allotment. In case the returned cheque(s) are presented again the necessary charges are liable to be debited to the Investor.

Restriction on third party payments

Benchmark Mutual Fund/Benchmark Asset Management Company Pvt. Ltd. shall not accept applications for Subscriptions of Units which are accompanied by Third Party Payments. Third Party Payments means the following:

- a) When payment is made through instruments issued from an account other than that of the beneficiary Investor, the same is referred to as Third Party Payment.
- b) In case of payments from a joint bank account, the first holder of the mutual fund folio has to be one of the joint holders of the bank account from which payment is made.

However, in the following exceptional situations, applications with Third Party Payments would be accepted subject to submission of documents and declarations:

- a) Payment by Parents/Grand-Parents/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs. 50,000/- (each regular Purchase or per Systematic Investment Plans/Value Averaging Investment Plans installment). However this restriction will not be applicable for payment made by a guardian whose name is registered in the records of Mutual Fund in that folio.
- b) Payment by Employer on behalf of employee under Systematic Investment Plans/Value Averaging Investment Plans or lump sum / one-time Subscription, through payroll deductions.
- c) Custodian on behalf of an Foreign Institutional Investor or a client.

The additional documents and declarations required to be submitted alongwith the applications with Third Party Payments for exceptional situations are mentioned above are:

- a) mandatory KYC for Investor/Unit holder and the person making the payment. Investors/Unit holder and the person making the payment should submit the KYC Acknowledgement Letter along with the application for Purchase.
- b) duly filled and signed declaration from the Investor/Unit holder and the person making the payment. Declaration by the person making the payment should give details of the bank account from which the payment is made and the relationship with the beneficiary.

In case the Investor/Unit holder is a minor, then the KYC Acknowledgement Letter and declaration to be submitted shall be of the guardian.

Investors/Unit holders are requested to take note of the following:

- (i) Where the application for Purchase is accompanied by a cheque, then the Investor/Unit holder at the time of their Purchase must provide the details of their pay-in bank account (i.e. account from which a Subscription payment is made) and their pay-out bank account (i.e. account into which Redemption/Dividend proceeds are to be paid).
- (ii) Where the application is accompanied by a Pay Order, Demand Draft, Banker's cheque, etc., a Certificate in original from the Issuing banker on its letter head must accompany the application for Purchase, stating the Account holder's name and the Account number which has been debited for issue of the instrument. This Certificate should be certified by the bank manager with his/her full signature, name, employee code, bank seal and contact number. The account number mentioned in the Certificate should be a pre-registered bank account or the first named Unit holder/Investor should be one of the account holders of such bank account.
- (iii) An application for Purchase which is accompanied by pre-funded instrument issued by the Bank against Cash shall be accepted for investments less than Rs. 50,000/-. The Investor shall submit a Certificate in original from the banker on its letter head giving name, address and PAN (if available) of the person who has requested for the demand draft. This Certificate should be certified by the bank manager with his/her full signature, name, employee code, bank seal and contact number.
- (iv) An application for Purchase for which payment is made by RTGS, NEFT, ECS, bank transfer, etc., must be accompanied by a copy of the instruction to the bank stating the account number debited. The account number mentioned in the instruction for the transfer to the bank should be a pre-registered bank account or the first named Unit holder/Investor should be one of the account holders of the bank account from which the instructions for fund transfer has been provided.

Unit holders/Investors availing MFSS of National Stock Exchange of India Ltd. (NSE) or BSE STAR MF of Bombay Stock Exchange Ltd. (BSE) for Subscription / Redemption of unlisted Schemes and buying Units of listed Schemes on NSE and BSE will have to comply with rules and regulation of the stock exchanges.

The above list is indicative and not exhaustive. Benchmark Mutual Fund/Benchmark Asset Management Company Pvt. Ltd. may adopt any other procedure it deems fit in order to ascertain whether the application for Purchases are accompanied by Third Party Payments and reserves the right to change/alter the above provisions. Benchmark Mutual Fund/Benchmark Asset Management Company Pvt. Ltd. shall adopt the above procedure as and when it introduces any new method of payment.

Benchmark Mutual Fund/Benchmark Asset Management Company Pvt. Ltd. reserves the right at its absolute discretion to reject/not process the application which does not comply with the above provisions and refund the application money. Benchmark Mutual Fund/Benchmark Asset Management Company Pvt. Ltd. shall not be liable in any manner whatsoever for such rejections.

Important

All cheques and bank drafts accompanying the Application Form should contain the Application Form number on its reverse. As per the directive issued by SEBI vide their letter IIMARP/CIR/07/826/98 dated April 15, 1998, it is mandatory for applicants to mention their bank account numbers in their applications for Purchase or Redemption of Units. This is to prevent fraudulent encashment of Dividend/Redemption/refund cheques. If the data is not provided, neither the Fund (or the Trustees) nor the AMC will be liable for any delay/non receipt of refund, Redemption/Dividend payments.

Note: The Trustees, at its discretion at a later date, may choose to alter or add other modes of payment in accordance with the applicable Laws.

Permanent Account Number (PAN)

SEBI has made it mandatory for all applicants including NRIs and minors (in the case of application in joint names, then each of the applicants) to mention their PAN issued by the Income Tax authorities irrespective of the amount of transaction. However, Investors resident in the state of Sikkim, Central Government, State Government, officials appointed by the courts e.g. official liquidator, court receiver etc. (under the category of Government) are exempted from the mandatory requirement of PAN for transacting in securities market. This would be subject to collecting necessary documentary evidence by the AMC/Fund to verify the veracity of the claim. Further, investments through Micro SIP/VIP, i.e. SIPs/VIPs where aggregate of installments per year per Investor does not exceed Rs 50,000, will be exempt from the requirement of PAN. This exemption will be applicable only to investments by individuals (including NRIs but not PIOs), minors and sole proprietary firms. HUFs and other categories will not be eligible for Micro SIPs. Micro SIP/VIP facility is offered subject to submission of any one of the necessary photo identification documents as proof of identification in lieu of PAN.

In order to verify that the PAN of the applicants (in case of application in joint names, each of the applicants) has been duly and correctly quoted therein, the applicants shall attach with the Application Form, a photocopy of the PAN card duly self-certified along with the original PAN Card. The original PAN Card will be returned immediately across the counter after verification. Alternatively, a distributor empanelled with the Fund can attest a copy. A Bank Manager's attestation or a Notarised copy will also be accepted.

Application under Power of Attorney/Companies/Body Corporate/Society/Trust

In case of an application under a Power of Attorney ("PoA") or by a limited company or a body corporate or a registered society or a trust, the original PoA or the certified copy containing the signature of both the applicant and the constituted attorney duly notarised or the relevant resolution or authority to make the application as the case may be or duly certified copy thereof along with a certified copy of memorandum and articles of association and/or bye-laws must be lodged along with the Application Form and a separate set of all the documents shall be submitted to the Collection Centres/Registrars.

Applications are liable to be rejected if the PoA is not submitted. The enclosure of original PoA should be duly indicated in the Application Form / Transaction Slips. Further, the PoA holder and the Investor are

both required to be KYC compliant in their individual capacities and attach each of their respective KYC Acknowledgement Letters with the Application Form. Please refer to the Section on “Know Your Customer” in this Statement of Additional Information for further details.

Subscription by minor in case of allotment in physical mode i.e. through account statement and not in demat mode

A. On behalf of minor accounts

1. A minor can only be the first and sole holder in an account. There cannot be any joint account holder with a minor as the first or joint holder.
2. Guardian in the folio on behalf of the minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian.
3. Information on the relationship / status of the guardian as father, mother or legal guardian shall mandatorily have to be mentioned in the Application Form.
4. In case of natural guardian, a document evidencing the relationship shall be required to be submitted if the same is not available as part of the documents submitted in support of date of birth.
5. In case of court appointed legal guardian, supporting documentary evidence shall be required to be submitted.
6. The following documents evidencing the date of birth of the minor shall mandatorily be required to be submitted:
 - a. Birth certificate of the minor, or
 - b. School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or
 - c. Passport of the minor, or
 - d. Any other suitable proof evidencing the date of birth of the minor.

B. Minor attaining majority – status change: When the Units are held on behalf of the minor, the ownership of the Units rests with the minor. A guardian operates the account until the minor attains majority.

1. Prior to minor attaining majority, Benchmark Asset Management Company Private Ltd. (“the AMC”) / Benchmark Mutual Fund (“the Mutual Fund”) will send advance notice to the registered correspondence address advising the guardian and the minor to submit an Application Form along with prescribed documents (as mentioned below) to change the status of the account to “major”. The notice will clearly state that the guardian cannot undertake any financial and non-financial transactions including fresh registration of Systematic Transfer Plan (STP), Value Averaging Transfer Plan (VTP), Systematic Investment Plan (SIP), Value Averaging Investment Plan (VIP) and Systematic Withdrawal Plan (SWP) after the date of the minor attaining majority till the time the Application Form along with the prescribed documents are received by the AMC / Mutual Fund. Existing standing instructions like SIP, VIP, STP, VTP, SWP registered prior to the minor attaining majority will continue to be processed beyond the date of the minor attaining majority till the time an instruction from the major to terminate the standing instruction is received by the AMC / Mutual Fund along with the application and prescribed documents. The standing instruction will be terminated within 30 days of receiving the instruction.
2. The account will be frozen for operation by the guardian on the day the minor attains the age of majority and no transactions will be permitted till the documents for changing the status are received by the AMC.
3. Following is the list of standard documents required to change account status from minor to major:
 - a. Services Request form, duly filled and containing details like name of major, folio numbers, etc.
 - b. New Bank mandate where account changed from minor to major,
 - c. Signature attestation of the major by a manager of a scheduled bank / Bank Certificate / Letter,
 - d. KYC acknowledgement of the major.

C. Change in guardian

When there is a change in guardian either due to mutual consent or demise of the existing guardian, the following documents will be required to be submitted to the AMC in order to register the new guardian:

1. Request letter from the new guardian,
2. No Objection Letter (NoC) or Consent Letter from existing guardian or court order for the new guardian, in case the existing guardian is alive.
3. Notarized copy or attested copy of the death certificate of the deceased guardian, where applicable. The attestation may also be done by a special executive magistrate, AMC / Mutual Fund authorised official or manager of a scheduled bank.
4. The new guardian must be a natural guardian (i.e. father or mother) or a court appointed legal guardian. In case of a natural guardian, a document evidencing the relationship shall be required to be submitted if the same is not available as part of the documents submitted as per point A6 above. In case of court appointed legal guardian, supporting documentary evidence shall be required to be submitted.
5. Bank attestation attesting the signature of the new guardian in a bank account of the minor where the new guardian is registered as the guardian.
6. KYC of the new guardian.

Application by non-individual Investors

In case of an application by a company, body corporate, society, mutual fund, trust or any other organisation not being an individual, a duly certified copy of the relevant resolution or a document providing evidence of the authority of the organisation to invest in Units of mutual fund(s) such as the Schemes, along with the updated specimen signature list of authorised signatories must be lodged along with the Application Form / Transaction Slip at the Official Points of Acceptance, if not submitted earlier. Further, the AMC may require that a copy of the incorporation deeds / constitutive documents (e.g. memorandum of association and articles of association) and such other documents, as may be required by the AMC, be submitted.

Subscription by NRIs/PIOs

In terms of Schedule 5 of Notification no. FEMA 20/2000 dated May 3, 2000, the RBI has granted general permission to NRIs to Purchase, on repatriation basis, Units of domestic mutual funds. Further, the RBI has granted general permission to domestic mutual funds referred to in Clause (23D) of Section 10 of the Income Tax Act, 1961 to issue Units and repurchase Units of their Schemes which are approved by the SEBI to NRIs/PIOs at their places of residence or location as the case may be.

Repatriation basis

NRI/PIO applications on a repatriation basis will be accepted, if the amount representing the investment is received by inward remittance through normal banking channels or by debit to Non-Resident (External) Rupee Account (NRE)/Foreign Currency (Non-Resident) Account (FCNR) maintained with the authorized dealer.

Non-Repatriation basis

In case of NRIs/PIOs seeking to apply on a non-repatriation basis, payment may be made by inward remittance through normal banking channels or by debit to the NRE/FCNR/Non-Resident Ordinary Rupee (NRO) account maintained with the authorized dealer.

All cheques/drafts accompanying applications for repatriation or non-repatriation basis should be made and crossed "Account Payee Only". In case Indian Rupee drafts are purchased abroad or from FCNR/NRE A/c, an account debit certificate from the Bank issuing the draft confirming the debit shall also be enclosed.

Subscriptions by FIIs

RBI has granted general permission to domestic mutual funds referred to in Clause (23D) of Section 10 of

the Income Tax Act, 1961 to issue Units and repurchase Units of their Schemes which are approved by the SEBI to FIIs and to make payments therefore. FIIs shall pay their Subscription amount either by inward remittance through normal banking channels or out of funds held in Non-Resident (External) Rupee Account (NRE)/Foreign Currency (Non-Resident) Account (FCNR) or Non-Resident Ordinary Rupee Account (NRO) maintained with a designated bank in India. The application must provide the FII's Special Non Resident Rupee Deposit Account details maintained with any one of the RBI designated banks. For KYC purposes, FIIs will be required to provide the letter and certificate of registration issued by SEBI, the authorised signatory list with specimen signatures of such authorized signatories, required documents duly certified as proof of the permanent overseas address

How to Apply for Know Your Customer (KYC)

- Investors who wish to obtain a KYC Acknowledgement Letter have to submit a completed Application Form for Know Your Customer (KYC) alongwith the prescribed documents listed in the KYC Form at any of the Point of Service (POS). The KYC form is available on our website i.e. www.benchmarkfunds.com and on the website of AMFI i.e. www.amfiindia.com. The list of POS is available on the website of AMFI i.e. www.amfiindia.com.
- On submission of KYC Form, documents and information to the satisfaction of the POS, the Investor will be issued a provisional KYC Acknowledgement Letter across the counter.
- Subsequently, CDSL Ventures Ltd., the Central Agency for processing the application and documents, would verify the information and documents submitted by the Investor. The verification process will be completed within 10 Working Days from the date of provisional KYC Acknowledgement Letter. In case the application and documents are not sufficient or in case of any deficiency, intimation will be sent to the Investors.
- In case of any deficiency in documents and information, CDSL Ventures Ltd. may cancel the KYC Acknowledgement Letter within 10 days of issue of the provisional KYC Acknowledgement Letter.
- The KYC status will be validated with the records of the Central Agency after the application is submitted and before the allotment of Units.

Who can apply for KYC

- All Investors, both individual and non-individual can apply for the KYC Compliance.
- In case of minors, the investment should be through a Guardian, who should be KYC compliant for the purpose of investing with a Mutual Fund.
- Applicants / Unit holders who wish to apply through a power of attorney should ensure that the issuer of PoA and holder of PoA are KYC compliant.

Status of First Applicant

In the event that the Investor has not mentioned the status of the first applicant, (i.e. whether the first applicant is an individual, HUF, company, etc.), it shall be deemed as 'others' and the tax rates (including the tax on Dividend distribution) applicable to a resident Indian company would be applicable to such an Investor.

III. RIGHTS OF UNIT HOLDERS OF THE SCHEME

1. Unit holders of the Schemes have a proportionate right in the beneficial ownership of the assets of the Schemes.
2. The Mutual Fund shall allot Units / refund money and dispatch statements of accounts to Unit holders within a period of five (5) business days from the closure of the NFO of the relevant Scheme. All Schemes (except Equity Linked Saving Scheme ("ELSS"), if any) shall be available for ongoing repurchase/ Redemption within a period of five (5) business days of allotment of Units of the Scheme. When the Mutual Fund declares a Dividend under the Schemes, the Dividend warrants shall be

dispatched within 30 days of the declaration of the Dividend. Account statements reflecting the new or additional Subscription as well as Redemption / Switch of Units shall be dispatched to the Unit holder within 10 working days of the specified Redemption / Switch date. Provided if a Unit holder [of an open ended Scheme] so desires the Mutual Fund shall issue a Unit certificate (non-transferable) within 5 working days of the receipt of request for the certificate. An Investor in a close ended Scheme whose application has been accepted shall have the option either to receive the statement of accounts or to hold Units in dematerialised (demat) form and the AMC shall issue to such Unit holder, a statement of accounts specifying the number of Units allotted to the Unit holder or issue Units in dematerialised form as soon as possible but not later than 30 days from the date of closure of the initial Subscription list. Pursuant to SEBI Circular dated August 18, 2010, Units of all mutual fund schemes held in demat form will be freely transferable. However, restrictions on transfer of Units of ELSS schemes during the lock-in period shall continue to be applicable as per the ELSS Guidelines (effective from October 13, 2010). Further as per SEBI Circular dated May 19, 2011, with effect from October 1, 2011, all Investor / Unit holders of the Schemes of the Fund will be provided an option to receive allotment / hold Units of the Schemes in dematerialized form.

3. The Mutual Fund shall dispatch Redemption proceeds within 10 working days of receiving the Redemption request. In the event of failure to dispatch the Redemption proceeds within the above time, interest at such rate as may be specified by SEBI, would be paid to the Unit holders for the period of delay.
4. The Trustees are bound to make such disclosures to the Unit holders as are essential in order to keep the Unit holders informed about any information known to the Trustees which may have a material adverse bearing on their investments.
5. The appointment of the AMC for the Fund can be terminated by a majority of the directors of the Trustee Company or by Unit holders representing 75% of the Units of a particular Scheme of the Fund and any change in the appointment of the AMC shall be subject to the prior approval of SEBI and the Unit holders of the respective Schemes.
6. Unit holders representing 75% of the Units of a particular Scheme can pass a resolution to wind- up a Scheme.
7. The Trustee shall obtain the consent of the Unit holders:
 - i) whenever required to do so by SEBI, in the interest of the Unit holders.
 - ii) whenever required to do so if a requisition is made by Unit holders representing three-fourths of the Units of the Scheme.
 - iii) when the Trustee decides to wind up the Scheme or prematurely Redeem the Units of a Scheme.

The Trustees shall ensure that no change in the fundamental attributes of any Schemes or the Mutual Fund or fees and expenses payable or any other change which would modify the Schemes and materially affects the interest of Unit holders, shall be carried out unless:

- i) a written communication about the proposed change is sent to each Unit holder and an advertisement is given in one english daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the Mutual Fund is situated; and
 - ii) the Unit holders are given an option to exit at the prevailing NAV without any Exit Load.
8. Subject to the SEBI Regulations and the guidelines issued by SEBI, in specific circumstances, where the approval of the Unit holders of the Schemes is sought on any matter, the same will be obtained by way of a postal ballot or such other means as may be approved by SEBI or as may be prescribed by

SEBI.

9. Unit holders have the right to inspect all the documents listed under "Documents Available for Inspection" in this Statement of Additional Information.

10. Voting Right of the Unit Holders

Subject to the provisions of Regulations as amended from time to time, the consent of the Unit Holders shall be obtained, if necessary through postal ballot/mail or any other mode, in consultation with SEBI, if required. Each Unit holder shall be entitled to one vote for each Unit held in respect of each resolution to be passed. Detailed modalities of the same, including the principles for entitlement of votes for each Unit holder will be finalized in consultation with and after obtaining the approval of Trustee and of SEBI, if required.

All issues to be voted upon will be intimated to Unit holders by mail/courier. The Trustees would fix a record date to determine the Unit holders who would be eligible to vote. Unit holders are entitled to one vote per Unit held on all matters to be voted upon by Unit holders. Issues to be put to vote will be sent out to Unit holders on record along with an explanation from the Trustee as to why the vote is being requested. A ballot paper will also be sent to Unit holders. In case of joint holders, the ballot paper shall be sent to the first named holder. Unit holders will be requested to respond by mailing back their ballot paper by a specified cut-off date. Duly completed and signed ballots received on or before the close of working hours on the cut-off date would be considered a valid ballot. Valid ballots will be counted and if more than 50% of the valid ballots received vote for the proposal then the proposal will stand carried and will be made binding on all Unit holders in the Scheme. Unit holders who oppose the proposal will be allowed to Redeem their holdings in the Scheme in the manner specified by SEBI Regulations. As each ballot may contain more than one proposal, Unit holders who cast a negative vote on any one of the proposals will be allowed to Redeem their holdings in the Scheme as aforesaid. Unit holders will be informed of the results of the voting either by mail or through an advertisement or by such other means as may be decided by the Trustee. All proposals that have been accepted by Unit holders will come into effect on the next Business Day following the date on which the valid ballots were counted or any other date as specified in advance to Unit holders. In all matters to be voted upon the Unit holders will be requested to return their ballots to the offices of the Scheme's Registrar & Transfer Agent ("**R&T Agent**") and the R&T Agent will conduct the counting of the ballots in the presence of an independent third party. Unit holders can inspect the votes cast, if so required by them, at the office of the R&T Agent in Mumbai. The votes will be preserved for a period of one month after the cut-off date. The Fund shall follow any other voting policy specified by SEBI for seeking Unit holders consent.

11. Efficient and Timely Processing of Transactions

The Mutual Fund endeavours to process Investor applications in an efficient and timely manner. The Mutual Fund provides the following services:

- Investor Service Centres of the AMC, and of the Registrar in major metros, details of which are provided on the website of the Mutual Fund.
- The AMC presently has an agreement / contract / service level agreement with the Registrar who has set up Investor Service Centres in various cities. Over a period of time, the AMC will endeavour to add further Investor Service Centres and / or sales offices in other cities.
- Each Investor Service Centre of the AMC provides Investors with requisite information and help in processing transactions in the Schemes of the Fund.

Process transactions in a timely manner.

Under normal circumstances, the Fund will endeavour to complete monetary transactions such as dispatch of Redemption proceeds generally within 3 Working Days but not later than 10 Working Days from the date of Redemption from the Schemes at the Official Points of Acceptance.

Ordinarily, non-monetary transactions or requests such as change of address, bank details, etc. will be processed (with the exception of issue of Unit certificates) within 10 calendar days under the Schemes.

Investors should note that completion of monetary / non-monetary transactions within the respective number of Working Days as indicated above, would be done on "reasonable efforts" basis and completion of all such transactions are subject to the time limits as prescribed under the SEBI Regulations.

12. Information about the Schemes

In addition to the periodic disclosures by the AMC mentioned in the Scheme Information Document, the AMC may produce and mail to existing Unit Holders, periodic reports on the functioning of the Fund and the Schemes. The same may also be placed on the AMC's website (www.benchmarkfunds.com) to provide existing and potential Investors with a summary of the current thinking of the AMC and outline the investment strategy with respect to the Schemes.

Subject to the Unit Holder providing such documents as the Trustees / AMC may deem fit and necessary, the Trustees / AMC may in its absolute discretion, and in compliance with and as may be required under applicable Laws and the SEBI Regulations, authorise the disclosure to such Unit Holder of information pertaining to the Schemes. The Trustees / AMC may not supply information to any Unit Holder under circumstances where it reasonably believes that such disclosure involves a material risk of information being utilised contrary to the best interests of the Unit Holders of the Schemes.

13. Receiving Account Statement / Correspondence by e-mail

The AMC will encourage the Investors to provide their e-mail addresses for all correspondence. The AMC will endeavour to send account statements and any other correspondence (in accordance with the SEBI Regulations) including annual reports using e-mail as the mode for communication as may be decided from time to time.

The Unit Holder will be required to download and print the account statement after receiving the e-mail from the AMC. Should the Unit Holder experience any difficulty in accessing the electronically delivered account statement, the Unit Holder shall promptly advise the AMC to enable the AMC to make the delivery through alternate means. Failure to advise the AMC of such difficulty within 24 hours after receiving the e-mail will serve as an affirmation regarding the acceptance by the Unit Holder of the account statement.

It is deemed that the Unit Holder is aware of all security risks including possible third party interception of the account statements and content of the account statements becoming known to third parties.

Subject to applicable Laws, the Fund or anyone involved in creating, producing, delivering or managing the account statements of the Unit Holders, shall not be liable for any direct, indirect, incidental, special or consequential damages that may result from the use of or inability to use the

service or out of the breach of any warranty. The use and storage of any information including, without limitation, the password, account information, transaction activity, account balances and any other information available on the Unit Holder's personal computer is at the risk and sole responsibility of the Unit Holder.

IV. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

Valuation of Assets and Net Asset Value

The NAV of the Units of the Schemes will be computed by dividing the net assets of the Schemes by the number of Units outstanding on the valuation date. The Fund shall value its investments according to the valuation norms, as specified in Schedule VIII of the Regulations or such norms as may be prescribed by SEBI from time to time. The broad valuation norms are detailed below. These norms are indicated based on the current Regulations and the circulars, guidelines/ instructions issued by SEBI.

A. Traded Securities

1. The Securities shall be valued at the last quoted closing price on the National Stock Exchange of India Limited (NSE). If a Security is not traded on NSE, it will be valued at the last quoted closing price on Bombay Stock Exchange Limited (BSE). If a Security is not traded on BSE and NSE, it will be valued at the last quoted closing price on other recognised stock exchange where the Security is traded.
2. When the Securities are traded on more than one recognized stock exchange (other than the BSE or NSE), the Securities shall be valued at the last quoted closing price on the stock exchange where the Security is principally traded. It would be left to the AMC to select an appropriate stock exchange, but the reason for selection should be recorded in writing. There should, however, be no objection for all the securities to be being valued at the prices quoted on the stock exchange where majority in value of the investments are principally traded.
3. Once a stock exchange has been selected for valuation of a particular Security, reasons for change of the exchange shall be recorded in writing by the AMC.
4. When on a particular valuation day, a Security has not been traded on a selected stock exchange, the value at which it is traded on another stock exchange may be used.
5. When a Security (other than debt Securities) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to valuation date.
6. When a debt Security (other than Government Securities) is not traded on any stock exchange on a any particular valuation day, the value at which it was traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than fifteen days prior to valuation date. When a debt Security (other than Government Securities) is purchased by way of private placement, the value at which it was bought may be used for a period of fifteen days beginning from the date of purchase.

B. Thinly Traded Securities:

(i) Thinly Traded Equity/Equity Related Securities:

Thinly traded Securities as defined in the Regulations shall be valued in the manner as specified in the guidelines issued by SEBI, as follows:

When trading in an equity/equity related Security (such as convertible debentures, equity warrants, etc.) in a month is both less than Rs. 5 lacs and the total volume is less than 50,000 shares, it shall be considered as a thinly traded Security and valued accordingly.

For example, if the volume of trade is 100,000 and value is Rs. 400,000 the Security does not

qualify as thinly traded. Also if the volume traded is 40,000 but the value of trades is Rs. 600,000 the Security does not qualify as thinly traded.

In order to determine whether a Security is thinly traded or not, the volumes traded in all recognized stock exchanges may be taken into account.

Where a stock exchange identifies the "thinly traded" Securities by applying the above parameters for the preceding calendar month and publishes/provides the required information along with the daily quotations, the same can be used by the Schemes.

If the Security is not listed on the stock exchanges which provide such information, then it will be obligatory on the part of the mutual fund to make its own analysis in line with the above criteria to check whether such Securities are thinly traded which would then be valued accordingly.

In case trading in an equity Security is suspended upto 30 days, then the last traded price would be considered for valuation of that Security. If an equity Security is suspended for more than 30 days, then the AMC / Trustees will decide the valuation norms to be followed and such norms would be documented and recorded.

(ii) Thinly Traded Debt Securities

Thinly traded debt Securities as defined in the Regulations shall be valued in the manner as specified in the guidelines issued by SEBI, as follows:

A debt Security (other than Government Securities) shall be considered as a thinly traded Security if on the valuation date, there are no individual trades in that Security in marketable lots (currently Rs. 5 Crores) on the principal stock exchange or any other stock exchange.

A thinly traded debt Security as defined above would be valued as per the norms set for non-traded debt Security.

C. Non-traded Securities

When the Security (other than Government Securities) is not traded on any stock exchange for a period of 30 days prior to the valuation date, the Security shall be treated as a "non-traded" Security.

Valuation of Non-Traded/Thinly Traded Security

Non traded/thinly traded Securities shall be valued "in good faith" by the AMC on the basis of the valuation principles laid down below:

(I) Non-traded / thinly traded equity Securities:

- a) Based on the latest available Balance Sheet, net worth shall be calculated as follows:
Net Worth per share = [share capital + reserves (excluding revaluation reserves) - Miscellaneous expenditure and Debit Balance in P&L A/c] Divided by No. of Paid up Shares.
- b) Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.
- c) The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share.

- d) In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.
- e) In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.
- f) In case an individual security accounts for more than 5% of the total assets of the Scheme, an independent valuer shall be appointed for the valuation of the said Security.
- g) To determine if a security accounts for more than 5% of the total assets of the Scheme, it should be valued by the procedure above and the proportion which it bears to the total net assets of the Scheme to which it belongs would be compared on the date of valuation.

In case trading in an equity Security is suspended upto 30 days, then the last traded price would be considered for valuation of that Security. If an equity Security is suspended for more than 30 days, then the AMC/Trustees will decide the valuation norms to be followed and such norms would be documented and recorded.

(II) Unlisted Equity Shares

Though the Fund does not envisage investment in unlisted equity shares by the Scheme, unlisted equity shares, if any, shall be valued in accordance with the guidelines issued by SEBI vide its Circular No. MFD/CIR/03/526/2002 dated May 9, 2002.

Unlisted equity Securities of a company shall be valued "in good faith" on the basis of the valuation principles laid down below:

- i) Based on the latest available audited balance sheet, net worth shall be calculated as lower of the following:
 - Net worth per share = {share capital plus free reserves (excluding revaluation reserves) minus miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses} divided by number of paid up shares.
 - After taking into account the outstanding warrants and options, net worth per share shall again be calculated and shall be = {share capital plus consideration on exercise of option / warrants received / receivable by the company plus free reserves(excluding revaluation reserves) minus miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses} divided by {number of paid up shares plus number of shares that would be obtained on conversion / exercise of outstanding warrants and options}

The lower of the above shall be used for calculation of net worth per share and for further calculation to arrive at the fair value per share as stated below.

- ii) Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which shall be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.

The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 15% for illiquidity so as to arrive at the fair value per share.

The Yields for pricing the non-traded debt Security would be arrived at using the process as defined below:

Step A: A Risk Free Benchmark Yield is built using the Government Securities as the base. Government Securities are used as the benchmarks as they are traded regularly; free of credit risk; and traded across

different maturity spectrums every week.

Step B: A Matrix of spreads (based on the credit risk) are built for marking up the benchmark yields. The matrix is built based on traded corporate paper on the wholesale debt segment of an appropriate stock exchange and the primary market issuances. The matrix is restricted only to investment grade corporate paper.

Step C: The yields as calculated above are Marked-up/Marked-down for ill-liquidity risk

Step D: The Yields so arrived are used to price the portfolio.

METHODOLOGY

A. Construction of Risk Free Benchmark

Using Government of India dated Securities, the benchmark shall be constructed as below:

Dated Government Securities will be grouped into various duration buckets such as 0.5-1 years, 1-2 years, 2-3 years, 3-4 years, 4-5 years, 5-6 years and 6 years and the volume weighted yield would be computed for each bucket. These duration buckets may be changed to reflect the market value more closely by any agency suggested by AMFI giving benchmark yield/matrix of spreads over benchmark yields.

Pursuant to SEBI Circular no. SEBI/IMD/CIR No.16/193388/2010 dated February 02, 2010 regarding Valuation of Debt and Money Market Instruments, an additional duration bucket viz., 0.25- 0.5 yrs for Government of India dated Securities shall be provided.

The benchmark as calculated above will be set at least weekly, and in the event of any significant movement in prices of Government Securities on account of any event impacting interest rates on any day such as a change in the Reserve Bank of India (RBI) policies, the benchmark will be reset to reflect any change in the market conditions.

Note: The concept of duration over tenor has been chosen in order to capture the reinvestment risk. It is intended to gradually move towards a methodology that incorporates the continuous curve approach for valuation of such Securities. However, in view of the current lack of liquidity in the corporate bond markets, a continuous curve approach to valuation would be necessarily based on limited data points, and this would result in out of line valuations. As an interim methodology therefore it is proposed that the Duration Bucket approach be adopted and continuously tracked in order to fine tune the duration buckets on a periodic basis. Over the next few years it is expected that with the deepening of the secondary market trading, it would be possible to make a gradual move from the Duration Bucket approach towards a continuous curve approach.

B. Building a Matrix of Spreads for Marking-up the Benchmark Yield

Mark up for credit risk over the risk free benchmark YTM as calculated in step A, will be determined using the trades of corporate debentures/bonds of different ratings. All trades on appropriate stock exchange during the fortnight prior to the benchmark date will be used in building the corporate YTM and spread matrices. Initially these matrices will be built only for corporate Securities of investment grade. The matrices are dynamic and the spreads will be computed every week. The matrix will be built for all duration buckets for which the benchmark GOI matrix is built to effectively link the corporate matrix with the Government Securities matrix. Accordingly:

- All traded paper (with minimum traded value of Rs. 1 crore) will be classified by their ratings and grouped into 7 duration buckets; for rated Securities, the most conservative publicly available rating will be used;

- For each rating category, average volume weighted yield will be obtained both from trades on the appropriate stock exchange and from the primary market issuances
- Where there are no secondary trades on the appropriate stock exchange in a particular rating category and no primary market issuances during the fortnight under consideration, then trades on appropriate stock exchange during the 30 day period prior to the benchmark date will be considered for computing the average YTM for such rating category;
- If the matrix cannot be populated using any or all of the above steps, then credit spreads from trades on appropriate stock exchange of the relevant rating category over the AAA trades will be used to populate the matrix;
- In each rating category, all outliers will be removed for smoothening the YTM matrix;
- Spreads will be obtained by deducting the YTM in each duration category from the respective YTM of the Government Securities;
- In the event of lack of trades in the secondary market and the primary market the gaps in the matrix would be filled by extrapolation. If the spreads cannot be extrapolated for the reason of practicality, the gaps in the matrix will be filled by carrying the spreads from the last matrix.

C. Mark-up/Mark-down Yield

The Yields calculated would be marked-up/marked down to account for the ill-liquidity risk, promoter background, finance company risk and the issuer class risk. The CEO of the AMC shall give prior approval to the use of discretionary mark up or down limit. As the level of ill-liquidity risk would be higher for non-rated Securities the marking process for rated and non-rated Securities would be differentiated as follows :

(i) Adjustments for Securities rated by external rating agencies

The Yields so derived out of the above methodology could be adjusted to account for risk mentioned above.

(ii) Adjustments for Internally Rated Securities

To value an un-rated Security, the fund manager has to assign an internal credit rating, which will be used for valuation.

In terms of Regulations the discount adjustments provided for Securities rated by external rating agencies and internally rated Securities for ill-liquidity risk, promoter background, finance company risk and issuer class risk is given below:

Category	Discretionary discount over benchmark basis points
Rated instruments with duration upto 2 years	Discretionary discount within +100 to -50
Rated instruments with duration over 2 years	Discretionary discount within +75 to -25
Un-rated instruments with duration upto 2 years	Discretionary discount upto +50 over and above mandatory discount of +50
Un-rated instruments with duration over 2 years	Discretionary discount upto +50 over and above mandatory discount of +25

- #### (iii)
- The benchmark yield/matrix of spreads over benchmark yield obtained from any agency suggested by AMFI as a provider of benchmark yields/matrix of spreads over benchmark yields to mutual funds, will be applied for valuation of Securities on the day on which benchmark yield/matrix of spreads over benchmark yield is released by the aforesaid agency.

Pursuant to the SEBI Circular no. SEBI/IMD/CIR No.16/ 193388/2010 dated February 02, 2010

on “Valuation of Debt and Money Market Instruments”, read with SEBI Circular no. Cir/IMD/DF/4/2010 dated June 21, 2010 the current provisions regarding valuation of these Securities will be modified, as under effective August 1, 2010:

I. Valuation of money market and debt Securities with residual maturity of upto 91 days:

All money market and debt Securities, including floating rate Securities, with residual maturity of upto 91 days shall be valued at the weighted average price at which they are traded on the particular valuation day.

When such Securities are not traded on a particular valuation day they shall be valued on amortization basis. It is further clarified that in case of floating rate Securities with floor and caps on coupon rate and residual maturity of upto 91 days then those shall be valued on amortization basis taking the coupon rate as floor.

II. Valuation of money market and debt Securities with residual maturity of over 91 days:

All money market and debt Securities, including floating rate Securities, with residual maturity of over 91 days shall be valued at weighted average price at which they are traded on the particular valuation day. When such Securities are not traded on a particular valuation day they shall be valued at benchmark yield/ matrix of spread over risk free benchmark yield obtained from agency(ies) entrusted for the said purpose by AMFI.

III. Valuation of Securities not covered under the current valuation policy:

In case of Securities purchased by mutual funds do not fall within the current framework of the valuation of Securities then such mutual fund shall report immediately to AMFI regarding the same. Further, at the time of investment AMC shall ensure that the total exposure in such Securities does not exceed 5% of the total AUM of the Scheme.

AMFI has been advised that the valuation agencies should ensure that the valuation of such Securities gets covered in the valuation framework within six weeks from the date of receipt of such intimation from mutual fund.

In the interim period, till AMFI makes provisions to cover such Securities in the valuation of securities framework, the mutual funds shall value such Securities using their proprietary model which has been approved by their independent trustees and the statutory auditors.

Valuation of Securities with Put/Call Options

The option embedded Securities would be valued as follows:

- (i) Securities with Call option :
 - (a) The Securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option.
 - (b) In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument.
- (ii) Securities with Put option :
 - (a) The Securities with put option shall be valued at the higher of the value as obtained by valuing the Security to final maturity and valuing the Security to put option
 - (b) In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instruments.
- (iii) Securities with both Put and Call option on the same day :

The Securities with both Put and Call option on the same day would be deemed to mature on the Put/Call day and would be valued accordingly.

(III) (a) Valuation of Government Securities

Government Securities will be valued at YTM based on the prevailing market rate. Government Securities will be valued as per the prices for Government Securities released by CRISIL, an agency suggested by AMFI, for the sake of uniformity in calculation of NAVs (As per SEBI Circular MFD/CIR No.14/442/2002 dated February 20, 2002).

(b) Valuation of Convertible Debentures and Bonds

In respect of convertible debentures and bonds, the non-convertible and convertible components shall be valued separately. The non-convertible component shall be valued on the same basis as would be applicable to a debt Security. The convertible component shall be valued on the same basis as would be applicable to an equity Security. If, after conversion the resultant equity Security would be traded pari passu with an existing Security which is traded, the value of the latter Security can be adopted after an appropriate discount for the non-tradability of the Security during the period preceding the conversion. While valuing such Securities, the fact whether the conversion is optional will also be factored in.

(c) Valuation of Warrants

In respect of warrants to subscribe for shares attached to instruments, the warrants shall be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. A discount similar to the discount to be determined in respect of convertible debentures (as referred in valuation of convertible debentures and bonds above) shall be deducted to account for the period which must elapse before the warrant can be exercised;

Illiquid Securities :

Aggregate value of “illiquid Securities” of the Scheme, which are defined as non-traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the Scheme and any illiquid Securities held above 15% of the total assets shall be assigned zero value.

In respect of closed ended funds, for the purposes of valuation of illiquid Securities, the limits of 15% and 20% applicable to open-ended funds should be increased to 20% and 25% respectively.

The Fund shall disclose as on March 31 and September 30 the Scheme-wise total illiquid Securities in value and percentage of the net assets while making disclosures of half yearly portfolios to the Unit holders. In the list of investments, an asterisk mark shall also be given against all such investments which are recognised as illiquid Securities. The Fund shall not transfer illiquid Securities among their Schemes.

The above methodology for valuation shall be subject to the following conditions:

- All calculations as aforesaid shall be based on audited accounts.
- In case where the latest balance sheet of the company is not available within 9 months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.
- If the net worth of the company is negative, the share would be marked down to zero.
- In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.
- In case an individual security accounts for more than 5% of the total assets of the Scheme, an independent valuer shall be appointed for the valuation of the said Security. To determine if a security accounts for more than 5% of the total assets of the Scheme, it should be valued in accordance with the procedure as mentioned above on the date of valuation.

Fixed Income and Money Market Instruments

While investments in Call Money, bills purchased under rediscounting Scheme and short-term deposits

with banks shall be valued at cost plus accrual, other Money Market Instruments shall be valued at the yield at which they are currently traded. For this purpose, non traded instrument that is instruments not traded for a period of seven days will either be valued at cost plus interest accrued till the beginning of the day plus the difference between the Redemption value and the cost spread uniformly over the remaining maturity period of the instruments.

Valuation of Rights

Until the rights are traded, the value of 'rights' shares should be calculated as follows:

$$V_r = \frac{n}{M} \times (P_{ex} - P_{of})$$

Where V_r = Value of Rights
 n = No. of Rights offered
 M = No. of original shares held
 P_{ex} = Ex-rights price
 P_{of} = Right offer price

Where rights are not treated pari-passu with the existing shares, suitable adjustments would be made to the value of rights. Where it is decided not to Subscribe for the rights but renounce them, and renunciations are being traded, the rights can be valued at the renunciation value.

Valuation of Repo

Instruments which have been bought on a "Repo" basis, would be valued at the resale price after deduction of applicable interest upto the date of resale. Where an instrument has been sold on a "repo" basis, adjustment shall be made for the difference between the repurchase price (after deduction of applicable interest upto date of repurchase) and the value of the instrument. If the repurchase price exceeds the value, the depreciation would be provided for and if the repurchase price is lower than the value, credit would be taken for the appreciation.

Valuation of Derivative Products

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 by SEBI circular no. MFD/CIR/8/92/2000 dated September 18, 2000 and SEBI Circular No. MFD/CIR/14/088/2001 dated March 28, 2001.

The valuation of non-traded Derivatives shall be done in accordance with the valuation method for non-traded investments prescribed in sub clauses (i) and (ii) of clause 2 of the Eighth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, and applicable guidelines.

Valuation Norms for Real Estate:

The real estate assets held by a Scheme of the Mutual Fund shall be valued –

- (a) at cost price on the date of acquisition; and
- (b) at fair price on every ninetieth day from the day of its purchase in accordance with the norms specified in Schedule IXB of the Regulations.

Guidelines For Identification and Provisioning for Non Performing Assets (Debt Securities):

(A) Definition of a Non Performing Asset (NPA)

An 'asset' shall be classified as non performing, if the interest and/or principal amount have not been received or remained outstanding for one quarter from the day such income/installment has fallen due.

(B) Effective date for classification and provisioning of NPAs :

The definition of NPA may be applied after a quarter past due date of the interest. For e.g. if the due date for interest is 30.06.2000, it will be classified as NPA from 01.10.2000.

(C) Treatment of income accrued on the NPA and further accruals

- After the expiry of the 1st quarter from the date the income has fallen due, there will be no further interest accrual on the asset i.e. if the due date for interest falls on 30.06.2000 and if the interest is not received, accrual will continue till 30.09.2000 after which there will be no further accrual of income. In short, taking the above example, from the beginning of the 2nd quarter there will be no further accrual on income.
- On classification of the asset as NPA from a quarter past due date of interest, all interest accrued and recognized in the books of accounts of the Fund till the date, should be provided for. For e.g if interest income falls due on 30.06.2000, accrual will continue till 30.09.2000 even if the income as on 30.06.2000 has not been received. Further, no accrual will be done from 01.10.2000 onwards. Full provision will also be made for interest accrued and outstanding as on 30.06.2000.

(D) Provision for NPAs - Debt Securities

Both secured and unsecured investments once they are recognized as NPAs call for provisioning in the same manner and where these are related to close ended Scheme the phasing would be such that to ensure full provisioning prior to the closure of the Scheme or the scheduled phasing which ever is earlier.

The value of the asset must be provided in the following manner or earlier at the discretion of the Fund. Fund will not have discretion to extend the period of provisioning. The provisioning against the principal amount or instalments should be made at the following rates irrespective of whether the principal is due for repayment or not.

- 10% of the book value of the asset should be provided for after 6 months past due date of interest i.e. 3 months from the date of classification of the asset as NPA.
- 20% of the book value of the asset should be provided for after 9 months past due date of interest i.e 6 months from the date of classification of the asset as NPA.
- Another 20% of the book value of the assets should be provided for after 12 months past due date of interest i.e 9 months from the date of classification of the asset as NPA.
- Another 25% of the book value of the assets should be provided for after 15 months past due date of interest i.e. 12 months from the date of classification of the asset as NPA.
- The balance 25% of the book value of the asset should be provided for after 18 months past due date of the interest i.e 15 months from the date of classification of the assets as NPA.

Book value for the purpose of provisioning for NPAs shall be taken as a value determined as per the prescribed valuation method.

This can be explained by an illustration:

Let us consider that interest income is due on a half yearly basis and the due date falls on 30.06.2000 and the interest is not received till 1st quarter after due date i.e. 30.09.2000. This provisioning will be done in following phased manner:

10% provision	01.01.2001	6 months past due date of interest i.e 3 months form the date of classification of asset as NPA (01.10.2000)
20% provision	01.04.2001	
20% provision	01.07.2001	
25% provision	01.10.2001	
25% provision	01.01.2002	

Thus, 1 1/2; years past the due date of income or 1 1/4; year from the date of classification of the 'asset' as an NPA, the 'asset' will be fully provided for. If any instalment is fallen due, during the period of interest default, the amount of provision should be instalment amount or above provision amount, whichever is higher.

(E) Reclassification of assets :

Upon reclassification of assets as 'performing assets' :

1. In case a company has fully cleared all the arrears of interest, the interest provisions can be written back in full.
2. The asset will be reclassified as performing on clearance of all interest arrears and if the debt is regularly serviced over the next two quarters.
3. In case the company has fully cleared all the arrears of interest, the interest not credited on accrual basis would be credited at the time of receipt.
4. The provision made for the principal amount can be written back in the following manner :-
 - 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter where the provision of principal was made due to the interest defaults only.
 - 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter where both instalments and interest were in default earlier.
5. An asset is reclassified as 'standard asset' only when both overdue interest and overdue instalments are paid in full and there is satisfactory performance for a subsequent period of 6 months.

(F) Receipt of past dues :

When the fund has received income/principal amount after their classifications as NPAs ;

- For the next 2 quarters, income should be recognized on cash basis and thereafter on accrual basis. The asset will be continued to be classified as NPA for these two quarters.
- During this period of two quarters although the asset is classified as NPA no provision needs to be made for the principal if the same is not due and outstanding
- If part payment is received towards principal, the asset continues to be classified as NPA and provisions are continued as per the norms set at 'Provision for NPAs - Debt Securities' (D) above. Any excess provision will be written back.

(G) Classification of Deep Discount Bonds as NPAs :

Investments in Deep Discount Bonds can be classified as NPAs, if any two of the following conditions are

satisfied:

- If the rating of the Bond comes down to grade 'BB' or below.
- If the company is defaulting in their commitments in respect of other assets, if available.
- Full Net worth erosion.
- Provision should be made as per the norms set at 'Provision for NPAs - Debt Securities' (D) above as soon as the asset is classified as NPA.
- Full provision can be made if the rating comes down to grade 'D'

(H) Reschedulement of an asset :

In case any company defaults either interest or principal amount and the Fund has accepted a reschedulement of the schedule of payments, then the following practice may be adhered to:

(i) In case it is a first reschedulement and only interest is in default, the status of the asset namely, 'NPA' may be continued and existing provisions should not be written back. This practice should be continued for two quarters of regular servicing of the debt. Thereafter, this be classified as 'performing asset' and the interest provided may be written back.

(ii) If the reschedulement is done due to default in interest and principal amount, the asset should be continued as non performing for a period of 4 quarters, even though the asset is continued to be serviced during these 4 quarters regularly. Thereafter, this can be classified as 'performing asset' and all the interest provided till such date should be written back.

(iii) If the reschedulement is done for a second/third time or thereafter, the characteristic of NPA should be continued for eight quarters of regular servicing of the debt. The provision should be written back only after it is reclassified as 'performing asset'.

(I) Disclosure in the Half Yearly Portfolio Reports:

The mutual funds shall make scripwise disclosures of NPAs on half yearly basis along with the half yearly portfolio disclosure.

The total amount of provisions made against the NPAs shall be disclosed in addition to the total quantum of NPAs and their proportion of the assets of the mutual fund Scheme. In the list of investments an asterisk mark shall be given against such investments which are recognized as NPAs. Where the date of Redemption of an investment has lapsed, the amount not Redeemed shall be shown as 'Sundry Debtors' and not investment provided that where an investment is Redeemable by instalments, that will be shown as an investment until all instalments have become overdue.

Expenses and Incomes Accrued

All expenses and incomes accrued up to the valuation date shall be considered for computation of NAV. For this purpose, major expenses like management fees and other periodic expenses would be accrued on a day-to-day basis. The minor expenses and income will be accrued on a periodic basis, provided non-accrual does not affect the NAV calculations by more than 1%.

Changes in Securities and in number of Units

Any changes in Securities and in the number of Units will be recorded in the books not later than the first valuation date following the date of transaction. If this is not possible, given the frequency of NAV disclosure, the recording may be delayed up to a period of seven days following the date of the transaction, provided as a result of such non-recording, the NAV calculation shall not be affected by more than 1%.

Gold

(1) The gold held by a the Scheme shall be valued at the AM fixing price of London Bullion Market

Association (LBMA) in US dollars per troy ounce for gold having a fineness of 995.0 parts per thousand, subject to the following:

- (a) adjustment for conversion to metric measures as per standard conversion rates;
- (b) adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate declared by the Foreign Exchange Dealers Association of India (FEDAI); and
- (c) addition of –
 - (i) transportation and other charges that may be normally incurred in bringing such gold from London to the place where it is actually stored on behalf of the Fund; and
 - (ii) notional customs duty and other applicable taxes and levies that may be normally incurred to bring the gold from London to the place where it is actually stored on behalf of the Fund;

Provided that the adjustment under clause (c) above may be made on the basis of a notional premium that is usually charged for delivery of gold to the place where it is stored on behalf of the Fund:

Provided further that where the gold held by a Scheme has a greater fineness, the relevant LBMA prices of AM fixing shall be taken as the reference price under this sub-paragraph.

(2) If the gold acquired by the Scheme is not in the form of standard bars, it shall be assayed and converted into standard bars which comply with the good delivery norms of the LBMA and thereafter valued in terms of sub-paragraph (1).

Domestic price of Gold = (London Bullion Market Association AM fixing in US\$/ounce X Conversion factor for converting ounce into kg for 0.995 fineness X rate for US\$ into INR) + Custom duty for import of gold + Sales Tax/octroi and other levies applicable.

Investors to note that the currency fluctuations (represented as the conversion factor above) can significantly affect the value of Gold in domestic Indian Rupees terms, and thus the performance of GS Gold BeES, as stated in the risk factor on “Currency Risk” set out in Section I(A) – “Scheme Specific Risk Factors” in this Scheme Information Document.

Foreign Securities

On the Valuation Day, the Securities issued outside India and listed on the stock exchanges outside India shall be valued at the closing price on the stock exchange at which it is listed or at the last available traded price. However in case a Security is listed on more than one stock exchange, the AMC reserves the right to determine the stock exchange, the price of which would be used for the purpose of valuation of that Security. Further in case of extreme volatility in the international markets, the Securities listed in those markets may be valued on a fair value basis. Due to difference in time zones of different markets, in case the closing prices of Securities are not available within a given time frame to enable the AMC to upload the NAV's for a Valuation Day, the AMC may use the last available traded price for the purpose of valuation. The use of the closing price/last available traded price for the purpose of valuation will also be based on the practice followed in a particular market. In case any particular Security is not traded on the Valuation Day, the same shall be valued on a fair value basis by the Valuation Committee of the AMC.

The Units issued by overseas mutual funds shall be valued at the latest available Net Asset Value (NAV) per Unit of the mutual funds Schemes at the close of the relevant valuation day.

In case of investments in foreign debt Securities, on the Valuation Day, the Securities shall be valued in line with the valuation norms specified by SEBI for Indian debt Securities. However, in case valuation of a specific debt Security is not covered by SEBI Regulations, then the Security will be valued on a fair value basis by the Valuation Committee of the AMC.

On the Valuation Day, all assets and liabilities denominated in foreign currency will be valued in Indian

Rupees at the exchange rate available on Bloomberg/Reuters/RBI or any other standard reference rate at the close of banking hours in India. The Trustees reserve the right to change the source for determining the exchange rate. The AMC shall record in writing the reason for change in the source for determining the exchange rate. The exchange gain/loss resulting from the aforesaid conversion shall be recognized as unrealized exchange gain/loss in the books of the Scheme on the day of valuation. Further, the exchange gain/loss resulting from the settlement of assets/liabilities denominated in foreign currency shall be recognized as realized exchange gain/loss in the books of the Scheme on the settlement of such assets/liabilities.

For Schemes investing in overseas Securities, on the Valuation Day, all assets and liabilities denominated in foreign currency will be valued in Indian Rupees at the exchange rate made available by Reserve Bank of India failing which exchange rates made available by Bloomberg / Reuters or any other standard reference rate at the close of banking hours in India. The Trustees reserve the right to change the source for determining the exchange rate.

Investors to note that the currency fluctuations (represented as the exchange rate above) can significantly affect the value of the securities in domestic Indian Rupees terms, and thus the performance of Schemes investing in overseas Securities, as stated in the risk factor on “Currency Risk” set out in Section I(A) – “Scheme Specific Risk Factors” in this Scheme Information Document.

In case the NAV of the Schemes differs by more than 1%, due to non - recording of transactions, the Investors or Schemes as the case may be, shall be paid the difference in amount as follows:

- a. If the Investors are allotted Units at a price higher than NAV or are given a price lower than NAV at the time of sale of their Units, they shall be paid the difference in amount by the Schemes.
- b. If the Investors are charged lower NAV at the time of Purchase of their Units or are given higher NAV at the time of sale of their Units, the AMC shall pay the difference in amount to the Schemes. The AMC may recover the difference from the Investors.

The valuation guidelines as outlined above are as per prevailing Regulations and are subject to change from time to time in conformity with changes made by SEBI.

V. TAX & LEGAL & GENERAL INFORMATION

Prospective Unit holders should inform themselves of and take their own advice on the taxes applicable to the Subscription, holding and Redemption of Units, and any distribution (each, a “**Relevant Event**”) under the Laws of the place of their operations, domicile, residence, citizenship and/or incorporation. Neither the Fund nor any of the parties listed in Section I of this Statement of Additional Information gives or makes any warranty and/or representation as to the tax consequences in relation to any Relevant Event (or combination of Relevant Events), takes any responsibility for any tax consequences in relation to any Relevant Event (or combination of Relevant Events) and each of the Fund and such parties expressly disclaims any liability whatsoever for any tax consequences in relation to any Relevant Event (or combination of Relevant Events) and/or for any loss howsoever arising (whether directly or indirectly) from any Relevant Event (or combination of Relevant Events). Dividends, interest income, gains on the disposal of investments and other income received by the Fund on its investments in some jurisdictions may be liable to the imposition of income tax, irrecoverable withholding tax or other tax.

The following paragraphs are based on Laws and practice currently in force as well as known future tax changes at the date of this Statement of Additional Information and are subject to changes in content and interpretation. They are intended as a general guide only and do not necessarily describe the tax consequences for all types of Investors in the Fund and no reliance, therefore, should be placed upon them.

Income-tax

The income-tax rates indicated below are as per the Finance Act, 2011.

I. FOR UNIT HOLDERS

(i) Securities Transaction Tax ('STT')

At the time of sale of Units of an equity oriented fund to the Mutual Fund (ie Redemption / repurchase of Units by the fund), the Unit holder is required to pay a STT of 0.25 per cent on the value of the sale, which will be collected by the Mutual Fund and deposited into the government treasury.

No deduction would be allowed for STT while calculating capital gains. Where the Units are treated as stock in trade and the profits arising from the sale of Units are taxed under the head 'Profits and Gains of Business or Profession', the STT paid by the Unit holder can be claimed as a deduction from such business profits.

(ii) Tax on Capital Gains

On Units of Equity Oriented Funds:

Long-term Capital Gains

Under section 2(29A) of the Income-tax Act, 1961 (herein after referred to as '**IT Act**' for the purpose of section V of this document), Units of a mutual fund held as capital assets are treated as long-term capital assets if they are held for a period of more than twelve months preceding the date of transfer. The additional (bonus) Units issued under any Option/Plan under the relevant Scheme and held as capital assets would be treated as long-term capital assets if held for a period of more than 12 months from the date when such additional Units were allotted.

As per section 10(38) of the IT Act, long-term capital gains arising from the sale of a unit of an equity oriented fund is exempt from tax where such sale attracts STT. For this purpose, 'an equity oriented fund' has been defined as a scheme of a mutual fund where the investible funds are invested in equity shares of domestic companies to the extent of more than 65 per cent of the total proceeds of such fund. The percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

Short-term Capital Gains

Under section 2(42A) of the IT Act, units of a mutual fund held as capital assets for a period of 12 months or less preceding the date of their transfer are regarded as short-term capital assets.

As per section 111A of the IT Act, short-term capital gains arising from the sale of a Unit of an equity oriented fund to the Mutual Fund and chargeable to STT, is taxable at the rate of 15 per cent.

The said tax rate would be increased by a surcharge of:

- (a) NIL - in case of individual / HUF / AOP/ BOI/ firms/ limited liability partnerships/ local authority/ co-operative societies
- (b) 5 per cent - in case of domestic corporate Unit holders, where the total income exceeds Rs 100,00,000
- (c) 2 per cent - in case of foreign corporate Unit holders, where the total income exceeds Rs 100,00,000

Further, an additional surcharge of 3 per cent by way of education cess would be charged (for all Unit holders) on amount of tax inclusive of surcharge, where applicable.

However, in case of resident individuals and HUFs, where the total income as reduced by the short-term capital gains, is below the basic exemption limit (Rs 5,00,000 in case of resident individuals of an age of 80 years or more, Rs 2,50,000 in case of resident individuals of an age of 60 years or more but less than 80 years, Rs 1,90,000 in case of women resident in India below 60 years of age and Rs 1,80,000 in case of other individuals and HUF), the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to the 15 per cent tax rate (plus education cess).

For the purpose of computing the eligible deduction under section 80C of the IT Act, the total income of the assessee shall be reduced by the income earned in the nature of short-term capital gains.

In case of non-resident Unit holders eligible for availing tax treaty benefits, please refer to para (viii) below.

On Units of Funds other than Equity Oriented Funds:

Long-term capital gains

As per the provisions of section 112 of the IT Act, long-term capital gains earned on transfer of units of funds other than equity oriented funds, will be chargeable to tax at the rate of 10 per cent where benefit of indexation is not availed or at the rate of 20 per cent where benefit of indexation is availed. In the case of FIIs and specified overseas financial organizations, such long-term capital gains are chargeable to tax at the rate of 10 per cent without the benefit of indexation.

In case of resident individuals and HUFs, where the total income as reduced by long-term capital gains, is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to the 20 per cent tax or the 10 per cent tax as the case may be.

The aforementioned tax rates would be increased by a surcharge of:

- (a) NIL - in case of individual / HUF / AOP/ BOI/ firms/ limited liability partnerships/ local authority/ co-operative societies .
- (b) 5 per cent - in case of domestic corporate Unit holders, where the total income exceeds Rs 100,00,000
- (c) 2 per cent - in case of foreign corporate Unit holders, where the total income exceeds Rs 100,00,000

Further, an additional surcharge of 3 per cent by way of education cess would be charged (for all Unit holders) on amount of tax inclusive of surcharge, where applicable.

For the purpose of computing the eligible deduction under section 80C of the IT Act, the total income of the assessee shall be reduced by the income earned in the nature of long-term capital gains.

In case of non-resident Unit holders eligible for availing tax treaty benefits, please refer to paragraph (viii) below.

Short-term capital gains

Short-term capital gains earned on the transfer of Units of Funds other than equity oriented funds is added to the total income of the assessee and taxed at the following tax rates:

Table A

Individual / HUF	Where total income for a tax year (April to March) is less than or equal to Rs 1,80,000* (the basic exemption limit)	Nil
	Where such total income is more than Rs 1,80,000* but is less than or equal to Rs 5,00,000	10 per cent of the amount by which the total income exceeds Rs 1,80,000*
	Where such total income is more than Rs 5,00,000* but is less than or equal to Rs 8,00,000	Rs 32,000 plus 20 per cent of the amount by which the total income exceeds Rs 5,00,000*
	Where such total income is more than Rs 8,00,000	Rs 92,000 plus 30 per cent of the amount by which the total income exceeds Rs 8,00,000
Co-operative society	Where total income for a tax year (April to March) is less than or equal to Rs 10,000	10 per cent of the total income
	Where such total income is more than Rs 10,000 but is less than or equal to Rs 20,000	Rs 1,000 plus 20 per cent of the amount by which the total income exceeds Rs 10,000
	Where the total income exceeds Rs 20,000	Rs 3,000 plus 30 per cent of the amount by which the total income exceeds Rs 20,000
Domestic	30 per cent	

corporate/ partnership firm/ local authority/ FIIs/ specified overseas financial organisations/ NRI	
AOP/ BOI	30 per cent or such higher rate of tax applicable to the individual members of the AOP / BOI
Foreign corporate	40 per cent

* In case of women resident in India below 60 years of age, the basic exemption limit is Rs 1,90,000. Income between Rs 1,90,000 and Rs 5,00,000 will be taxable at the rate of 10 per cent.

In case of resident individuals of an age of 60 years or more, the basic exemption limit is Rs 2,50,000. Income between Rs 2,50,000 and Rs 5,00,000 will be taxable at the rate of 10 per cent.

In case of resident individuals of an age of 80 years or more, the basic exemption limit is Rs 5,00,000. Income between Rs 5,00,000 and Rs 8,00,000 will be taxable at the rate of 20 per cent.

The aforementioned tax rates would be increased by a surcharge of:

- (a) NIL-in case of individual / HUF / AOP/ BOI/ firms/ limited liability partnerships/ local authority/ co-operative societies.
- (b) 5 per cent - in case of domestic corporate Unit holders, where the total income exceeds Rs 100,00,000.
- (c) 2 per cent - in case of foreign corporate Unit holders, where the total income exceeds Rs 100,00,000.

Further, an additional surcharge of 3 per cent by way of education cess would be charged (for all Unit holders) on amount of tax inclusive of surcharge, where applicable.

In case of non-resident Unit holders eligible for availing tax treaty benefits, please refer to paragraph (viii) below.

(iii) Tax on Business Income

Under section 28 of the IT Act, profit arising on transfer of units of a mutual fund which are held as stock in trade or trading asset, is taxed under the head 'Profits and Gains of Business or Profession'. Such profit is added to the total income of the assessee and taxed at the rates mentioned in Table A above.

In case of non-resident Unit holders eligible for availing tax treaty benefits, please refer to paragraph (viii) below.

(iv) Tax on Income from Other Sources

Receipt of mutual fund units by an individual or HUF on or after 1 October, 2009 (except from prescribed persons like relatives, etc. or on prescribed occasions like marriage, etc.) without consideration or for consideration less than the fair market value would be taxable in certain cases. The following amounts would be taxable under the head 'Income from other sources' at the rates mentioned in Table A above:

Table B

	Taxable situation	Taxable amount
(a)	Units received without any consideration where the aggregate fair market value of such units exceed Rs.50,000	The aggregate fair market value of the units received
(b)	Units received for a consideration where the aggregate fair market value of the units received exceeds the consideration by more than Rs.50,000	The difference between the aggregate fair market value of the units and the consideration

For this purpose, the fair market value means the value to be determined in accordance with methods prescribed.

For the purpose of computing capital gains on transfer of such units received without consideration or for consideration less than the fair market value, the cost of acquisition is deemed to be amount determined under (a) or (b) above, as the case may be.

(v) Deduction from Business Income

No deduction would be allowed for STT while calculating capital gains. However, where the units are treated as stock in trade and the profits arising from the sale of units are taxed under the head 'Profits and Gains of Business or Profession', the STT paid by the Unit holder can be claimed as a deduction from such business profits.

(vi) Deduction from Total Income

In terms of the provisions of section 80C of the IT Act, an individual or a HUF is entitled to claim a deduction in respect of the amount of subscription made to any units of any mutual fund referred to in section 10(23D), being a fund formulated in accordance with the Equity Linked Savings Scheme, 2005 ("ELSS") notified by the Central Government in the Official Gazette vide notification no. SO 1563(E) dated November 3, 2005. The aggregate amount deductible under section 80C in respect of subscription to the units of the

Mutual Fund (including the amount of Dividend reinvested), being an equity linked savings scheme and other prescribed investments is restricted to Rs 100,000.

(vii) **Tax Deduction at Source**

The Fund will use the following rates while withholding tax at source

Table B

		TDS Rates under the IT Act		
		Residents	FII's	NRI's / Other foreign entities (excluding FII's)
Short-term capital gains	Non-equity oriented fund	NIL	NIL	30 per cent for foreign non- corporates (including NRI's); 40 per cent for foreign corporate entities
	Equity oriented Fund	NIL	NIL	15 per cent
Long-term capital gains	Non-equity oriented fund	NIL	NIL	10 per cent for specified overseas financial organisations 20 per cent for other foreign entities (including NRI's)
	Equity oriented Fund	NIL	NIL	NIL
Business	Non-equity	NIL	30 per	30 per cent

income	and equity oriented mutual fund		cent for non-corporate FIIs 40 per cent for corporate FIIs	for foreign non-corporates (including NRI's) 40 per cent for foreign corporate entities
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As per the IT Act, in addition to the aforementioned rates, surcharge is levied as under:

- (a) NIL - in case of foreign non-corporate Unit holders.
- (b) 2 per cent - in case of foreign corporate Unit holders, where the total income exceeds Rs 100,00,000. The Fund will levy the respective surcharge in all applicable cases, irrespective of the total income of the Unit holder.

Further, an additional surcharge of 3 per cent by way of education cess would be charged for all Unit holders, other than resident corporate and resident non-corporate Unit holders, on the amount of tax inclusive of surcharge, where applicable.

In case of non-resident Unit holders eligible for availing tax treaty benefits, please refer to paragraph (viii) below.

For the purpose of deducting tax at source, the Fund will presume, unless specifically informed by a Unit holder, that the units are held by the unit holder as a capital asset and consequently, any gains arising there from is chargeable to tax under the head "Income from capital gains".

Where the Unit holder does not have/ furnish a PAN, taxes will be deducted at the applicable rate or 20 per cent, whichever is higher.

(viii) Tax Treaty

In the case of a non-resident Unit holder who is resident of a country with which India has signed a Double Taxation Avoidance Agreement (DTAA), which is in force, income tax is payable at the rate provided in the IT Act or at the rate provided in the such agreement, whichever is more beneficial to such non resident Unit holder.

Further, where the rate of tax prescribed under the relevant DTAA is lower than that prescribed under the IT Act, tax would be withheld at such lower rate.

However, in order to obtain the benefit of the lower rate under the DTAA, the Unit holder would be required to provide a certificate from his Assessing Officer stating the eligibility of the Investor to claim such benefit.

(ix) Tax on Income distributed by the Mutual Fund

Under the provisions of section 10(35) of the IT Act, income received in respect of units of a mutual fund specified under section 10(23D) of the IT Act will be exempt from income tax in the hands of all Unit holders.

In view of the exemption of income in the hands of the Unit holders, no tax needs to be deducted at source from such distribution by the Fund on or after April 1, 2003, under the provisions of sections 194K and 196A of the IT Act.

Dividend stripping

Under the provisions of section 94(7) of the IT Act, where a person buys any units within a period of three months before the record date, sells such units within nine months after such date and the income distributed on such units is exempt from tax, the loss on such sale to the extent of the income distributed on units shall be ignored while computing the income chargeable to tax.

Bonus stripping

Under the provisions of section 94(8) of the IT Act, where a person buys units (original units) within a period of three months before the record date, receives bonus units on such original units, and then sells (all or part of) the original units within a period of nine months from the record date and continues to hold all or part of the bonus units, then the loss incurred on the original units shall be ignored while computing the income chargeable to tax but shall be deemed to be the cost of acquisition of the bonus units held on the date of sale of the original units.

(x) Switching between Options

Switching between options of a Scheme will be effected by way of Redemption of Units of the relevant option and reinvestment of the Redemption proceeds in the other Option selected by the Unit holder. Hence Switching will attract the same implications as applicable on transfer of such Units.

(xi) Set-off and carry forward of losses

According to the provisions of the IT Act, the capital loss resulting from sale of Units would be available for set off against other capital gains made by the Investor and would reduce the tax liability of the Investor to that extent. However, losses on transfer of Units held as long term capital assets would be allowed to be set-off only against gains from transfer of long-term capital assets. Where such losses arising from sale of Units held as capital asset cannot be wholly set-off, the amount of losses not set-off can be carried forward for a period of eight years. However, when the long term gains arising on transfer of units are not subject to tax then the long-term losses from such Units would not be allowed to be set off or carried forward.

Under the IT Act, a loss resulting from the transfer of units held as stock in trade

or trading asset would be available for set off against income under any other head other than income under the head 'Salaries'. Where such loss cannot be wholly set-off in accordance with the provisions of the IT Act, the amount remaining to be set-off can be carried forward for a period of eight years and set-off against income under the head 'Profits and Gains of Business or Profession'.

(xii) Minimum Alternate Tax

Under the IT Act, long-term capital gains arising on sale of units of an equity oriented fund and exempt under the provisions of section 10(38) of the Act, would not be excluded from the book profits while calculating profits chargeable to minimum alternate tax.

II. TAX BENEFITS / CONSEQUENCES TO THE MUTUAL FUND:

The Mutual Fund is registered with SEBI and its entire income is exempt from tax under the provisions of section 10(23D) of the IT Act. The Mutual Fund will receive all Indian sourced income without any deduction of tax at source under the provisions of clause (iv) of section 196 of the IT Act.

Where the Fund receives any income from investments made in overseas jurisdictions, the same may be subject to withholding tax (or any other tax) in the relevant jurisdiction from which the income is received. As the Fund is exempted from its entire income (including foreign income) in India, credit / refund in respect of such foreign taxes withheld / paid by the fund will not be available.

Income distribution, if any, made by a Mutual Fund, will attract distribution tax under section 115R of the IT Act at the rates listed below:

Table C

Sr No	Type of Mutual Fund	Income distributed to	Rate of distribution tax*
(i)	Equity oriented mutual fund	Any person	Nil
(ii)	Money market mutual fund or liquid mutual fund	Individual or HUF	25 per cent
		Any person other than Individual or HUF	30 per cent
(iii)	Mutual fund other than (i) and (ii) above	Individual or HUF	12.5 per cent
		Any person other than Individual or HUF	30 per cent

The aforementioned rates would be increased by a surcharge of 5 per cent and an additional surcharge by way of education cess at the rate of 3 per cent on the amount of distribution tax inclusive of surcharge.

*Effective from June 1, 2011

For this purpose, a 'Money market mutual fund' has been defined to mean a money market mutual fund as defined in sub-clause (p) of clause 2 of the SEBI Regulations.

Further, a 'liquid fund' has been defined to mean a scheme or plan of a mutual fund which is classified by the SEBI as a liquid fund in accordance with the guidelines issued by it in this behalf under the SEBI Act or SEBI Regulations made there under.

Under the IT Act, as and when the Mutual Fund purchases and sells equity shares/units/derivates, it would be required to pay the STT applicable on such purchases / sales to the concerned recognised stock exchange. The rates of STT have been listed below.

Table D

Transaction	Rate of STT	Payable by
Purchase of an equity share in a company / unit of an equity-oriented fund where the transaction is entered into in a recognised stock exchange and the contract is settled by actual delivery or transfer of shares / units.	0.125 per cent	Purchaser
Sale of an equity share in a company / unit of an equity-oriented fund where the transaction is entered into in a recognised stock exchange and the contract is settled by actual delivery or transfer of shares / units.	0.125 per cent	Seller
Sale of an equity share in a company / unit of an equity-oriented fund where the transaction is entered into in a recognised stock exchange and the contract is settled otherwise than by actual delivery or transfer of shares / units.	0.025 per cent	Seller
Sale of an option in Securities (STT will be payable on the option premium)	0.017 per cent	Seller
Sale of an option in Securities where the option is exercised (STT will be payable on the settlement price)	0.125 per cent	Purchaser
Sale of a future in Securities (STT will be payable on the price at which such future is traded)	0.017 per cent	Seller
Sale of units of an equity oriented fund to the Mutual Fund	0.25 per cent	Seller

III. OTHER BENEFITS:

- (i) **Wealth-tax:** Units of a scheme of a mutual fund are not treated as assets as defined under section 2(ea) of the Wealth-tax Act, 1957 and thereof would not be liable to wealth-tax.
- (ii) **Gift-tax:** The Gift-tax Act, 1958 has ceased to apply to gifts made on or after October 1, 1998. Gifts of Units Purchased in a Scheme of the Mutual Fund would therefore, be exempt from gift-tax.

- (iii) Investments in Units of the Mutual Fund will rank as an eligible form of investment under section 11(5) of the IT Act read with Rule 17C of the Income-tax Rules, 1962, for religious and charitable trusts.

THE ABOVE SUMMARY IS BASED ON THE TAX LAW AND PRACTICE CURRENTLY APPLICABLE IN INDIA TO INVESTORS AND IS SUBJECT TO CHANGE ACCORDING TO GOVERNMENT POLICY OR FOR OTHER REASON. ALSO, TAXATION ON EACH UNIT HOLDER DIFFERS DEPENDING UPON THEIR TAX STATUS. UNIT HOLDERS SHOULD INFORM THEMSELVES OF, AND WHEN APPROPRIATE, CONSULT THEIR PROFESSIONAL ADVISORS ON POSSIBLE TAX CONSEQUENCES OF SUBSCRIPTION FOR, BUYING, HOLDING, TRANSFERRING, REDEEMING OR OTHERWISE DISPOSING OF THE UNITS. IN PARTICULAR, ANY UNIT HOLDER WHO MAY ALSO BE A TAXPAYER IN COUNTRIES OUTSIDE INDIA, SHOULD OBTAIN INDEPENDENT TAX ADVICE TO ENSURE THAT THEY CONSIDER ANY TAX IMPLICATIONS IN SUCH A COUNTRY OF SUBSCRIPTION FOR, BUYING, HOLDING, TRANSFERRING, REDEEMING OR OTHERWISE DISPOSING OF THE UNITS. NEITHER THE FUND NOR THE AMC IS OBLIGED TO PROVIDE ANY INFORMATION TO ITS UNIT HOLDERS TAILORED TO THE TAX ADMINISTRATION OR COMPLIANCE REQUIREMENTS OF ANY COUNTRY. THE FUND IS NOT MAKING ANY REPRESENTATION OR WARRANTY TO ANY UNIT HOLDER REGARDING ANY LEGAL INTERPRETATIONS AND TAX CONSEQUENCES TO THE FUND AND THE UNIT HOLDERS IN THE FUND.

B. LEGAL INFORMATION

Nomination

Pursuant to SEBI Regulations, AMFI Circulars, etc. the AMC shall provide an option to the Investor for nomination as follows:

- a) The Unit holder may nominate maximum of three persons with whom the Units held by him/her shall vest in the event of his/her death subject to the completion of certain necessary formalities e.g. providing proof of the death of the Unit Holder, signature of the nominee, furnishing proof of guardianship if the nominee is a minor, the execution of an indemnity bond and such other documents as may be required from the nominee in favour of and to the satisfaction of the AMC / Registrar.
- b) In case where more than one person holds the Units jointly, the joint Unit holders may together nominate a person by signing the Application Form / Transaction Slip / nomination form indicating the name of the person in whom all the rights in the Units shall vest in the event of death of all the joint Unit holders For details on multiple nomination facility provided by the AMC to the Unit Holders, please refer to the Application Form / Transaction Slip / nomination form issued by the AMC. Existing Unit Holders and new Investors can make a fresh nomination which will supersede all existing nominations in the folio by filing a fresh Transaction Slip / nomination form.

Further the following regulations have to be complied with by the Unit holder/joint Unit holders who wish to nominate a person in whom the Units held by Unit holder/joint Unit holders shall vest in the event of Unit holder/joint Unit holders death:

- 1. The nomination can be made only by individuals applying for/holding Units on their own behalf singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. If the Units are held jointly, all joint holders will sign the nomination form.
- 2. A minor can be nominated and in that event, the name and address of the guardian of the minor nominee shall be provided by the Unit holder. Nomination can also be in favour of the Central Government, State Government, a local authority, any person designated by virtue of his office or a religious or charitable trust.

3. The Nominee shall not be a trust, other than a religious or charitable trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a Power of Attorney holder. A non-resident Indian can be a Nominee subject to the exchange controls in force, from time to time.
4. Nomination in respect of the Units stands rescinded upon the transfer of Units.
5. Transfer of Units in favour of a Nominee shall be valid discharge by the AMC against the legal heir. Mutual Fund / AMC / Trustees against the legal heirs of the Unit Holder(s). If either the Mutual Fund or the AMC incur any loss whatsoever arising out of any litigation or harm that it may suffer in relation to the nomination, they will be entitled to be indemnified absolutely from the deceased Unit Holders' estate.
6. The cancellation of nomination can be made only by those individuals who hold Units on their own behalf singly or jointly and who made the original nomination.
7. On cancellation of the nomination, the nomination shall stand rescinded and the AMC shall not be under any obligation to transfer the Units in favour of the Nominee. The nomination facility extended under the Schemes is in accordance with the Regulations and is subject to other applicable Laws.
8. Nomination will be maintained at the folio or account level and will be applicable for investments in all Schemes in the folio or account.
9. Where a folio has joint holders, all joint holders will be required to sign the request for nomination / cancellation of nomination, even if the mode of holding is not "joint". Nomination form cannot be signed by Power of attorney (PoA) holders.
10. Every new nomination for a folio / account will overwrite the existing nomination.
11. Nomination is mandatory for new folios / accounts opened by individuals especially with sole holding. No new folios / accounts for individuals in single holding will be opened without a nomination.
 - i. Investors who do not wish to nominate will be required to sign separately confirming their intention not to nominate.
 - ii. Nomination will not be allowed in a folio held on behalf of a minor.

However, the Investors should be aware that the nominee(s) may not acquire title or beneficial interest in the property by virtue of the nomination and that neither the Fund nor the AMC nor the Registrar and Transfer Agent of the Fund will be bound to transfer the Units to the nominee in the event of any dispute in relation to the nominee's entitlement to the Units.

If the Mutual Fund or the AMC or the Trustee were to incur, suffer any claim, demand, liabilities, proceedings or actions are filed or made or initiated against any of them in respect of or in connection with the nomination, they shall be entitled to be indemnified absolutely for any loss, expenses, costs, and charges that any of them may suffer or incur absolutely from the Investor's estate.

In case of more than one nominee, the Unit holders should indicate the percentage of allocation/share in favour of each of the nominees against their name and such allocation/share should be in whole numbers without any decimals making a total of 100 percent. In the event of the Unit holders not indicating the percentage of allocation/share for each of the nominees, the AMC, by invoking default option shall settle the claim equally amongst all the nominees.

Prospective Investors / Unit Holders are advised to read the instructions provided in the Application Form / Transaction Slip / nomination form carefully before nominating a nominee.

For Units held in electronic form with the Depository, the nomination details provided by the Unit holder to the Depository will be applicable to the Units of the Schemes. Such nomination including any variation, cancellation or substitution of Nominee(s), shall be governed by the rules and bye-laws of the Depository. Payment to the nominee of the sums shall discharge the Fund of all liability towards the estate of the deceased Unit holder and his/her legal successors/legal heirs.

In case nomination has been made for demat account with joint holders, in case of death of any of the joint holder(s), the Securities will be transmitted to the surviving holder(s). Only in the event of death of all the joint holders, the Securities will be transmitted to the nominee.

In case nomination is not made by the sole holder of demat account, the Securities would be transmitted to the account of legal heir(s), as may be determined by an order of the competent court.

Pledge/Assignment of Units

A Unit holder may pledge/assign Units of the Schemes in favour of scheduled banks, financial institutions, non-banking financial companies (NBFCs) or any other body as a Security for raising loans. Units can be pledged by completing the requisite forms/formalities as may be required by the Fund. The AMC and/or the Registrar will record a pledge/charge/lien against the Units pledged.

The Pledgor may not be allowed to Redeem Units so pledged until the bank/financial institutions/NBFCs to which the Units are pledged provides a written authorization to the Fund that the pledge/charge/lien may be removed.

As long as the Units are pledged, the Pledgee will have complete authority to Redeem such Units. If the Units are lodged by the Unit holder for Redemption or transfer to another person it will be deemed that the same are released from the pledge and the Fund shall deal with the Units as per the request of the Unit Holder if otherwise in order.

In case the Units pledged are of close ended scheme and if the Units are under pledge at the time of maturity of the Scheme, then the AMC reserves the right to pay the maturity amount to the person/bank/financial institution/non-banking finance companies (NBFCs)/any other body in whose favour the lien has been marked. An intimation of such payment will be sent to the Investor. The AMC/Trustee/Fund thereafter shall not be responsible for any claims made by the Investor/third party on account of such payments.

For Units of the Schemes issued and held in demat form, the rules of Depository applicable for pledge will be applicable for pledge / assignment of Units of the Schemes.

II. Requirements under Prevention of Money Laundering Act, 2002 (“PMLA”)

Note on prevention of money laundering and Know Your Client (‘KYC’) requirements

Investors may note that in terms of the Prevention of Money Laundering Act, 2002 (‘PMLA’), the Rules issued thereunder and the guidelines/circulars issued by SEBI regarding Anti Money Laundering (AML) Laws, require all intermediaries, including mutual funds to formulate and implement Client Identification Programme as well as verify and maintain records of the identity and address(es) of Investors. To facilitate uniform implementation of these guidelines, AMFI had circulated Client Identification implementation procedure to all the Mutual Funds. CDSL Ventures Ltd. (“CVL”) has been appointed as ‘Central Agency’ by the Mutual Fund Industry to collect the documents relating to identity and address from the Investors.

Pursuant to the SEBI Circular ISD/AML/CIR-1/2010 dated February 12, 2010, an asset management company is required to obtain the minimum prescribed information / documents from clients regarding the verification of the records of the identity of the client irrespective of the amount of investment or the category of the client. Hence for any investment in mutual funds (fresh Purchases / additional Purchases and new SIP registrations) KYC must be completed for all Unit Holders/Investor in a folio (including the guardian where the Investor is a minor, NRIs, power of attorney holders) irrespective of the mode of holding. Investments where KYC is not completed, is liable to be rejected

As per AMFI guidelines, with effect from January 1, 2011, all Investors are required to comply with Know Your Customer (KYC) norms under the Prevention of Money Laundering Act 2002. This is applicable for All Client Categories and any amount of investment as mentioned below:

1. New / Additional Purchases
2. Switch Transactions,
3. New SIP / Value Averaging Investment Plan (VIP) Registrations (including SIP related products).
4. New STP / VTP Registrations (including STP related products like trigger facilities).
5. New DTP Registrations (including DTP related products).

Notwithstanding the above, Investors investing through Micro SIP / VIP route and Investors residing in the state of Sikkim shall not be subject to the above KYC requirements.

For Investors investing through Micro SIP / VIP route (i.e Rs. 50,000/- per year per Investor) following information / documents are required:

1. Identity proof – Any one of the following:
 - i. Voter Identity Card
 - ii. Driving License
 - iii. Government / Defense identification card
 - iv. Passport
 - v. Photo Ration Card
 - vi. Photo Debit Card
 - vii. Employee ID cards issued by companies registered with Registrar of Companies
 - viii. Photo Identification issued by Bank Managers of Scheduled Commercial Banks / Gazetted Officer / Elected Representatives to the Legislative Assembly / Parliament
 - ix. ID card issued to employees of Scheduled Commercial / State / District Co-operative Banks.
 - x. Senior Citizen / Freedom Fighter ID card issued by Government.
 - xi. Cards issued by Universities / deemed Universities or institutes under statutes like ICAI, ICWA, ICSI.
 - xii. Permanent Retirement Account No (PRAN) card issued to New Pension System (NPS) subscribers by CRA (NSDL).
 - xiii. Any other photo ID card issued by Central Government / State Governments /Municipal authorities / Government organizations like ESIC / EPFO.
2. Proof of address copy. It is clarified that where photo identification documents contains the address of the Investor, a separate proof of address is not required.
3. Nationality.
4. Gross Annual Income details.
5. A recent photograph signed across.
6. Supporting documents copy shall be self attested by the Investor / attested by the ARN holder mentioning the ARN number or attested by any competent authority.

For Investors based in the state of Sikkim the following documents are required:

1. Proof of address of Sikkim state and the Application Form should mention the same address.
2. Address proof shall be self attested by the Investor / attested by the ARN holder mentioning the ARN number or attested by any competent authority.

It is clarified that this non-PAN based KYC shall not be applicable for the following transactions:

- a. Existing SIP / STP / DTP / VTP registrations (and similar facilities) including those received till December 31, 2010.
- b. Dividend reinvestment transactions of any amount.

The KYC requirements can be completed by filling up the prescribed form (KYC Form) and submitting the

same along with all other prescribed documents (like attested true copies of supporting documents relating to proof of identity and address or verification with the original) to a designated Point of Service (PoS). On submission of KYC Form, documents and information to the satisfaction of the PoS, the Investor will be issued a provisional KYC acknowledgement across the counter. CDSL Ventures Ltd ("**Central Agency**") has been appointed by the Mutual Fund to complete KYC formalities on its behalf and hence Investors need to submit their details only once for completion of KYC formalities across mutual fund schemes. Investors will need to submit a completed KYC application form affixing a copy of their recent passport-size photograph along with copy of PAN card and proof of address for individuals, or corporate documents for bodies corporate, at any designated 'Point of Service' (POS) centre of the Central Agency. Prescribed list of documents, list of POS, individual KYC form, non- individual KYC form are available on the websites of the AMC - www.benchmarkfunds.com and AMFI website- www.amfiindia.com.

All documents must be submitted in original along with a self-attested copy. The original will be returned across the counter after verification. Alternatively, Investors may submit copies duly attested by a manager of a scheduled commercial bank (the designation seal should be affixed), notary public or gazetted officer. On submission of the KYC application form and documents to the Central Agency, Investors will receive an acknowledgement ("KYC Acknowledgement Letter" across the counter, a copy of which must be submitted to the Mutual Fund as proof of having completed KYC formalities.

The KYC Form is available on our website (www.benchmarkfunds.com) and on the AMFI website (www.amfiindia.com). PoS are the designated centres appointed by the Central Agency for receiving application forms and processing data. PoS will provide to the Investors with evidence of KYC Compliance. List and location of PoS is available at www.amfiindia.com. Subsequently, the Central Agency will verify the information and documents submitted by the Investor. The verification process will be completed within 10 to 15 days from the date of allotment of provisional KYC Acknowledgment. In case of any deficiency/insufficiency in the documentation or information provided by the Investor, the Central Agency may cancel the KYC Acknowledgement. On cancellation of KYC Acknowledgement intimation will be dispatched by the Central Agency to the Investor immediately. However, no communication will be sent to the Investor if the KYC Acknowledgement as allotted is confirmed. Any subsequent change in the information previously provided by the Investor, the same need to be communicated to CVL. KYC Compliant Investors need to ensure that any change of address details is registered with CVL before Redeeming Units. Registrar will not act upon address change requests directly received from KYC Compliant Investors. The existing Investor data for Investor address (both Indian and foreign), address, pin code, country, nationality, occupation, income details, date of birth, document provided as proof of identity will be over-written by the Registrar with data obtained from CVL. A folio in which any one or more of the holders are found to be non KYC compliant, in such folios further Subscriptions/systematic Purchases will not be permitted. This one-time process of KYC is valid for transactions across all mutual funds.

Investors should note that it is mandatory for all applications except for Micro SIP / VIP Investors and residents of Sikkim to quote the KYC Compliance status of each applicant (guardian in case of minor) in the application for Subscription and attach proof of KYC Compliance viz. KYC Acknowledgement Letter (or the previously Mutual Fund Identification Number (MIN) Allotment Letter*)/Printout of KYC Compliance Status downloaded from CVL website (www.cvlindia.com) using the PAN Number. Applicants intending to apply for Units through a Power of Attorney (PoA) must ensure that the issuer of the PoA and the holder of the PoA must mention their KYC Compliance status and attach proof of KYC Compliance at the time of investment. PoA holders are not permitted to apply for KYC compliance on behalf of the issuer of the PoA. Applications Forms/Transaction Slips not accompanied by KYC Acknowledgement are liable to be rejected. KYC Compliance status will be updated for all folios in which Investor is a holder in any capacity.

*Valid only where Investors who have already obtained the erstwhile Mutual Fund Identification Number

(MIN) by submitting the PAN copy as the proof of identity.

The KYC Compliance status will be validated with the records of the Central Agency before allotting Units. Applications for Subscriptions without a valid KYC Compliance can be rejected by the AMC/Registrar. However, where it is not possible to verify the KYC Compliance status within a reasonable time at the time of allotment of Units, the Trustee/AMC shall verify the KYC Compliance status within reasonable time after the allotment of Units. In the event of non-compliance with KYC requirements or in the event of cancellation of KYC Acknowledgement by the Central Agency, the AMC/Registrar may freeze the folio or cancel the investment transaction, affect mandatory Redemption and the amount may be Redeemed at Applicable NAV, subject to payment of applicable Exit Load, wherever applicable. The decision of AMC/Registrar in this regard will be considered final.

The AMC reserves the right to scrutinize/verify the application/applicant and the source of the applicant's funds and also reserves the right, on the grounds of non compliance with the anti money laundering norms/ know your customer norms by the applicant, to force Redemption at the Applicable NAV prevalent at the time of such Redemption, by Redeeming the proceeds in favour of the applicant and/or undertaking such other action with the funds, that may be prescribed under applicable Law including Redeeming the proceeds in favour of the source account from which the funds had been invested in the mutual fund. In line with the applicable regulations, the AMC may implement such anti money laundering measures and Know Your Customers norms, as it may deem appropriate. The Investors would be required to adhere to these norms.

Applicants/Unit holders may contact our Investor Service Centers/their distributors, if any for any additional information/clarifications. Also, please visit our website www.benchmarkfunds.com for any other related information.

Where the Investor desires to hold the Units in dematerialised form, the KYC performed by Depository Participant would be considered compliance with applicable requirement of SEBI Regulations.

The Investor(s) and their PoA holder, if any, shall produce reliable, independent source documents such as photographs, certified copies of ration card/ passport/ driving license/PAN card, etc. and/or such documents or produce such information as may be required from time to time for verification of the identity, residential address and financial information of the Investor(s) by the AMC/Mutual Fund. If the Investor(s) or the person making payment on behalf of the Investor(s), refuses / fails to provide the required documents/ information within the period specified in the communication(s) sent by the AMC to the Investor(s) then the AMC, after applying appropriate due diligence measures, believes that the transaction is suspicious in nature within the purview of the PMLA, the SEBI Act and the Regulations and/or on account of deficiencies in the documentation, shall have absolute discretion to report suspicious transactions to Financial Intelligence Unit – India (“**FIU-IND**”) and / or to freeze the folios of the Investor(s), reject any application(s) / allotment of Units and effect mandatory Redemption of Unit holdings of the Investor(s) at the Applicable NAV subject to payment of the Exit Load, if any, in terms of the said communication sent by the AMC to the Investor(s) in this regard.

The KYC documentation shall also be mandatorily complied with by the holders by virtue of operation of Law e.g. transmission, etc. The Mutual Fund, the AMC , the Trustee Company and their directors, employees and agents shall not be liable in any manner for any claims arising whatsoever on account of freezing the folios / rejection of any application / allotment of Units or mandatory Redemption of Units due to non-compliance with the provisions of the PMLA, SEBI circular(s) and KYC policy and / or where the AMC believes that transaction is suspicious in nature within the purview of the PMLA and SEBI circular(s) and reporting the same to FIU-IND.

Transfer of Units

The Mutual Fund will offer and Redeem the Units on a continuous basis after the NFO Period in accordance with the Scheme Information Documents of the relevant Schemes. As the Schemes (other than the Schemes that are listed pursuant to the relevant Scheme Information Document) stand ready to Redeem Units on a continuous basis, the transfer facility is found redundant. Units of the Schemes (other than the Schemes that are listed) shall therefore be non transferable (except where such Units are held in dematerialised form).

Units held, either in the form of Account Statements or Unit Certificates, are non-transferable. The Trustee reserves the right to make the Units transferable at a later date subject to the Regulations issued from time to time.

However, if a transferee becomes a holder of Units by the operation of Law or upon enforcement of a pledge, then the AMC shall, subject to production of such evidence, which in its opinion is sufficient, proceed to effect the transfer, if intended transferee is otherwise eligible to hold the Units.

A person becoming entitled to hold the Units in consequence of the death, insolvency, or winding up of the sole holder or the survivors of joint holders, upon producing evidence and documentation to the satisfaction of the Fund and upon executing suitable indemnities in favour of the Fund and the AMC, such person, shall be registered as a Unit Holder. In all such cases, if the transferee is not eligible to hold the Units, the Units will be Redeemed and the proceeds will be disbursed to the transferee if such transferee is entitled to the same.

Any addition/deletion of name from the folio of the Unit holder is deemed as transfer of Units. In view of the same, additions/deletions of names will not be allowed under any folio of the Scheme. The said provisions in respect of deletion of names will not be applicable in case of death of a Unit holder (in respect of joint holdings) as this is treated as transmission of Units and not transfer.

As regards the Units of Schemes which are listed, the Units would be transferable in accordance with the relevant Scheme Information Documents and the requirements of the relevant stock exchanges on which such Units are listed.

Units issued in demat form shall be freely transferable and shall adhere to the rules of transfer in the Depository regulations.

Transmission of Units

If Units are held in a single name by the Unit Holder, Units shall be transmitted in favour of the nominee where the Unit Holder has appointed a nominee. If Units are held by more than one registered Unit Holder, then, upon death of one of the Unit Holders, the Units shall be transmitted in favour of the remaining Holder(s) (in the order in which the names appear in the register of Unit Holders with the Registrar) and to the nominee only upon death of all the Unit Holders.

The documents required for transmission under various situations are as follows:

A. Transmission to surviving Unit holders in case of death of one or more Unit holders:

- i. Letter from surviving Unit holders to the AMC / Mutual Fund / RTA requesting for transmission of Units,
- ii. Death certificate in original or photocopy duly notarized or attested by gazette officer or a bank manager,
- iii. Bank account details of the new first Unit holder as per document specified by the AMC / Mutual Fund along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name. The abovementioned document is available on our website i.e.

www.benchmarkfunds.com.

- iv. KYC of the surviving Unit holders, if not already available.

B. Transmission to registered nominee(s) in case of death of sole or all Unit holders:

- i. Letter from claimant nominee(s) to the AMC / Mutual Fund / RTA requesting for transmission of Units,
- ii. Death certificate(s) in original or photocopy duly notarized or attested by gazette officer or a bank manager,
- iii. Bank account details of the new first Unit holder as per document specified by the AMC / Mutual Fund along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name. The abovementioned document is available on our website i.e. www.benchmarkfunds.com.
- iv. KYC of the claimant(s),
- v. If the transmission amount is Rs. One lakh or more, an indemnity duly signed and executed by the nominee(s). Please contact us for the format of the indemnity to be provided to the AMC/Mutual Fund.

C. Transmission to claimant(s), where nominee is not registered, in case of death of sole or all Unit holders:

- i. Letter from claimant(s) to the AMC / Mutual Fund requesting for transmission of Units,
- ii. Death certificate(s) in original or photocopy duly notarized or attested by gazette officer or a bank manager,
- iii. Bank account details of the new first Unit holder as per document specified by the AMC / Mutual Fund along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name. The abovementioned document is available on our website i.e. www.benchmarkfunds.com.
- iv. KYC of the claimant(s),
- v. Indemnity bond from legal heir(s). Please contact us for the format of the indemnity to be provided to the AMC/Mutual Fund.
- vi. Individual affidavits from legal heir(s). Please contact us for the format of the affidavit to be provided to the AMC/Mutual Fund.
- vii. If the transmission amount is below Rs. One lakh, any appropriate document evidencing relationship of the claimant(s) with the deceased Unit holder(s).
- viii. If the transmission amount is Rs. One lakh or more, any one of the documents mentioned below:
 - a. Notarised copy of probated will, or
 - b. Legal heir certificate or succession certificate or claimant's certificate issued by a competent court, or
 - c. Letter of Administration, in case of intestate succession.

D. Transmission in case of HUF, due to death of Karta: HUF, being a Hindu Undivided Family, the property of the family is managed by the Karta and HUF does not come to an end in the event of death of the Karta. In such a case, the members of the HUF will appoint the new Karta who needs to submit the following documents for transmission:

- i. Letter requesting for change of Karta,
- ii. Death certificate in original or photocopy duly notarized or attested by gazette officer or a bank manager,
- iii. Duly certified bank certificate stating that the signature and details of new Karta have been appended in the bank account of the HUF. Please contact us for the format of the bank certificate to be provided to the AMC/Mutual Fund.
- iv. KYC of the new Karta and KYC of HUF, if not already available.
- v. Indemnity bond signed by all the surviving coparceners and new Karta. Please contact us for the format of the indemnity to be provided to the AMC/Mutual Fund.
- vi. In case of no surviving co-parceners and the transmission amount is Rs One lakh or more OR where

there is an objection from any surviving members of the HUF, transmission should be effected only on the basis of any of the following mandatory documents:

- a. Notarized copy of Settlement Deed, or
- b. Notarized copy of Deed of Partition, or
- c. Notarized copy of Decree of the relevant competent court

Any person who becomes entitled to a Unit as a consequence of the death or bankruptcy of any sole Unit Holder or of the survivor of joint Unit Holders shall not be entitled to receive notices of or to attend or vote at any meeting of Unit Holders until such person is registered as the Unit Holder of such Unit. If any person is entitled to be registered as the Unit Holder or to transfer any Unit in accordance with the provisions of this SAI and the respective Scheme Information Documents, the AMC may retain any moneys payable in respect of such Unit on trust until such person is registered as the Unit Holder of, or has transferred, the relevant Unit.

For Schemes launched under ELSS, in the event of the death of the 'assessee' as defined under the ELSS ("Assessee"), the nominee or legal heir as the case may be shall be able to withdraw the investment only after the completion of one year from the date of allotment of the Units to the 'Assessee'. The restriction of one year shall not apply to Units allotted to Investors other than 'Assessee'. Accordingly, transfer of Units (allotted to Assessee) to nominees as mentioned above will be carried out only after the completion of one year from the date of their allotment. Please refer to relevant Scheme Information Documents for further details in this regard.

Pursuant to SEBI Circular dated August 18, 2010, units of all mutual fund schemes held in demat form will be freely transferable. However, restrictions on transfer of units of ELSS schemes during the lock-in period shall continue to be applicable as per the ELSS Guidelines.

Units held in demat form shall adhere to the rules of transmission in the Depository regulations.

Duration of the Schemes/Winding up

For Open Ended Schemes

The duration of all open ended Schemes is perpetual. The duration of Schemes other than open ended schemes shall be as set out in the relevant Scheme Information Documents of that Scheme. The AMC, the Fund and the Trustees reserve the right to make such changes/alterations in the Schemes (including the charging of fees and expenses) to the extent permitted by the applicable SEBI Regulations. However, in terms of the Regulations, a Scheme may be wound up after repaying the amount due to the Unit holders:

- i. On the happening of any event, which in the opinion of the Trustee(s), requires the Scheme to be wound up; or
- ii. Seventy five percent (75%) of the Unit holders of the Scheme pass a resolution that the Scheme be wound up, or
- iii. If SEBI so directs in the interest of the Unit holders.
- iv. If the Scheme is not able to meet the criteria laid down by SEBI for minimum number of Investors.

Where the Scheme is so wound up, the Trustees shall give notice of the circumstances leading to the winding up of the Scheme to SEBI and in two daily newspapers with circulation all over India and also in a vernacular newspaper circulating at the place where the Mutual Fund is formed.

For Close Ended Scheme

The duration of a Close Ended Scheme would be till the maturity date and will be fully Redeemed on such maturity date. A close-ended Scheme shall be wound up on the expiry of duration fixed in the Scheme on

the Redemption of the Units unless it is rolled-over for a further period in accordance with the Regulations

The Scheme can be converted to an open ended scheme, if:

1. The Scheme Information Document of the scheme discloses the option and the period of such conversion.
2. The Unit holders are provided with an option to Redeem their Units in full.

A close ended Scheme may be allowed to be rolled over if the purpose, period and other terms of roll over and all other material details of the Scheme including the likely composition of the assets immediately before the roll over, the net assets and the net assets value of the Scheme are disclosed to the Unit holders and a copy of the same has been filed with SEBI.

The Trustee reserves the right to convert the close ended Scheme to an open ended Scheme after complying with provisions of SEBI (Mutual Funds) Regulations. The Trustees may also roll over the Scheme for a further period at their discretion after complying with Mutual Funds Regulations.

The close ended Scheme may be wound up before the maturity of the Scheme after complying with necessary regulations. Where the Scheme is so wound up, the Trustees shall give notice of the circumstances leading to the winding up of the Scheme to SEBI and in two daily newspapers with circulation all over India and also in one vernacular newspaper with circulation at the place where the Mutual Fund is formed.

Effect of Winding Up

On and from the date of the publication of notice of winding up, the Trustee or the AMC, as the case may be, shall:

- i. Cease to carry on any business activities in respect of the Scheme so wound up;
- ii. Cease to create or cancel Units in the Scheme;
- iii. Cease to issue or Redeem Units in the Scheme.

Procedure and manner of Winding up

In the event of the Scheme being wound up, the AMC shall proceed as follows:

1. The Trustee shall call the meeting of the Unit holders to consider and to approve by simple majority of the Unit holders present and voting at the meeting for authorizing the Trustee, the AMC or any other person to take steps for the winding up of the Scheme. However a meeting of the Unit Holders shall not be necessary if the Scheme is wound up at the end of maturity period of the Scheme.
2. The Trustee, the AMC or the person authorized as above shall dispose off the assets of the Scheme concerned in the best interest of Unit holders of the Scheme.
3. The proceeds of sale realized in pursuance of the above, shall be first utilized towards discharge of such liabilities as are due and payable under the Scheme and after making the provisions for meeting the expenses connected with such winding up, the balance shall be paid to Unit holders in proportion to their respective interest in the assets of the Scheme, as on the date when the decision for winding up was taken.
4. On completion of the winding up, the AMC shall forward to SEBI and the Unit holders a report on the winding up, detailing the circumstances leading to the winding up, the steps taken for disposal of the assets of the Scheme before winding up, expenses of the Scheme for winding up, net assets available for distribution to the Unit holders and a certificate from the auditors of the Fund.
5. Notwithstanding anything contained herein above, the provisions of the Regulations in respect of disclosures of half-yearly reports and annual reports shall continue to be applicable until winding up is completed or the Scheme ceases to exist.
6. After the receipt of the report referred to above, if SEBI is satisfied that all measures for winding

up of the Scheme have been complied with, the Scheme shall cease to exist.

Suspension of Sale/Redemption/Switching Options of Units

The AMC and the Trustees at their sole discretion reserve the right to suspend Purchase and / or Redemption and / or Switch of the Units in the Schemes (including any one of the Plan of any of the Schemes) temporarily or indefinitely, if in the opinion of the AMC and the Trustees, the general market conditions are not favourable and / or suitable investment opportunities are not available for deployment of funds and/or the conditions set out below. However, the suspension of Purchase / Redemption / Switch either temporarily or indefinitely will be with the approval of the Trustees and the AMC.

The Trustee may decide to temporarily suspend determination of NAV of the Schemes and consequently sale/Redemption/Switch of Units, in any of the following events:

1. When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the Schemes are closed otherwise than for ordinary holidays or during which dealings there are restricted or suspended.
2. When, as a result of political, economic or monetary events or any circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the Schemes are not reasonable or would not reasonably be practicable without being detrimental to the interests of Unit holders.
3. In the event of breakdown in the means of communication or computation used for the valuation of investments of the Schemes without which the value of the Securities of the Schemes cannot be accurately calculated.
4. During periods of extreme volatility of markets which in the opinion of the AMC are prejudicial to the interests of the Unit holders of the Schemes.
5. In case of natural calamities, external aggression, internal disturbances, strikes, riots and bandhs.
6. In the event of any force majeure or disaster that affects the normal functioning of the AMC or the Registrar.
7. If so directed by SEBI.
8. In case of breach of limits for investment in Derivatives as specified in SEBI circulars or relevant Regulation.
9. In case of breach of limits for investment in foreign Securities as specified in SEBI circulars or relevant Regulation.
10. Any other circumstances which in the opinion of the board of directors of AMC and Trustee is prejudicial to the interest of the existing Unit Holders/prospective Investors.

In the eventualities mentioned in points 1 to 7 above, the time limits indicated above, for processing of requests for Purchase and Redemption of Units will not be applicable. In case of eventuality mentioned in point 8 and 9 above, the Fund would suspend sale of Units until such time the Schemes are able to comply with the relevant SEBI Regulations, Circulars & guidelines.

However the suspension or restriction of Redemption facility under the Schemes shall be made applicable only after the approval from board of directors of the AMC and Trustee. Till the Regulations require, the approval from the board of directors of the AMC and Trustee giving details of circumstances and justification for the proposed action will also be informed to SEBI in advance.

Unclaimed Redemption/Dividend Amount

As per SEBI Circular No. MFD/CIR/9/120/2000 dated November 24, 2000, the unclaimed Redemption amount and Dividend amounts may be deployed by the Mutual Fund in Call Money market or Money Market Instruments only and the Investors who claim these amounts during a period of three years from due date shall be paid at the prevailing Net Asset Value. After a period of three years, this amount will be transferred to a pool account and the Investors can claim the amount at NAV prevailing at the end of third year. The income earned on such investments will be used for the purpose of Investor education. The AMC will make a continuous effort

to remind the Investors through letters to take their unclaimed amounts. Further, the investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

Right to Limit Redemptions

If a Unit holder makes a Redemption request immediately after Purchase of Units, the Fund shall have a right to withhold the Redemption request and would process such Redemption request only after the amount remitted by the Unit holder (for Purchase of Units) is realized and the proceeds have been credited to the Schemes' Account. However, this is only applicable if the value of Redemption is such that some or all of the freshly Purchased Units may have to be Redeemed to effect the full Redemption.

The Trustees may, in their sole discretion, in response to unforeseen circumstances (such as unusually large number/value of Redemption requests) or unusual market conditions including, but not limited to, extreme volatility of the stock, fixed income and money markets, extended suspension of trading on the stock exchanges, natural calamities and communication breakdowns, limit the total number of Units which may be Redeemed on any Business Day to 5% of the total number of Units then in issue (or such higher or lower percentage as the Trustees may determine in any particular case). This limitation shall apply pro rata to all Unit Holders who have validly requested Redemptions to be effected on such Business Day. Any Units which consequently are not Redeemed on a particular Business Day, will be carried forward for Redemption to the next Business Day, in order of receipt. Redemptions so carried forward will be priced on the basis of the Applicable NAV (subject to the prevailing Load) of the Business Day on which Redemption is processed. In addition, the Trustee reserves the right, in its sole discretion, to limit Redemptions with respect to any single account to an amount of Rs. 1,00,00,000 (Rupees one crore) in a single Business Day.

C. General Information

Investor information

The AMC may collect, store and process by electronic or other means the data supplied by the Investors at the time of their Subscription or otherwise, for the purpose of fulfilling the services required by the Investors and complying with its legal obligations. The data processed may include, but may not be limited to, the name, address and invested amount of each Investor (the "Personal Data"). In particular the data supplied by the Investors may be processed for the purpose of (i) maintaining the register of Unit Holders, (ii) processing Subscriptions, Redemptions and payments of Dividends to Unit Holders, (iii) performing controls on excessive trading, market timing and unfair or suspicious practices, and (iv) complying with applicable anti-money laundering rules. The AMC may delegate to another entity/ third party service provider including to its Sponsor, its subsidiaries, associates, or any group company of the Sponsor, either established or to be established at a later date (the "Service Providers"), the processing of the Personal Data and/or distributor communications, in compliance with, and within the limits of, the applicable Laws and Regulations.

Subject to and in accordance with applicable Laws, the Trustees/AMC/ Service Providers may monitor electronic communications and may record telephone conversations between the Investors/ Unit Holders and the Service Providers of the Mutual Fund and use the same as evidence. Any information received by the Trustees / AMC / Service Providers through such interception may be shared in accordance with this section.

Investor's Personal Information

The AMC may share Investors' personal information with the following third parties:

1. Registrar, Banks and/or authorised external third parties who are involved in transaction processing, dispatches, etc. of Investors' investment in the Schemes;
2. Distributors or Sub-brokers through whom applications of Investors are received for the Schemes;

- or
3. Any other organisations for compliance with any legal or regulatory requirements or to verify the identity of Investors for complying with anti-money laundering requirements.

Account statements or financial information pertaining to the Investor, if it is to be sent over the internet to the Unit Holder, distributors or any other entity as indicated above, may be sent through a secure means and / or through encrypted electronic mail on best efforts basis.

Recording of Investment Decisions

The investment decisions will be taken for the Schemes keeping in view the market conditions, investment objective of the Schemes and all the relevant aspects. The AMC will review all the investments made by the Schemes. The investment decisions of the Schemes will be carried out by the designated fund manager under the supervision of Executive Director and Chief Investment Officer wherever applicable. All investment decisions of the Scheme will be recorded in accordance with SEBI Regulations.

Review by board of directors of AMC and Trustees

A detailed review of the Schemes of the Fund will be placed before the board of directors of AMC and the Trustee on a quarterly basis. The review will contain information about the inflow in the Schemes, outflow/Redemption from the Schemes and the performance of the Schemes. The board of directors of the AMC and Trustee will review the performance of the Schemes vis-à-vis the benchmark. The Trustee reserves the right to change the benchmark for evaluation of performance of the Schemes from time to time in conformity with investment objective of the Schemes and appropriateness of the benchmark subject to SEBI Regulations, and other prevailing guidelines, if any.

Underwriting

The Schemes will not accept underwriting and sub underwriting obligations.

Lending of Securities

The Schemes may lend Securities from its portfolio in accordance with the Regulations and the applicable SEBI guidelines. Securities' lending shall enable the Schemes to earn income that may partially offset the expenses of the Schemes and thereby reduce the effect of the expenses have on the Schemes ability to provide investment returns. The Schemes will pay reasonable administrative and custodial fees in connection with the loan of Securities. The Schemes will be exposed to the risk of loss should a borrower default on its obligation to return the borrowed Securities. The Schemes share of income from the lending of Securities will be included in the Schemes gross income. The Fund will comply with the conditions for Securities lending specified by the SEBI.

The maximum exposure of each Scheme to a single intermediary in the stock lending programme at any point of time would be limited to 50% of the market value of the equity portfolio of such Scheme or upto such limits as may be specified by SEBI. Each Scheme will not lend more than 75% of its corpus.

Infra BeES will lend Securities as per SEBI Circular having reference no. SEBI/IMD/CIR No. 9/108562/07 dated November 16, 2007, which has made enabling provisions for mutual funds to engage in Securities lending which shall be applicable as and when notified by SEBI. The Fund will comply with the conditions for Securities lending specified by SEBI Regulations and circulars.

Borrowing of Securities

If the Mutual Funds are permitted to borrow stocks, the Schemes may in appropriate circumstances borrow stocks in accordance with SEBI guidelines, which may be issued in this regard.

Fractional Units

Since a request for Redemption or Purchase is generally made in rupee amounts and not in terms of number

of Units of the Schemes, an Investor may be left with fractional Units. Fractional Units will be computed and accounted for up to three decimal places. However, fractional Units will in no way affect the Unit Holder's ability to Redeem the Units, either in part or in full, standing to the Unit Holder's credit.

Policy for Borrowing

In terms of Regulations as presently prevailing, each Scheme shall have powers to borrow up to a maximum of 20% of the net assets of such Scheme as on the date of borrowing for a maximum duration of 6 months or as may be permitted under prevailing regulations. This borrowing shall be used only to meet repurchase/Redemption of Units/Dividends or interest payouts as a temporary liquidity measure as per Regulation 44[2] of Chapter VI of SEBI [Mutual Funds] Regulations, 1996, on such terms (as to creation of charge on the properties of the Scheme, rate of interest, margins etc.) as the Trustee/AMC considers to be in the interest of Investors. The Fund may raise such borrowings after approval by the Trustees from its Sponsor / associates / group companies / commercial banks in India or any other entity at market related rates prevailing at the time and applicable to similar borrowings. The security for such borrowings, if required, will be as determined by the Trustees as permitted under applicable Laws. Such borrowings, if raised, may result in a cost, which would be dealt with in consultation with the Trustee.

Power to make Rules

Subject to the Regulations, the Trustees may from time to time, prescribe such terms and make such rules for the purpose of giving effect to the Schemes and the plans thereunder with power to the AMC to add to, alter or amend all or any of the terms and rules that may be framed from time to time.

Schemes to be binding on the Unit Holders

Subject to the Regulations, the Trustees may from time to time, add or otherwise vary or alter all or any of the features of plans and terms of the Schemes in accordance with the information provided in the relevant Scheme Information Document(s). Any additions /variations / alternations shall be done only in accordance with the Regulations.

Acts done in good faith

Any act, thing or deed done in good faith in pursuance of or with reference to the information provided in the application or other communications received from the Investor/ Unit Holder will constitute good and full discharge of the obligation of the Fund, Trustees and the AMC.

In cases of copies of the documents / other details such as list of authorized signatories, that are submitted by a limited company, body corporate, registered society, trust or partnership, if the same are not specifically authenticated to be certified true copies but are attached to the Application Form and / or submitted to the Fund, the onus for authentication of the documents so submitted shall be on such Investors and the AMC / Fund will accept and act on these in good faith wherever the documents are not expressly authenticated. Submission of these documents / details by such Investors shall be full and final proof of the corporate Investor's authority to invest and the AMC / Fund shall not be liable under any circumstances for any defects in the documents so submitted.

Lien

In conformity with the guidelines and notifications issued by SEBI / GOI / any other regulatory agencies from time to time, as applicable, Units under the Schemes may be offered as security by way of a lien / charge in favour of scheduled banks, financial institutions, non-banking finance companies, or any other body. The Registrar will note and record the lien against such Units. A standard form for this purpose is available on request with the Registrar. The Fund will have a first and paramount right of lien/set-off with

respect to every Unit/Dividend under any Scheme of the Fund for any money that may be owed by the Unit Holder, to it.

The Unit Holder will not be able to Redeem / Switch Units under lien until the lien holder provides written authorisation to the AMC / Fund that the lien is discharged. As long as Units are under lien, the lien holder will have complete authority to exercise the lien, thereby Redeeming such Units and receiving payment proceeds. In such instance, the Unit Holder will be informed by the Registrar through an account statement. In no case will the Units be transferred from the Unit Holder to a lien holder. Dividends declared on Units under lien will be paid / re-invested to the credit of the Unit Holder and not the lien holder. Subject to instructions received from the Unit Holder, the AMC shall pay the Dividends to the lien holder and any payments made by the AMC shall be a valid discharge of all liability of the Fund and the AMC in this regard. If either the Fund and / or the AMC incur any loss whatsoever arising out of any litigation or harm that it may suffer in relation to payment of Dividend to the lien holder under instructions of the Unit Holder, they will be entitled to be indemnified absolutely by the Unit Holder.

Omnibus clause

As provided under Regulation 52(7) of the SEBI Regulations, any expenditure in excess of the limits specified in Regulation, shall be borne either by the AMC, or the Trustee or the Sponsor.

Any amendment / clarification and guidelines including in the form of notes or circulars issued from time to time by SEBI for the operation and management of the Mutual Fund shall be deemed to be applicable.

Inter-Scheme Transfer

The transfer of investments from one Scheme to another Scheme in the same mutual fund shall be allowed only if: -

1. Such transfers are done at the prevailing market price for quoted investments on spot basis.
2. The Securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfers have been made.

Explanation: 'Spot basis' shall have same meaning as specified by Stock Exchange for spot transaction.

In case of Securities which are not traded on the principal stock exchange / any other exchange, the inter-Scheme transfers will be effected based on fair valuation to be arrived at by the AMC.

The Mutual Fund shall not transfer illiquid Securities from/to the Scheme to /from other Schemes/plans of the Mutual Fund. NPAs of other Schemes will not be acquired by the Scheme. All inter Scheme transfers should be in conformity with the Regulations.

Mode of Holding

Applicants have to specify the 'mode of holding' in the Application Form. The mode of holding may be "Single", "Jointly" or "Anyone or Survivor". "Single" will entitle only the first holder to operate the account to the exclusion of the joint holders. "Jointly" will allow operation of the folio only if all the holders sign the instruction. "Anyone or Survivor" will entitle anyone of the joint holders to operate the folio.

If an account has more than one holder, only the first named holder (as determined by the records of the Registrar) will receive all notices and correspondence with respect to the account, as well as the proceeds of any Redemption requests or Dividends or other distributions. In addition, such holder will have the voting rights, as permitted/associated with such Units as per the applicable guidelines.

In case of holdings specified as 'Jointly', all requests have to be signed by all the joint holders. However, in the case of holdings specified as 'Anyone or Survivor', anyone of the joint holders may sign such requests.

All payments and settlements made to the first Unit holder would constitute valid discharge by the Fund.

If two or more applicants apply for Units of the Scheme without specifying the mode of holding, they shall be deemed to have elected to hold Units “Jointly”. Any change in mode of holding will have to be signed by all the holders. By following the above procedure, the Fund/AMC shall be discharged of all the liability towards the joint/remaining Unit holders.

Units held in electronic form with the Depository shall adhere to the rules of the Depository for operation of such DP accounts.

Master account/Folio Number

Each Investor will be identified by a Folio Number. Folio number should be quoted in all communications.

Units held in electronic form with the Depository shall not be assigned a folio number. Unit holders shall quote Depository Participant Identification No. and Client Identification No. in all its communications.

As an Investor friendly measure, unless otherwise requested by the Unit Holder, one master / folio number may be assigned to one Investor investing in different Schemes of the Mutual Fund. In such a case, one consolidated account statement will be provided for investments in all the Schemes. The number of Units allotted to a Unit Holder or Redeemed by a Unit Holder will be reflected in his / her / their account and a statement to this effect will be issued to the Unit Holder. The AMC reserves the right to assign the existing master account / folio number against multiple applications and / or subsequent Purchases under a new Application Form by an existing Unit Holder, with identical mode of holding and address.

Auto Debit and Electronic Clearing Service

The AMC may from time to time provide Electronic Clearing Services/Electronic Fund Transfer facility to the Investors for Subscriptions, Redemptions and for payment of Dividends. The Investor opting for Electronic Clearing Services/Electronic Fund Transfer may be required to sign a mandate form on the basis of which the Fund will arrange for debiting and/or crediting his account as per the frequency, amount and date chosen by the Investor or as and when Dividend is declared.

Registration of multiple bank accounts for Investors in non ETF Schemes

Investors/Unit holders can register multiple bank accounts with the Fund. Investors/Unit holders have to register one of the registered bank accounts as the default bank account for credit of Redemption and Dividend proceeds. The Investor/Unit holder, may however, specify any other registered bank accounts for credit of Redemption proceeds at the time of requesting for the Redemption.

Investors/Unit holders can delete the registered bank account. However, Investor/Unit holders shall not be allowed to delete a default bank account unless they register another registered account as a default account.

Investors/Unit holders can change their bank account provided that the Mutual Fund / AMC may provide a cooling off period of up to 10 calendar days for validation and registration of the revised / default bank account.

Investors are requested to avail this facility for registration/deletion/change of bank accounts by filling and signing the Multiple Bank Account Registration Form and sending the same along with additional documents and declarations, to Karvy Computershare Pvt. Ltd., Registrar & Transfer Agents of the Mutual Fund. Investors are requested to note the terms and conditions mentioned in the Multiple Bank Account Registration Form. The Mutual Fund / AMC may request for any additional documents/declarations as it may deem fit for registration/deletion/change of bank accounts.

Payment of Redemption Proceeds

Repurchase proceeds will be paid by cheques, marked “Account Payee Only” and payments will be made

in favour of the Unit holder (in case there are more than one registered holder, then the payment will be made in name of first holder only) with the Bank account number furnished to the Fund. Redemption cheques will be sent to the address of the Unit holder as registered with the Fund and in case of the joint holding, to the address of the first Unit holder.

As per the SEBI Regulations, the Mutual Fund is required to dispatch Redemption proceeds within 10 working days from the date of Redemption/repurchase. However, under the normal circumstances, the Fund will endeavour to dispatch the Redemption proceeds within 10 working days from the date of Redemption/repurchase. Redemption requests received along with a change of bank mandate (which is not registered) will be processed after a cooling off period of not more than 10 calendar days. This cooling off period is required to validate the new bank mandate provided.

A fresh account statement will also be sent to the Unit holder Redeeming Units, indicating the new balance to the credit in the account, along with the Redemption cheque.

Repurchase by Non-Resident Investors

For NRI's, Redemption proceeds will be remitted depending upon the source of investment as follows :

(i) Repatriation basis

When Units have been Purchased through remittance in foreign exchange from abroad or by cheque/draft issued from the proceeds of the Unit holder's Foreign Currency Non Resident (FCNR) deposit or from funds held in the Unit holder's Non Resident (external) (NRE) account kept in India, the proceeds can be remitted to the Unit holder in foreign currency (any exchange rate fluctuation will be borne by the Unit holders). The proceeds can also be sent to his India address for crediting to his NRE/FCNR/Non Resident (Ordinary) Account, if desired by the Unit holders.

(ii) Non Repatriation Basis

When Units have been Purchased from funds held in the Unit holder's Non Resident (Ordinary) Account, the proceeds will be sent to the Unit holder's Indian address for crediting to the Unit holder's Non Resident (Ordinary) Account.

For FII's, the designated branch of the authorized dealer may allow remittance of net sale/maturity proceeds (after payment of taxes) or credit the amount to the foreign currency or Non Resident Rupee Account of the FII maintained in accordance with the approval granted to it by the Reserve Bank of India.

The Fund will not be liable for any delays or for any loss on account of any exchange fluctuations, while converting the rupee amount in foreign exchange in the case of transactions with NRIs/FIIs.

Refunds, interest, Dividends, other distributions, if any, and maturity proceeds/repurchase price will be payable in Indian Rupees only.

Set-off

The AMC shall have the right to set-off Dividend amounts, Redemption amounts or any other amounts that may be payable to an Investor under the Scheme:

- (i) against Redemption proceeds already paid by the AMC in respect of Units created without realizing the Subscription amounts, and/or
- (ii) against any excess payments made (and, in the case of payments by cheque, whether encashed or not) to such Investor, under the Scheme or under any other Scheme of the Fund managed by the AMC in the same folio or any other folio of such Investor in the Fund.

Distributors

The Fund intends to utilize the services of select financial intermediaries for distribution and may pay

brokerage depending upon the efficiency and other factors as may be decided by the AMC. The AMC is the sole authority to select such financial intermediary/intermediaries who would distribute the Schemes. Further, the AMC may appoint one or more exclusive distributors, at its discretion, based on the parameters decided by the AMC. For further details on the distributors, please refer to the relevant Scheme Information Document(s). As permitted under the Regulations, the AMC will engage the services of Distributors for the distribution of Units of the Scheme and may make differential payment to the Distributors based on varying fee structures as may be agreed between the AMC and each Distributor, the amount of which would typically be connected to the volume of sales.

TRANSACTIONS WITH SPONSORS/ASSOCIATE

For the purpose of this Scheme, an associate or group company shall include Sponsor, Niche Financial Services Pvt. Ltd., its subsidiaries, including AMC (Benchmark Asset Management Company Pvt. Ltd) & joint ventures.

At present the Fund does not have any transactions with the Sponsor or its associates. However the AMC may utilize the services of Sponsor, Group Companies and any other subsidiary or associate company of the Sponsor established or to be established at a later date for marketing, book-building, distribution or any other activity connected with the Schemes of Benchmark Mutual Fund, as may be allowed by SEBI or any other competent authority and within the relevant provisions of Regulations and limits prevailing from time to time. The AMC will conduct its business with the Sponsor or its Associate on commercial basis and on arms length basis and at mutually agreed terms and conditions to the extent permitted under the Regulations.

Associate transactions, if carried out, would be as per the Regulations and the limits prescribed there under.

As provided in the SEBI Regulations, the Scheme shall not make any investments in:

1. Any unlisted Security of an associate or group company of the Sponsor; or
2. Any Security issued by way of private placement by an associate or group company of the Sponsor; or
3. The listed Securities of group companies of the Sponsor in excess of 25% of the assets of all the Schemes of the Mutual Fund.

The related Indian affiliates of the Sponsor on the date of this Statement of Additional Information are:

- a. Goldman Sachs Asset Management (India) Private Limited (“**GS AMC**”)
- b. Goldman Sachs Trustee Company (India) Private Limited (“**GSTC**”)
- c. Goldman Sachs (India) Securities Private Limited (“**GSISPL**”)
- d. Goldman Sachs Services Private Limited (“**GSSPL**”)
- e. Goldman Sachs (India) Finance Private Limited (“**GSFPL**”)
- f. Goldman Sachs (India) Capital Markets Private Limited (“**GSICL**”)
- g. Saffron Properties Private Limited
- h. Paternoster India Private Limited
- i. Benchmark Asset Management Company Private Limited
- j. Benchmark Trustee Company Private Limited

The AMC, Sponsor or any associate may invest in Units of the Schemes (the existing Schemes, including Schemes as may be launched from time to time). The percentage of such investments will vary from time to time. However the AMC shall not charge any management fees on its own investment in the Units of the Schemes of the Fund.

The AMC may from time to time, for the purpose of conducting its normal business, use the services

(including brokerage services, Securities transactions, distribution of Units, etc.) of the Sponsor, its subsidiaries, associates, or any group company of the Sponsor, either established or to be established at a later date, and who is in a position to provide the requisite services to the AMC.

The AMC has not paid any brokerage and commission to associates/related parties/group companies of the Sponsor/AMC.

Brokerage paid to associates/related parties/group companies of Sponsor/AMC for the Financial Years 2008-09, 2009-10 & 2010-11

Name of associate/related parties/group companies of Sponsor/AMC	Nature of Association / Nature of Relation	Period Covered (Financial Years 2008-09, 2009-10 & 2010-11)	Value of transaction (in Rs. Cr. & % of total value of transaction of the Fund)	Brokerage (Rs Cr & % of total brokerage paid by the Fund)
NIL				

Commission paid to associates/related parties/group companies of sponsor/AMC for the Financial Years 2008-09, 2009-10 & 2010-11

Name of associate/related parties/group companies of Sponsor/AMC	Nature of Association / Nature of Relation	Period Covered (Financial Years 2008-09, 2009-10 & 2010-11)	Business Given (in Rs. Cr. & % of total business received by the Fund)	Commission paid (Rs Cr & % of total commission paid by the Fund)
NIL				

Documents for Inspection

The following documents will be available for inspection at the office of Benchmark Mutual Fund at 405, Raheja Chambers, Free Press Journal Marg, 213, Nariman Point, Mumbai 400 021 during business hours on any day (excluding Saturdays, Sundays and public holidays).

- i Memorandum and Articles of Association of the AMC.
- ii Investment Management Agreement.
- iii Trust Deed and amendments thereto, if any.
- iv Mutual Fund Registration Certificate.
- v Agreement between the Mutual Fund and the Custodian.
- vi Agreement with Registrars' and the Share Transfer Agents.
- vii Consent of Auditors to act in the said capacity.
- viii Consent of Legal Advisors to act in the said capacity.
- ix Securities and Exchange Board of India (Mutual Fund) Regulations, 1996 and amendments from time to time thereto.
- x Indian Trust Act, 1882.

Website

The website of the AMC/Fund is intended solely for use of prospective Investors who are eligible to invest in the units of mutual fund schemes. Subject to applicable Laws, the website of the AMC should not be regarded as a solicitation for business in any jurisdiction. It should be considered as a solicitation for business in India only. In particular the information is not for distribution and does not constitute an offer to sell or solicitation of an offer to buy Securities in any jurisdiction where the activity is prohibited. Any persons resident outside India who nevertheless intend to respond to the material / information on the

website must first satisfy themselves that they are not subject to any local requirements, which restrict or prohibit them from doing so.

It is the responsibility of any persons wishing to apply for Units to inform themselves of and to observe, all applicable Laws and Regulations of such relevant jurisdiction. Any changes in SEBI/NSE/RBI regulations and other applicable Laws/regulations could have an effect on such investments and valuation thereof. Prospective Investors are advised not to rely upon any information or representations other than that of the AMC as the same have not been authorised by the Fund or the AMC. Purchase or Redemption made by any person on the basis of statements or representations made by the AMC or which are not consistent with the information contained herein shall be solely at the risk of the Investor. The Investors are requested to read the terms and conditions given on the said website carefully before using the website. By using the said website, the Investor will be deemed to have agreed that the terms and conditions specified apply to the use of the Investor of the said website, any information obtained from the site, and its products and services. If the Investor does not agree to the specified terms, the Investor may not use the said website or download any content from it.

Information other than that relating specifically to the AMC, the Mutual Fund and its products, is for information purposes only and should not be relied upon as a basis for investment decisions. The AMC shall not be responsible for any information contained in any website linked from the website of the Fund/AMC.

The AMC makes no representations whatsoever about any such website which the user may access through the said website. A link to a non - AMC website does not mean that the AMC endorses or accepts any responsibility for the content, or the use, of such website. It is the responsibility of the user to take precautions to ensure that whatever is selected for use is free of such items as viruses and other items of a destructive nature.

Web transactions Facility

The Fund may introduce in the future certain online transactions, including Purchase and Redemption of the Units of the Fund or any other transaction such as change in address, change in bank details, change in mode of payment etc., as may be specified by the Mutual Fund from time to time.

However Investors intending to take benefit of the web-based transaction facility should note that the Investor shall use this service at his own risk. Subject to applicable Laws, the Fund, the AMC, the Trustee, along with its directors, employees and representatives shall not be liable for any damages or injuries arising out of or in connection with the use of the website or its non-use including, without limitation, non-availability or failure of performance, loss or corruption of data, loss of or damage to property (including profit and goodwill), work stoppage, computer failure or malfunctioning, or interruption of business; error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, unauthorised access or use of information.

Subject to the applicable Law, the Fund shall not be liable for any misuse of data placed on the website, "hacking" or unauthorized accessing of the server of the Fund by third parties. The Fund will not be liable for any failure to act upon electronic instructions or to provide any facility for any cause that is beyond the control of the Fund.

Investor Grievance Redressal Mechanism

Investor grievances are normally received at the office of the AMC, Investor Service Centres or directly by the Registrar. All grievances are generally forwarded to the Registrar for their necessary action. The complaints are closely followed up with the Registrar such that timely redressal and prompt Investor

services are provided. The AMC will at all times endeavour to handle transactions efficiently and to resolve any Investor grievances promptly. The AMC has appointed Mr. Rajdeep Basu as the Investor Relation Officer.

He can be contacted at:

Benchmark Asset Management Company Pvt. Ltd.

405, Raheja Chambers
Free Press Journal Marg
213, Nariman Point
Mumbai - 400 021
Tel (91 22) 6651 2727
Fax: (91 22) 2200 3412
Email: rajdeep.basu@benchmarkfunds.com

The status of Investor complaints for previous fiscal years is as follows:

1. Financial Year 2011-2012*

Scheme Name	No. of Cases Received	No. of Cases Redressed	No. of Cases Pending
Nifty BeES	-	-	-
Junior BeES	-	-	-
Liquid BeES	-	-	-
Bank BeES	-	-	-
Benchmark Derivative Fund	-	-	-
Gold BeES	-	-	-
PSU Bank BeES	-	-	-
Benchmark Equity & Derivatives Opportunities Fund	-	-	-
Benchmark S&P CNX 500 Fund	-	-	-
Shariah BeES	-	-	-
Hang Seng BeES	-	-	-
Benchmark Short Term Fund	-	-	-
Infra BeES	-	-	-

*The details of Investor complaints have been updated till May 31, 2011

2. Financial Year 2010-2011

Scheme Name	No. of Cases Received	No. of Cases Redressed	No. of Cases Pending
Nifty BeES	-	-	-
Junior BeES	-	-	-
Liquid BeES	-	-	-
Bank BeES	-	-	-
Benchmark Derivative Fund	-	-	-
Gold BeES	1	1	-
PSU Bank BeES	-	-	-
Benchmark Equity & Derivatives Opportunities Fund	-	-	-
Benchmark S&P CNX 500 Fund	4	4	-
Shariah BeES	-	-	-
Hang Seng BeES	2	2	-
Benchmark Short Term Fund	-	-	-

Infra BeES	-	-	-
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3. Financial Year 2009-2010

Scheme Name	No. of Cases Received	No. of Cases Redressed	No. of Cases Pending
Nifty BeES	2	2	-
Junior BeES	-	-	-
Liquid BeES	3	3	-
Bank BeES	-	-	-
Benchmark Derivative Fund	-	-	-
Benchmark Split Capital Fund – Balanced	1	1	-
Gold BeES	-	-	-
PSU Bank BeES	-	-	-
Benchmark Equity & Derivatives Opportunities Fund	-	-	-
Benchmark S&P CNX 500 Fund	2	2	-
Shariah BeES	-	-	-
Hang Seng BeES	-	-	-

4. Financial Year - 2008-2009

Scheme Name	No. of Cases Received	No. of Cases Redressed	No. of Cases Pending
Nifty BeES	-	-	-
Junior BeES	-	-	-
Liquid BeES	-	-	-
Bank BeES	-	-	-
Benchmark Derivative Fund	-	-	-
Benchmark Split Capital Fund - Balanced	1	1	-
Gold BeES	2	2	-
PSU Bank BeES	-	-	-
Benchmark Equity & Derivatives Opportunities Fund	-	-	-
Benchmark S&P CNX 500 Fund	-	-	-
Shariah BeES	-	-	-

Notwithstanding anything contained in this Statement of Additional Information, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines thereunder shall be applicable.