

GOLD BeES™

A SMARTER WAY TO INVEST IN GOLD

FREQUENTLY ASKED QUESTIONS (FAQS)

1. What are Exchange Traded Funds (ETFs)?

Exchange Traded Funds are open ended funds that are listed and traded on exchanges like stocks. They enable investors to gain broad exposure to indices or defined underlying assets with relative ease, on a real-time basis, and at a lower cost than many other forms of investing.

2. What are BeES?

BeES (Benchmark Exchange Traded Scheme) are a family of Exchange Traded Funds (ETFs) launched by Benchmark Mutual Fund. ETFs are mutual fund schemes, which combine the best features of open ended and close-ended funds. They are like stocks - listed on NSE, liquid, tradable throughout the day, priced continually and in demat form. At the same time, BeES are like index funds - they offer the benefits of diversification, index tracking and low expenses. BeES represent a unique tool for investing in a mutual fund at a price and time you choose.

3. What are Gold BeES?

Gold BeES stand for Gold Benchmark Exchange Traded Scheme. Gold BeES are intended to offer investors a means of participating in the gold bullion market without the necessity of taking physical delivery of gold, and to buy and sell that participation through the trading of a security on National Stock Exchange (NSE).

Gold BeES is designed to provide returns that, before expenses, closely correspond to the returns provided by physical Gold. Each unit is approximately equal to the price of 1 gram of Gold.

4. Why should I invest in Gold?

- An Excellent Diversification for your Portfolio
- Global Asset Class
- Hedge against Inflation
- Low Volatility as compared to Equities
- Store of value

5. What are Advantages of Investing in Gold through Gold BeES?

- Potentially cheaper to have price exposure to gold price as compared to other available avenues
- Quick and Convenient Dealing through Demat Account
- No Storage & Security Issues for investors
- Transparent Pricing
- Mutual Fund Taxation.
- Listed and traded on NSE just like a stock- Easy Buying/Selling
- Ideal for Retail Investor as minimum lot size to trade is one unit on secondary market.
- NAV of a Unit will track price of approximately 1 Gram of Gold

The above advantages can be better represented through the table below:

No	Parameter	Gold BeES	Gold Futures	Jewellery	Bank (Bars/ Coins)
1	Purchase and Sale	Demat Form	Futures Contract	Physical Form	Physical Form
2	Pricing	Linked to international gold prices (incl. VAT)	Could be at premium or discount to the spot price (Excl. VAT)	May differ from jeweler to jeweler (Incl. VAT)	May differ from bank to bank (Incl. VAT)
3	Buying Premium above gold price	Likely to be low	May be positive or negative	Likely to be high	Likely to be high
4	Making Charges	Not Involved	Not Involved	Are Involved	Are Involved
5	Impurity Risk	Cannot exist	Cannot exist	May Exist	May Exist
6	Storage Requirement	Demat Account	Required once delivery taken	Locker	Locker
7	Security of Asset	Taken care by Fund House	Taken care by Depository	Responsibility With Investor	Responsibility With Investor
8	Resale	Real time-At transparent secondary market prices	Real time-At transparent secondary market prices	At deep discount	May not be possible
9	Convenience in buying, storage and selling	High - Totally Demat	Mark to market margin till futures outstanding	Low - As physical movement & transfer involved	Low - As physical movement & transfer involved
10	Wealth Tax	No	No	Yes	Yes
11	Benefit Of Long Term Capital Gains Tax	After 1 year	Not available	Only after 3 years	Only after 3 years
12	Investment in gold	90- 100%	100%	100%	100%
13	Portfolio Management	Passive	N.A.	N.A.	N.A.
14	Credit Risk	No	No	N.A.	N.A.
15	Bid Ask Spread	Very Low	Very Low	Very High	Can't Sell Back
16	Nomination Facility	Yes	Yes	No	No
17	Holding Period	As per investors choice	Has to be compulsorily rolled over or squared off	As per investors choice	As per investors choice

6. How do I Invest in Gold BeES?

Gold BeEs is listed on the NSE, 1 unit of Gold BeES represents approximately 1 Gram of gold and investors can buy or sell units on the secondary market (National Stock Exchange of India Ltd.) The minimum number of units that can be bought or sold is 1 unit.

7. What type of Account do I need to trade Gold BeES?

- A trading account with an NSE Broker
- A Demat Account as Gold BeES can be settled only in Demat form.

8. How are Transactions settled?

Only in Demat account with T+2 rolling settlement.

9. What is the load structure in Gold BeEs?

There will be no entry / exit load charge by the Fund

10. What is the expense ratio of Gold BeEs?

The total expense ratio will be a maximum of 1.00% per annum.

11. What is the Taxation on Gold BeES?

Since Gold BeES is classified as a Mutual Fund, investors need not pay Wealth Tax. The Scheme will have Non equity Mutual Fund Taxation.

12. What is the Investment Objective of Gold BeES?

The investment objective of Gold Benchmark Exchange Traded Scheme (Gold BeES) is to provide returns that, before expenses, closely correspond to the returns provided by domestic price of gold through physical gold.

Other Specifications:

Exchange Listed	National Stock Exchange of India Ltd
NSE Symbol	GOLDBEES
ISIN	INF732E01102
Entry / Exit Load	Nil
Other Codes	Reuters - GBES NS
	Bloomberg - GBEES:INEQUITY
	ICICI Direct - GOLDEX
Pricing (Per Unit)	Approx. 1 gram of Gold
Minimum Lot	One unit
Maximum Expense Ratio	1.00% p.a.

13. What is Benchmark Asset Management Company all about?

Benchmark Asset Management Company Pvt. Ltd. is the Investment Manager to Benchmark Mutual Fund. It is the first and only company with focus on Indexing and Quantitative Asset Management style.

> Currently it manages 9 Mutual Fund Schemes out of which 6 are Exchange Traded Funds. The details of various schemes are mentioned below:

- **Nifty BeES:** The First ETF in Asia (Barring Japan)
- **Junior BeES:** The First and only Midcap Index Fund and ETF in India
- **Bank BeES:** The First Sector Index Fund and ETF in India
- **PSU Bank BeES:** The First PSU Bank Sector Index Fund and ETF in India
- **Gold BeES:** The First Gold ETF in India
- **Liquid BeES:** The First and only Liquid ETF in the World

- **Benchmark Derivative Fund:** The First Equity Arbitrage Fund in India
 - **Benchmark Equity & Derivatives Opportunities Fund:** The Equity Arbitrage and Volatility Trading (various options based strategies) Fund
 - **Benchmark Split Capital Fund - Balanced**
- > It is also managing Portfolio Management Schemes based on Quantitative Models.

14. What are Risk factors?

- Mutual funds and Securities investments are subject to market risks and there can be no assurance or guarantee that the objective of the Scheme will be achieved.
- As with any investment in securities, the Net Asset Value (NAV) of the units issued under the Scheme can go up or down depending on the factors and forces affecting the Bullion Market, Capital Market and Money Market.
- Past performance of the Sponsors / Investment Manager / Mutual Fund and its affiliates does not indicate the future performance of the Scheme of the Mutual Fund and may not necessarily provide a basis of comparison with other investments.
- Gold BeES is the name of the Scheme and does not in any manner indicate either the quality of the Scheme or its future prospects and the returns. Investors are therefore urged to study the terms of offer carefully and consult their Investment Advisor before they invest in the Scheme.
- Though ETFs are popular abroad, it is still a new concept in India.
- The Sponsor is not responsible or liable for any loss or shortfall resulting from the operation of the Fund beyond the initial contribution made by it of an amount of Rs. 1 Lac towards setting up of the Mutual Fund.
- Investors in the Scheme are not being offered any guaranteed or assured returns.
- The Scheme NAV will react to the Bullion market movements. The Investor could lose money over short periods due to fluctuation in the Schemes' NAV in response to factors such as economic and political developments, changes in interest rates and perceived trends in Bullion market movements, and over longer periods during market downturns.

BENCHMARK

M U T U A L F U N D

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Statutory Details:

Constitution:	Benchmark Mutual Fund has been set up as a Trust under the Indian Trust Act, 1882.
Trustee:	Benchmark Trustee Company Pvt. Ltd.,
Investment Manager:	Benchmark Asset Management Company Pvt. Ltd.,
Sponsor:	Niche Financial Services Pvt. Ltd.
Custodian:	The Bank of Nova Scotia and Citi Bank N. A.
Fund Accounting:	Citi Bank N. A.
Registrars and Transfer Agents:	Karvy Computer Share Pvt. Ltd.
