

SCHEME INFORMATION DOCUMENT

GOLD BENCHMARK EXCHANGE TRADED SCHEME (Gold BeES) (An open ended Gold Exchange Traded Fund)

CONTINUOUS OFFER of units at NAV based prices

Mutual Fund : **BENCHMARK MUTUAL FUND**
Asset Management Company: **Benchmark Asset Management Company Pvt. Ltd.**
Trustee Company : **Benchmark Trustee Company Pvt. Ltd.**
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The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document (SID).

The SID sets forth concisely the information about the Scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this SID after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Benchmark Mutual Fund, Tax and Legal issues and general information on www.benchmarkfunds.com.

SAI is incorporated by reference (is legally a part of the SID). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website. The SID should be read in conjunction with the SAI and not in isolation.

This SID is dated January 28, 2009.

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HIGHLIGHTS/SUMMARY OF THE SCHEME

Investment Objective	The investment objective of the Scheme is to provide returns that, before expenses, closely correspond to the returns provided by domestic price of gold through physical Gold.
Liquidity facility	The units of the Scheme can be bought/sold like any other stock on the National Stock Exchange of India Ltd. (NSE). The Authorised Participants and Large Investors can directly buy/sell units with the Fund in Creation Unit Size at NAV based prices.
Benchmark	Price of Gold.
Transparency/NAV disclosure	NAV shall be declared and announced on all working days. The details of the portfolio shall be disclosed on a half yearly basis as prescribed by SEBI (MF) Regulations, 1996.
Face Value	Each unit of the Scheme has a face value of Rs.100/- each. Each unit of Gold BeES is approximately equal to price of 1 (one) gram of Gold.
Load Structure	Entry Load : Nil Exit Load : Nil
Minimum Application Amount	Directly with Fund - The investors can create/redeem in exchange of Portfolio Deposit and Cash Component in creation unit size at NAV based price. On the Exchange - 1 unit at the price quoted on the NSE.
Units Offered	As the units of the Scheme can be bought/sold directly from the Fund, this mechanism provides efficient arbitrage between the traded prices and the NAV, thereby reducing the incidence of the units of the Scheme being traded at premium/discounts to NAV.
Dematerialisation	The units of the Scheme are available in Dematerialized form. This will help in consolidating with other portfolio holdings.

I. INTRODUCTION

A. RISK FACTORS

Standard Risk Factors:

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price/value/interest rates of the securities in which the Scheme invests fluctuates, the value of your investment in the Scheme may go up or down depending on the factors and forces affecting the capital market/bullion market.
- Past performance of the Sponsors/AMC/Mutual Fund does not guarantee the future performance of the Scheme.
- The name of the Scheme 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.
- The Sponsor is not responsible or liable for any loss or shortfall resulting from the operation of the Scheme beyond the initial contribution made by it of an amount of Rs. 1 Lac towards setting up of the Mutual Fund.
- The present Scheme is not a guaranteed or assured return Scheme.

Scheme Specific Risk Factors

The Scheme is subject to the principal risks described below. Some or all of these risks may adversely affect Scheme's NAV, yield, return and/or its ability to meet its objectives.

- **Market Risk**

The Scheme's NAV will react to the Gold price movements. The Investor may lose money over short or long period due to fluctuation in Scheme's NAV in response to factors such as economic and political developments, changes in interest rates and perceived trends in bullion prices, market movement and over longer periods during market downturns.

- **Market Trading Risks**

1. Absence of Prior Active Market: Although the units of the Scheme are listed on NSE, there can be no assurance that an active secondary market will develop or be maintained.
2. Lack of Market Liquidity: Trading in the units of the Scheme on NSE may be halted because of market conditions or for reasons that in view of NSE or SEBI, trading in the units of the Scheme is not advisable. In addition, trading of the units of the Scheme is subject to trading halts caused by extraordinary market volatility and pursuant to circuit filter rules of NSE and SEBI. There can be no assurance that the requirements of NSE necessary to maintain the listing of the units of the Scheme will continue to be met or will remain unchanged.
3. Units of the Scheme May Trade at Prices Other than NAV: The units of the Scheme may trade above or below their NAV. The NAV of the Scheme will fluctuate with changes in the market value of Scheme's holdings. The trading prices of the units of the Scheme will fluctuate in accordance with changes in their NAV as well as market supply and demand for the units of the Scheme. However, given that units of the Scheme can be created and redeemed in Creation Units directly with the Fund, it is expected that large discounts or premiums to the NAV of units of the Scheme will not sustain due to arbitrage opportunity available.
4. Regulatory Risk: Any changes in trading regulations by NSE or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/discount to NAV.
5. Right to Limit Redemptions: The Trustee, in the general interest of the unit holders of the Scheme offered under this SID and keeping in view of the unforeseen circumstances/unusual market conditions, may limit the total number of Units which can be redeemed on any Business Day.

- **Redemption Risk**

Investors may note that even though this is an open-ended Scheme, the Scheme would ordinarily repurchase units in creation unit size. Thus unit holdings less than the creation unit size can only be sold through the secondary market on NSE.

- **Asset Class Risk**
The returns from physical Gold in which the Scheme invests may under perform from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of out-performance and under-performance in comparison of the general securities markets.
- **Passive Investments**
The Scheme is not actively managed. The Scheme may be affected by a general decline in the price of Gold. The Scheme invests in the physical Gold regardless of its investment merit. The AMC does not attempt to take defensive positions in declining markets.
- **Indirect taxation**
For valuation of units of the Scheme, indirect taxes like customs duty, VAT, etc. would also be considered. Hence, any change in the rates of indirect taxation would affect the valuation of the units of the Scheme.

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

As the Scheme is an Exchange Traded Scheme, the provisions of minimum number of investors and maximum holding of the investors are not applicable as per SEBI Regulations and Circulars.

C. SPECIAL CONSIDERATIONS

- Prospective investors should review/study Statement of Additional Information along with SID carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial/investment matters and are advised to consult their own professional advisor(s) as to the legal or any other requirements or restrictions relating to the subscriptions, gifting, acquisition, holding, disposal (sale, transfer, redemption or conversion into money) of units and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their subscription, acquisition, holding, capitalization, disposal (sale, transfer, redemption or conversion into money) of units within their jurisdiction/nationality, residence, domicile etc. or under the laws of any jurisdiction to which they or any managed Funds to be used to purchase/gift units are subject, and also to determine possible legal, tax, financial or other consequences of subscribing/gifting to, purchasing or holding units before making an application for units.
- Neither this SID nor the units have been registered in any jurisdiction. The distribution of this SID in certain jurisdictions may be restricted or subject to registration and accordingly, any person who gets possession of this SID is required to inform themselves about, and to observe, any such restrictions. It is the responsibility of any persons in possession of this SID and any persons wishing to apply for units pursuant to this SID to inform themselves of and to observe, all applicable laws and Regulations of such relevant jurisdiction. Any changes in SEBI/Stock Exchange/RBI regulations and other applicable laws/regulations could have an effect on such investments and valuation thereof.
- Benchmark Mutual Fund/AMC has not authorised any person to give any information or make any representations, either oral or written, not stated in this SID in connection with issue of Units under the Scheme. Prospective investors are advised not to rely upon any information or representations not incorporated in this SID 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 which are not contained in this SID or which are not consistent with the information contained herein shall be solely at the risk of the investor. The investor is requested to check the credentials of the individual, firm or other entity he/she is entrusting his/her application form and payment to, for any transaction with the Fund. The Fund shall not be responsible for any acts done by the intermediaries representing or purportedly representing such investor.
- If the units are held by any person in breach of the Regulations, law or requirements of any governmental, statutory authority including, without limitation, Exchange Control Regulations, the Fund may mandatorily redeem all the units of any unitholder where the units are held by a unitholder

in breach of the same. The Trustee may further mandatorily redeem units of any unitholder in the event it is found that the unitholder has submitted information either in the application or otherwise that is false, misleading or incomplete.

If a unitholder makes a redemption request directly with the Fund immediately after purchase of units, the Fund shall have a right to withhold the redemption request till sufficient time has elapsed to ensure that the amount remitted by him (for purchase of units) is realized and the proceeds have been credited to the Scheme's 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.

- In terms of the Prevention of Money Laundering Act, 2002 ("PMLA") the rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti Money Laundering (AML) Laws, all intermediaries, including mutual funds, are required to formulate and implement a client identification programme, and to verify and maintain the record of identity and address(es) of investors.

If after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, the AMC shall report any such suspicious transactions to competent authorities under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI without obtaining the prior approval of the investor/Unit Holder/ any other person.

Disclaimers by NSE

As required a copy of this SID has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/27985-P dated August 21, 2006 permission to the Mutual Fund to use the Exchange's name in this SID as one of the stock exchange on which the Mutual Fund's units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the SID has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this SID; nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its promoters, its management or any scheme or project of the Mutual Fund.

Every person who desires to apply for or otherwise acquire any units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Investors are urged to study the terms of the offer carefully before investing in the Scheme and retain this SID and the SAI for future reference.

D. DEFINITIONS

- In this Information Document, unless the context otherwise requires:
1. 'Asset Management Company'/'AMC'/'Investment Manager' means Benchmark Asset Management Company Pvt. Ltd., a Company incorporated under the Companies Act, 1956 and approved by SEBI to act as an Asset Management Company for the Schemes of Benchmark Mutual Fund.
 2. 'Authorised Participant' means the Member of the National Stock Exchange of India Ltd. and their nominated entities/persons who are appointed by the AMC/Fund to act as Authorized Participant.
 3. 'Creation Unit' is number of units of Scheme, which is exchanged against a predefined quantity and purity of physical Gold called the Portfolio Deposit and a Cash Component. For redemption of units it is vice versa i.e. fixed number of units of Scheme are exchanged for Portfolio Deposit and Cash Component. The Portfolio Deposit and Cash Component will change from time to time and is discussed separately in this SID.
 4. 'Custodian' means The Bank of Nova Scotia and Citi Bank N.A., which have been granted a certificate of registration by SEBI under the SEBI (Custodian of Securities) Regulations 1996 and for the time being appointed by the Fund for rendering custodial services for the Scheme, in accordance with the Regulations.
 5. 'Depository' means a body corporate as defined in the Depositories Act, 1996 (22 of 1996) and includes National Securities Depository Ltd. (NSDL) and Central Depository Systems Ltd (CDSL).
 6. 'Depository Participant' means a person registered as such under sub-section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992.
 7. 'Dividend' means the income distributed by the Fund on units.
 8. 'Domestic Prices of Gold' means price calculated using valuation methodology described in the section 'Determination of NAV.'
 9. 'Entry Load' means load on purchase/subscription of units.
 10. 'Exit Load' means load on repurchase/redemption of units.
 11. 'Exchange/Market' means Recognized Stock Exchange(s) where the units of the Scheme are listed.
 12. 'Exchange Traded Fund'/'ETF' means a Scheme whose units are listed on an exchange and can be bought / sold at prices, which may be close to the NAV of the Scheme.
 13. 'FII' means Foreign Institutional Investors registered with SEBI under SEBI (Foreign Institutional Investors) Regulations, 1995 as amended from time to time.
 14. 'Fund' means Benchmark Mutual Fund, a Trust set up under the provisions of Indian Trust Act, 1882 and registered with SEBI vide Registration No. MF/045/01/6 dated June 12, 2001.
 15. 'Gold BeES' means Gold Benchmark Exchange Traded Scheme (Gold BeES) in the form of an Exchange Traded Fund, at present listed on NSE.
 16. 'Investor' means any resident or non-resident person whether individual or a non-individual who is eligible to subscribe for units under the laws of his/her/their state/country of incorporation, establishment citizenship, residence or domicile and under the Income Tax Act, 1961 including amendments made from time to time and who has made an application for subscribing units under the Scheme. Under normal circumstances, a unit holder would be deemed to be an investor.
 17. 'IMA' means Investment Management Agreement dated February 14, 2001, as amended from time to time, entered into between Benchmark Trustee Company Pvt. Ltd. and Benchmark Asset Management Company Pvt. Ltd.
 18. 'Large investor' means investors who are eligible to invest in the Scheme and who would be creating units of the Scheme in creation unit size by depositing predefined quantity and purity of physical gold which should be acceptable by the Custodian for such purposes. Further large investor would also mean those investors who would be redeeming units of the Scheme in creation unit size.
 19. 'Load' means a charge that may be levied as a percentage of NAV at the time of entry into the Scheme or at the time of exit from the Scheme.
 20. 'NAV' means Net Asset Value per unit of the Scheme calculated in the manner described in this SID or as may be prescribed by the SEBI Regulations from time to time.
 21. 'NSE' means the National Stock Exchange of India Ltd., a Stock Exchange recognized by the Securities and Exchange Board of India.
 22. 'RBI' means the Reserve Bank of India established under The Reserve Bank of India Act, 1934.
 23. 'Scheme' means Gold Benchmark Exchange Traded Scheme (Gold BeES) offered under this Document.
 24. 'SEBI' means the Securities and Exchange Board of India, established under Securities and Exchange Board of India Act, 1992 as amended from time to time.

25. 'SEBI Regulations/Regulations' means SEBI (Mutual Funds) Regulations, 1996 as amended from time to time including any circulars, directions or clarifications issued by SEBI or any Government authority and as applicable to the Scheme and the Fund.
26. 'Sponsor' means Niche Financial Services Pvt. Ltd., a Company incorporated under the Companies Act, 1956 and includes its successors and permitted assigns.
27. 'Trustee' means the Trustee Company which holds the property of Benchmark Mutual Fund in trust and includes the directors of the Trustee Company and the successors and assigns of the Trustee Company.
28. 'Trustee Company' means Benchmark Trustee Company Pvt. Ltd., a Company incorporated under the Companies Act, 1956 and approved by SEBI to act as Trustee of the Schemes of Benchmark Mutual Fund.
29. 'Trust Deed' means the Deed of Trust of the Mutual Fund dated February 14, 2001, entered into between Niche Financial Services Pvt. Ltd. (Sponsor) and Benchmark Trustee Company Pvt. Ltd. (Trustee Company).
30. 'Unit' means the interest of investor in the Scheme, which consists of each unit representing one undivided share in the assets of the Scheme.
31. 'Unit-holder' means a person holding unit(s) in the Scheme offered under this SID.
32. 'Working Day/Business Day' means any day other than: (a) Saturday and Sunday (b) a day on which capital/debt markets in Mumbai are closed or are unable to trade for any reason (c) a day on which the register of unit holders is closed (d) a day on which the Banks in Mumbai are closed/or RBI is closed for business/clearing (e) a day on which NSE is closed (f) a day which is public/Bank holiday at a collection centre where the application is received (g) a day on which sale and repurchase of units is suspended by the Trustee (h) a day on which normal business could not be transacted due to storms, floods, bandhs, strikes etc. However the AMC reserves the right to declare any day a Working Day or otherwise at any or all collection centres.

Words and expressions used in this SID and not defined will have same meaning as assigned to them in Trust Deed.

Interpretation

For all purposes of this SID, except as otherwise expressly provided or unless the context otherwise required:

1. the terms defined in this SID include the singular as well as the plural.
2. pronouns having a masculine or feminine gender shall be deemed to include the other.

E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

1. The Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
2. All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
3. The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Scheme.
4. The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

**For Benchmark Asset Management Company Pvt. Ltd.
(Asset Management Company for Benchmark Mutual Fund)**

Sd/-

**Gautam H. Rathor
(Compliance Officer)**

Place: Mumbai

Date: January 28, 2009

Note: The aforesaid Due Diligence Certificate dated January 28, 2009 was submitted to Securities and Exchange Board of India on January 28, 2009.

II. INFORMATION ABOUT THE SCHEME

A. Type of Scheme

An Open-Ended Gold Exchange Traded Fund.

B. Investment Objective

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

However, the performance of Scheme may differ from that of the domestic prices of Gold due to expenses and certain other factors. There can be no assurance or guarantee that the investment objective of the Scheme will be achieved.

C. Asset Allocation

The investment policies of the Scheme shall be as per SEBI (MF) Regulations, 1996, and within the following guidelines. Under normal market circumstances, the investment range would be as follows:

Instruments	%	Risk Profile
Physical Gold	90% to 100%	Medium
Money Market instruments, Securitised Debts*, Bonds, including cash at call	0% to 10%	Low to Medium

* Investments in securitised debts can be made by the Scheme upto 5% of the net assets.

Note: Investment in warehouse receipts and other permitted instruments linked to Gold Prices and units of international gold linked ETFs would be made as and when permitted by regulatory authorities.

It may be clearly understood that the percentages above are only indicative and not absolute.

Pending deployment of funds, the Scheme may invest such funds in short term deposits of schedule commercial banks.

D. Investment by the Scheme

Investment in physical Gold

The Scheme, in general, will buy physical Gold. The investment restrictions and limits are mentioned under the heading 'Investment Restrictions'.

Investment in debt instruments

The Scheme would invest in money market instruments, securitized debt, bonds including cash at call, etc. in order to meet the liquidity requirements of the Scheme. The investment restrictions and limits are specified in Schedule VII of SEBI (MF) Regulations, 1996.

E. Investment Strategy

The AMC uses a 'passive' approach to try and achieve Scheme's investment objective. The Fund would invest in gold and endeavor to track the price of gold in domestic markets. The AMC does not make any judgments about the investment merit of gold or particular security nor will it attempt to apply any economic, financial or market analysis. The Scheme shall invest all of its funds, except to meet its liquidity requirements, in physical gold. Passive approach eliminates active management risks pertaining to over/underperformance vis-à-vis a benchmark.

The Scheme will invest upto 100% but at least 90% of its total assets in the physical Gold. The Scheme may hold upto 10% of their total assets in other securities/instruments. As long as the Scheme invests at least 90% of its total assets in physical Gold, it may also invest its other assets in cash and cash equivalents and short-term high quality debt that would include, obligations of the Indian Government and its agencies, Commercial Papers (rated by recognized Rating agencies), Bank Certificates of Deposit, repurchase

agreements (Repo's), units of money market funds and other money market instruments permissible under the investment norms.

Change in Investment Pattern

Subject to SEBI Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentage stated above are only indicative and not absolute. These proportions may vary substantially depending upon the perception of the AMC, the intention being all the times to seek to protect the interest of the unit holders. Such changes in the investment pattern will be for short term and keeping in view the passive nature of the Scheme.

Implementation of Policies

The Scheme, in general, will buy physical Gold. Expectation is that, over time, the tracking error of the Scheme relative to the performance of the domestic prices of gold will be relatively low.

Investment Process

The Scheme will endeavor to track the domestic prices of gold by investing in physical Gold. Normally, the Fund will receive physical Gold from the authorised participants/large investors against the exchange of Gold BeES in Creation Unit size as defined by the Fund.

The AMC will analyse from time to time different ways of taking exposure in gold from the perspective of risk and return and decide the same in the best interest of investors.

Recording of Investment Decisions

The investment decisions will be taken by the Scheme keeping in view the investment objective of the Scheme and all the relevant aspects. The AMC will review all the investments made by the Scheme. The investment decisions of the Scheme will be carried out by the designated Fund Manager under the supervision of Executive Director - Investments. All investment decisions of the Scheme will be recorded in accordance with SEBI Regulations.

Portfolio Turnover

Portfolio Turnover is a term used to measure the volume of trading that occurs in a Scheme's portfolio during a specified period of time. The Scheme is an open-ended scheme. It is therefore expected that there would be a number of subscriptions and redemptions on a daily basis through Authorised participants and Large Investors that may require purchase or sale of gold. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio.

Portfolio Turnover is defined as lower of sales or purchases divided by average corpus during a specified period of time.

F. Fundamental Attributes

Following are the fundamental attributes of the Scheme, in terms of Regulation 18(15A) of the SEBI Regulations :

(i) Type of Scheme : An Open-ended Gold Exchange Traded Fund.

(ii) Investment Objective :

- The investment objective of the Scheme is to provide returns that, before expenses, closely correspond to the returns provided by domestic price of gold through physical Gold.
- Investment pattern - Physical Gold/debt instruments. Portfolio break-up with minimum and maximum asset allocation, is disclosed under paragraph 'Asset Allocation'.

(iii) Terms of Issue : Provisions with respect to listing, redemption of units and fees and expenses as indicated in this SID.

In accordance with Regulation 18(15A) of the Regulations, the Trustee shall ensure that no change in the fundamental attributes of the Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affect the interest of the Unit Holders will 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 Marathi daily newspaper with wide circulation published in Mumbai (as the head office of the Fund is situated there); and
- (ii) The Unit holders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit Load.

Fundamental attributes will not cover such actions of the Trustee of the Fund or the Board of Directors of the AMC, made in order to conduct the business of the Trust, the Scheme or the AMC, where such business is in the nature of discharging the duties and responsibilities with which they have been charged. Nor will it include changes to the Scheme made in order to comply with changes in Regulation with which the Scheme has been required to comply.

G. Benchmark

The performance of the Scheme will be benchmarked against the price of Gold. The same has been chosen as the Scheme being a gold exchange traded scheme would primarily invests in physical gold with an investment objective to track the domestic prices of physical gold. Thus, the aforesaid benchmark is such that it is most suited for comparing performance of the Scheme. A detailed review of the Scheme and the performance of the Scheme vis-à-vis the benchmark will be placed before the Board of Directors of AMC and Trustee on a quarterly basis.

The Trustee reserves the right to change the benchmark for evaluation of performance of the Scheme from time to time in conformity with investment objective of the Scheme and appropriateness of the benchmark subject to SEBI Regulations and other prevailing guidelines, if any.

H. Fund Manager of the Scheme

Vishal Jain, aged 36 years, is the Fund Manager for Gold Benchmark Exchange Traded Scheme (Gold BeES). 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 has a licensing and consulting agreement with Standard & Poor's, the world largest index service provider. He is working with Benchmark Asset Management Company Pvt. Ltd. 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. He has also been designated as Fund Manager of the following Schemes i.e. (i) Nifty BeES (ii) Bank BeES (iii) Benchmark Equity & Derivatives Opportunities Fund, (iv) Gold BeES and (v) Benchmark S&P CNX 500 Fund.

I. Investment Restrictions

All the investments by the Scheme and the Fund shall always be within the investment restrictions as specified in SEBI Regulations as amended from time to time. Pursuant to the SEBI Regulations, the following are some of the investment and other limitations as presently applicable to the Scheme.

1. The funds of the Scheme shall be invested only in gold or gold related instruments in accordance with the investment objective, except to the extent necessary to meet the liquidity requirements for honouring repurchases or redemptions, as disclosed in this SID. Presently as per SEBI Regulations, investments by the Scheme can be made only in physical gold. Investment in warehouse receipts and other permitted instruments linked to prices of Gold and units of international gold linked ETFs would be made as and when permitted by regulatory authorities.
2. Pending deployment of funds in accordance with point (1) above, the Fund may invest such funds in short term deposits of schedule commercial banks.
3. The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of repurchase, redemption of Units or payment of interest or dividends to Unitholders, provided the Fund shall not borrow more than 20% of the net assets of the Scheme and the duration of such borrowing shall not exceed a period of six months or as may be permitted by the Regulations from time to time.

4. No term loans will be advanced by this scheme for any purpose as per SEBI regulation 44(3) of SEBI (MF) Regulations, 1996.

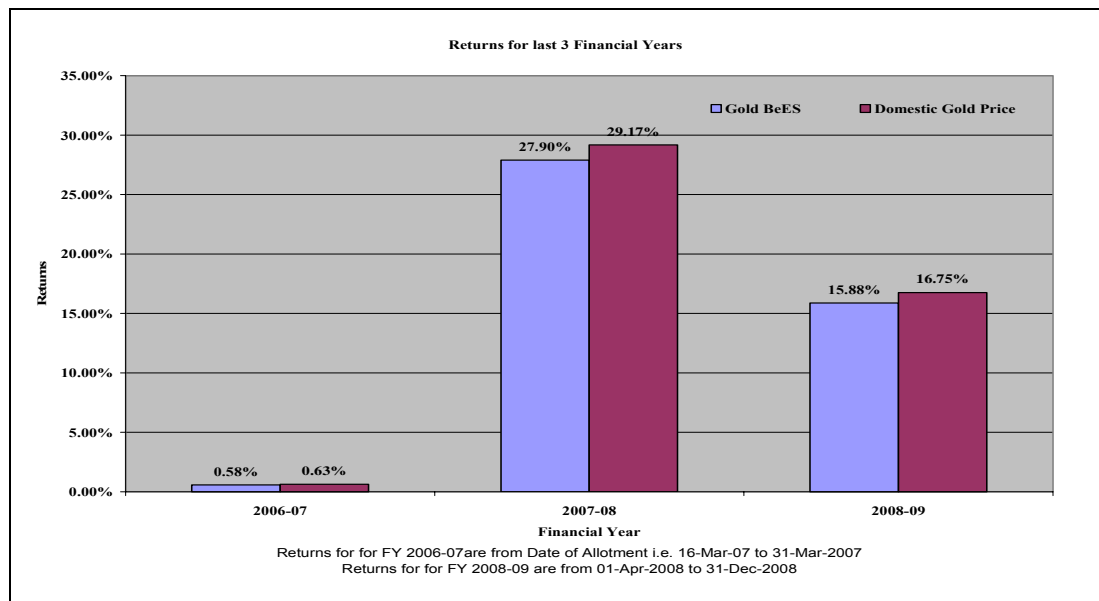
All investment restrictions shall be applicable at the time of making investments. The AMC may alter these limitations/objectives from time to time to the extent the SEBI Regulations change so as to permit Scheme to make its investments in the full spectrum of permitted investments to achieve its investment objective. The Trustees may from time to time alter these restrictions in conformity with the SEBI Regulations.

Investment by AMC

The AMC may in the interest of the unit-holders of the Scheme consider buying the units of Gold BeES from the market to enhance the value of the Scheme as permitted under the SEBI (MF) Regulations, 1996. The percentage of such investment to the total net asset value may vary from time to time. The AMC shall not charge any fees on investment by the AMC in the units of the Scheme in accordance with sub-regulation 3 of Regulation 24 of the Regulations and shall charge fees on such amounts in future only if the SEBI Regulations so permit.

J. Scheme Performance

(a) Absolute Returns



(b) Compounded Annualised Returns as on December 31, 2008

Period	Gold BeES	Domestic Price of Gold
Returns for last 1 Year	25.51%	26.78%
Returns since Inception	21.37%	22.50%

Past performance may or may not be sustained in future.

K. Introduction to Gold Funds

For thousand of years, gold has been prized for its purity, its beauty and above all its unique characteristics as a store of value.

In today's uncertain times, many investors turn to gold because it is an important and secure asset that can be tapped at any time, under virtually any circumstances.

But there is another side to gold that is equally important, and that is its day-to-day performance as a stabilizing influence for investment portfolio. These advantages are currently attracting considerable attention from financial professionals and sophisticated investors worldwide.

Gold is an effective diversifier

Diversification helps protect your portfolio against fluctuations in the value of any asset class. Gold is an ideal diversifier, because the economic forces that determine the price of gold are different from, and in many cases opposed to, the forces that influence most financial assets.

Independent studies have revealed that traditional diversifiers often fall during times of market stress or instability. On these occasions most asset classes (including traditional diversifiers such as bonds and alternative assets) all move together in the same direction. There is no “cushioning” effect of a diversified portfolio, leaving investors disappointed.

For some investors, Gold is the foundation of a balanced investment portfolio.

Gold is highly liquid

Gold can be readily bought or sold 24 hours a day, in large denominations and at narrow spreads. This cannot be said of most other investments, including stocks of world’s largest corporations. Gold proved to be the most effective means of raising cash during 1987 stock market crash, and again during the 1997-1998 Asian debt crisis. So holding a portion of portfolio in gold related instruments can be invaluable in moments of uncertainty.

Introduction to Gold Exchange Traded Fund (GETF)

GETFs are innovative products that provide exposure to physical Gold that trade on the exchange like a single stock. GETFs have a number of advantages over traditional open-ended mutual fund schemes as they can be bought and sold on the exchange at prices that are usually close to the actual intra-day NAV of the Scheme. The units are traded usually close to actual intra day NAV of the Scheme based on demand and supply. GETFs are an innovation to traditional mutual fund schemes as GETFs provide investors a mutual fund scheme that closely tracks the performance of physical Gold, with the ability to buy/sell on an intra-day basis. Unlike listed close ended mutual fund schemes, which trade at substantial premiums or more frequently at discounts to NAV, GETFs are structured in a manner which allows to create new units and redeem outstanding units directly with the mutual fund, thereby ensuring that GETFs trade close to their actual NAVs.

GETFs are usually passively managed mutual fund schemes wherein subscription/redemption of units work on the concept of exchange with underlying physical Gold. In other words, large investors/institutions can purchase units of GETF by depositing the underlying physical gold with the mutual fund/AMC. This physical gold is then deposited with the Custodian. Similarly, large investor/institutions who are redeeming units shall receive the physical gold from the Custodian in exchange of units. Units of GETF can also be bought and sold directly on the exchange.

GETFs have all the benefits of low cost and transparency. As GETFs are listed on the exchange, costs of distribution are much lower and the reach is wider. These savings in cost are passed on to the investors in the form of lower costs. Further, exchange traded mechanism helps reduce minimal collection, disbursement and other processing charges.

The structure of GETFs is such that it protects long-term investors from inflows and outflows of short-term investor. This is because the mutual fund does not bear extra transaction cost when buying/selling due to frequent subscriptions and redemptions.

Tracking Error of GETFs is likely to be low as compared to a normal mutual fund scheme. Due to the creation/redemption of units through the in-kind mechanism, the mutual fund scheme can keep lesser funds in cash. Also, time lag between buying/selling units and the underlying physical gold is much lower.

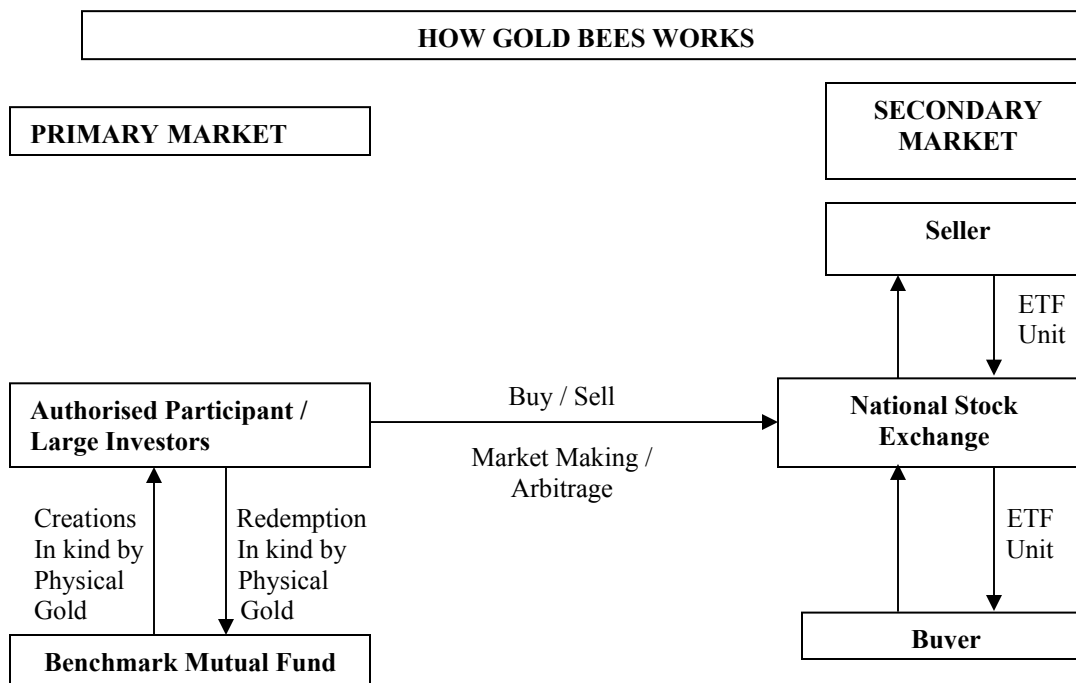
Benefits of GETFs

1. Can be easily bought/sold like any other stock on the exchange through terminals spread across the country.
2. Can be bought/sold anytime during market hours at prices that are expected to be close to actual NAV of the scheme. Thus, investor invests at real-time prices as opposed to end of day prices.
3. No separate form filling for buying/selling units. It is just a phone call to your broker or a click on the net.
4. Ability to put limit orders.
5. Minimum investment for a GETF is one unit.
6. Protects long-term investors from the inflows and outflows of short-term investors.
7. Helps in increasing liquidity of underlying gold market.
8. An investor can get a consolidated view of his/her investments without adding too many different account statements, as the units will be in demat form.

Uses of GETFs

1. **No need to hold physical gold**
As the units of the GETFs are issued in demat form, it reduces the risk of holding physical gold.
2. **Large Investor**
Allows easy asset allocation.
3. **Investors with a shorter term horizon**
Allows liquidity due to ability to trade during the day and expected to have quotes near NAV during the course of trading day on an exchange where the units of the GETF are listed.

An illustration of the working of Gold BeES is given below:



III. UNITS AND OFFER

This section provides details you need to know for investing in the Scheme.

A. NEW FUND OFFER (NFO)

This section does not apply to the Scheme covered in this SID, as the ongoing offer of the Scheme has commenced after the NFO, and the Units are available for continuous subscription and redemption.

B. ONGOING OFFER DETAILS

<p>Ongoing Offer Period This is the date from which the scheme will reopen for subscription / redemption after the closure of the NFO period.</p>	<p>The Continuous Offer for the Scheme commenced from March 19, 2007.</p>
<p>Ongoing Price for subscription /redemption by investors.</p> <p>This is the price you need to pay/receive for purchase/redemption</p> <p>Example : If the applicable NAV is Rs. 10 entry load is 2% then the purchase price will be : $Rs. 10 * (1 + 0.02) = Rs. 10.20$ and the redemption price will be : $Rs. 10 * (1 - 0.02) = Rs. 9.80$</p>	<p>Directly with the Fund Units of the Scheme shall be subscribed/redeemed only in Creation Unit size directly with the Fund.</p> <p>‘Creation Unit’ is a fixed number of units of the Scheme, which is exchanged for Portfolio Deposit which consist of physical Gold of defined purity and quantity and Cash Component. The facility of creating/redeeming units in Creation Unit size will be available with the Authorised Participants (whose names will be available on the website of the Fund i.e. www.benchmarkfunds.com) and large investors. Each Creation Unit consists of 1,000 units of Gold BeES and cash component, if any.</p> <p>The Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.</p> <p>The value of the Creation Unit is 1 kilogram of physical Gold or in multiple thereof called as the Portfolio Deposit and Cash Component which will be exchanged for the respective number of units of the Scheme. Hence, the investor has to deposit or will receive at least 1 kilogram of physical gold & in multiples of 1 kilogram thereof in order to create/redeem units of the Scheme. The Portfolio Deposit and Cash Component is defined as follows : -</p> <ol style="list-style-type: none">Portfolio Deposit consisting of Physical Gold which will be in predefined quantity and purity of physical gold and will be defined and announced by the AMC.Cash Component for Creating in Creation Unit Size: Cash Component represents the difference between the applicable net asset value of Creation Unit and the market value of physical Gold. This difference will represent accrued interest, income earned by the Scheme, accrued annual charges including management fees and residual cash in the Scheme. In addition the Cash Component will include transaction cost as charged by the Custodian/DP and other incidental expenses for creating units. The Cash Component will vary from time to time and will be decided and announced by the AMC. Cash Component for creation will also include entry load, if applicable. The entry load will be declared by the AMC from time to time and will be within the limits specified under the Regulations.Cash Component for Redemption in Creation Unit Size: Cash Component represents the difference between the applicable net asset value of Creation Unit and the market value of the physical Gold.

	<p>This difference will represent accrued interest, income earned by the Scheme, accrued annual charges including management fees and residual cash in the Scheme. Any transaction cost charged by the Custodian/DP and other incidental expenses for redeeming units will also form part of Cash Component. The Cash Component for redemption will vary from time to time and will be decided and announced by the AMC to the Authorised Participants. The Cash Component will also include exit load, if applicable. The exit load will be declared by the AMC from time to time.</p> <p>The AMC shall disclose on a daily basis the portfolio and cash component for creating and redeeming units in Creation Unit size. The same will be disclosed on our website i.e. www.benchmarkfunds.com, daily in the morning and would be applicable for creating and redeeming units in Creation Unit size for that working day only.</p> <p>Example of Creation/Redemption of Units As explained above, the Creation Unit is made up of 2 components i.e. Portfolio Deposit and Cash Component. The Portfolio Deposit will be determined by Fund. The Portfolio Deposit will be physical Gold and will be for 1 kg and in multiples of 1 kg. The value of Portfolio Deposit will change due to changes in the prices during the day.</p> <p>The cash component will be arrived in the following manner:</p> <table border="1" data-bbox="609 926 1383 1087"> <tr> <td>Number of units comprising one Creation Unit</td> <td>1,000</td> </tr> <tr> <td>NAV per unit</td> <td>Rs. 1280.50</td> </tr> <tr> <td>Value of 1 Creation Unit</td> <td>Rs. 1,280,500</td> </tr> <tr> <td>Value of Portfolio Deposit (physical Gold of 1 kg)</td> <td>Rs. 1,270,000</td> </tr> <tr> <td>Cash Component #</td> <td>Rs. 10,500</td> </tr> </table> <p>The above is just an example to illustrate the calculation of cash component. As can be seen from the above example, for subscription of 1 Creation Unit, 1 kg of Gold equivalent to Rs. 1,270,000/- would be the Portfolio Deposit and Rs. 10,500/- would be the Cash Component.</p> <p># Cash Component will vary depending upon the actual charges incurred like Custodial Charges and other incidental charges for creating units.</p> <p>On the Exchange As the units of the Scheme are listed on NSE, an investor can buy/sell units on continuous basis on the capital market segment of NSE during trading hours like any other publicly traded stock at prices which may be close to the actual NAV of the Scheme. The price of the units in the market will depend on demand and supply at that point of time. There is no minimum investment, although units are purchased in round lots of 1 unit.</p>	Number of units comprising one Creation Unit	1,000	NAV per unit	Rs. 1280.50	Value of 1 Creation Unit	Rs. 1,280,500	Value of Portfolio Deposit (physical Gold of 1 kg)	Rs. 1,270,000	Cash Component #	Rs. 10,500
Number of units comprising one Creation Unit	1,000										
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Value of Portfolio Deposit (physical Gold of 1 kg)	Rs. 1,270,000										
Cash Component #	Rs. 10,500										
<p>Procedure for Creating Gold BeES in Creation Unit Size</p>	<p>The requisite physical gold constituting the Portfolio Deposit have to be submitted to the Custodian/AMC while the Cash Component has to be paid to the Custodian/AMC. On confirmation of the same by the Custodian/AMC that the predefined quantity and purity of physical gold has been received, the AMC will transfer the respective number of units of the Scheme into the investor's DP account.</p> <p>The AMC may create Creation Unit prior to receipt of all or a portion of the relevant Portfolio Deposit and Cash Component in certain</p>										

	<p>circumstances where the purchaser, among other things, posts collateral to secure its obligation to deliver such outstanding Portfolio Deposit and Cash Component.</p> <p>The Portfolio Deposit and Cash Component for Gold BeES may change from time to time due to change in NAV. The Fund may from time to time change the size of Creation Unit size in order to equate it with marketable lot of underlying physical Gold and instruments.</p> <p>The creation request can be made to the Fund in a duly filled application form. Application Forms for creation of Gold BeES can be obtained from the office of AMC and Registrar and Transfer Agents.</p>
<p>Procedure for Redeeming Gold BeES in Creation Unit Size</p>	<p>The requisite number of units of Gold BeES equaling the Creation Unit has to be transferred to the Fund's DP account and the Cash Component to be paid to the AMC/Custodian. On confirmation of the same by the AMC, the Custodian will transfer the Portfolio Deposit by handing over the physical Gold of the predefined purity and quantity to the investor and pay the Cash Component, if applicable.</p> <p>The AMC may redeem Creation Unit prior to receipt of all or portion of the relevant number of units of Gold BeES in certain circumstances where the unit holder, among other things, posts collateral to secure its obligation to deliver such outstanding units of the Scheme.</p> <p>The Portfolio Deposit and Cash Component for the units of the Scheme may change from time to time due to change in NAV. The Fund may from time to time change the size of Creation Unit size in order to equate it with marketable lot of underlying physical gold and instruments.</p> <p>The redemption request can be made to the Fund in a duly filled redemption form. Redemption Forms for redeeming the units of Gold BeES can be obtained from the office of AMC and Registrar and Transfer Agents.</p>
<p>Creation/Redemption of Gold BeES for Cash Directly with the Fund</p>	<p>The Fund may allow cash purchases of Gold BeES in Creation Unit size by large investors and authorised participants. Such investors shall make creation request to the Fund/AMC whereupon the Fund/AMC will arrange to purchase the underlying physical Gold. The portfolio deposit and cash component will be exchanged for Gold BeES in Creation Unit size with the Fund.</p> <p>Also, the Fund may allow cash redemption of Gold BeES in Creation Unit size by large investors and authorised participants. Such investors shall make redemption request to the Fund/AMC whereupon the Fund/AMC will arrange to sell physical Gold on behalf of the investor. Accordingly the sale proceeds of physical Gold after adjusting necessary charges/costs and prevailing exit load will be remitted to the investor.</p> <p>The creation/redemption request for cash can be made to the Fund in a duly filled application form. Application form for cash creation/redemption for units of Gold BeES can be obtained from the office of the AMC and Registrars and Transfer Agents.</p> <p>The minimum number of Gold BeES that can be created/redeemed for</p>

	cash directly with the Fund will be announced by the Fund from time to time.
<p>Cut off timing for subscriptions/ redemptions</p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance</p>	<p>The cut off time for receipt of valid application for subscriptions and redemptions is 3.00 p.m. However, as the Scheme is an Exchange Traded Scheme, the subscriptions and redemptions of units would be based on the Portfolio Deposit and Cash Component as defined by the Fund for that respective business day.</p> <p>As the units issued under the Scheme are listed, the provisions of the cut off time are not applicable.</p>
<p>Where can the applications for subscription / redemption be submitted?</p>	Registered Office of Benchmark Asset Management Company Pvt. Ltd.
<p>Minimum Amount for purchase/redemption</p>	<p>Directly with Fund - The number of units of the Scheme that investors can create/redeem in exchange of Portfolio Deposit and Cash Component is 1,000 units and in multiples thereof at NAV based prices.</p> <p>On the Exchange - 1 unit at the price quoted on NSE.</p>
<p>Minimum balance to be maintained and consequences of non maintenance.</p>	Nil
<p>Plans / Options offered</p>	The Scheme offers only Growth Option.
<p>Dividend Policy</p>	<p>The Trustee may declare dividend to the unit holders of the Scheme subject to the availability of distributable surplus and the actual distribution of dividends and the frequency of distribution will be entirely at the discretion of the Trustee. Such dividend will be payable to the unit holders whose names appear in the register of unit holders on the record date as fixed for the Scheme. The dividend declared will be paid net of tax deducted at source, wherever applicable, to the unit holders within 30 days from the declaration of the dividend.</p> <p>There is no assurance or guarantee to the unit holders as to the rate of dividend nor that the dividend will be paid regularly. If the Fund declares dividend, the NAV will stand reduced by the amount of dividend and dividend distribution tax (if applicable) paid. All the dividend payments shall be in accordance and compliance with Regulations of SEBI and NSE, as applicable from time to time.</p>
<p>Dematerialization</p>	<ol style="list-style-type: none"> i. The units of the Scheme will be available in the Dematerialized (electronic) mode. ii. The applicant under the Scheme will be required to have a beneficiary account with a Depository Participant of NSDL/CDSL and will be required to indicate in the application the DP's name, DP ID Number and beneficiary account number of the applicant with the DP. iii. The units of the Scheme will be issued/repurchased and traded compulsorily in dematerialized form. <p>Applications without relevant details of his or her depository account are liable to be rejected.</p>

<p>Who can invest</p> <p>This is an indicative list and you are requested to consult your financial advisor to ascertain whether the Scheme is suitable to your risk profile.</p>	<p>The following persons (subject, wherever relevant, to purchase of units being permitted under their respective constitution and relevant state regulations) are eligible to subscribe to units :</p> <ol style="list-style-type: none"> 1. Resident adult individuals, either singly or jointly (not exceeding three) or on anyone or Survivor basis. 2. Minors through Parents/Lawful Guardian. 3. Hindu Undivided Family (HUF) through its Karta. 4. Partnership Firms. 5. Companies, Body Corporates, Societies, Association of Persons, Body of Individuals, Clubs and Public Sector Undertakings registered in India if authorized and permitted to invest under applicable laws and regulations. 6. Banks (including co-operative Banks and Regional Rural Banks), Financial Institutions and Investment Institutions incorporated in India or the Indian branches of banks incorporated outside India 7. Mutual Funds registered with SEBI. 8. Non-Resident Indians (NRIs) / Persons of Indian Origin (PIOs) residing abroad on repatriation basis and on non-repatriation basis. 9. Foreign Institutional Investors (FII) registered with SEBI on repatriation basis (subject to RBI approval). 10. Charitable or Religious Trusts, Wakf Boards or endowments and Registered Societies (including registered co-operative societies) and private trusts authorized to invest in units of mutual fund schemes under their trust deeds. 11. Army, Air Force, Navy, Para-military funds and other eligible institutions. 12. Scientific and Industrial Research Organizations. 13. Multilateral Funding Agencies or Bodies Corporate incorporated outside India with the permission of Government of India / Reserve Bank of India. 14. Overseas Financial Organizations which have entered into an arrangement for investment in India, inter-alia with a mutual fund registered with SEBI and which arrangement is approved by Government of India. 15. Provident / Pension / Gratuity / Superannuation and such other retirement and employee benefit and other similar funds as and when permitted to invest. 16. Other Associations, Institutions, Bodies, Mutual Funds etc. authorized to invest in the units. 17. Apart from the above, all other categories of investors permitted at present and in future are eligible to invest in the Scheme. <p>All cheques and bank drafts accompanying the application form should contain the application form number on its reverse. It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per SEBI requirements and any Application Form without these details will be treated as incomplete. Such incomplete applications will be rejected. The Registrar/AMC may ask the investor to provide a blank cancelled cheque or its photocopy for the purpose of verifying the bank account number.</p>
<p>How to Apply</p>	<p>Please refer to the SAI and Application form for the instructions.</p>
<p>Listing</p>	<p>The units of the Scheme are listed on the capital market segment of NSE. The AMC reserves the right to list the units of the Scheme on any other recognized stock exchange.</p>

Special products available	The Scheme does not offer Systematic Investment Plan, Systematic Transfer Plan or Systematic Withdrawal Plan.
Account Statements	<p>Applications received directly with the Fund</p> <ul style="list-style-type: none"> • The AMC shall issue to the investor whose application has been accepted, an account statement specifying the number of units allotted within 10 working days from date of receipt of the application. • For those unitholders who have provided an e-mail address, the AMC will send the account statement by e-mail. • The unitholder may request for a physical account statement by writing/calling the AMC/ISC/R&T. <p>Annual Account Statement</p> <ul style="list-style-type: none"> • The Mutual Fund shall provide the Account Statement to the Unitholders who have not transacted during the last six months prior to the date of generation of account statements. The Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement. • The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme. • Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated. <p>As the units of the Scheme are in demat, investor would be provided with a statement of holdings by his/her/their Depository Participant as per the rules of the Depository.</p>
Dividend	The dividend warrants shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend.
Redemption	<p>For redemption request received directly with the Fund</p> <p>The redemption or repurchase proceeds shall be dispatched to the unitholders within 10 working days from the date of redemption or repurchase.</p>
Delay in payment of redemption / repurchase proceeds	The AMC shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).
Settlement of Purchase / Sale of the units of Scheme on the NSE	<p>Buying / Selling of units of the Scheme on the NSE is just like buying / selling any other normal listed security. If an investor has bought units, an investor has to pay the purchase amount to the broker / sub-broker such that the amount paid is realised before the funds pay-in day of the settlement cycle on the NSE. If an investor has sold units, an investor has to deliver the units to the broker / sub-broker before the securities pay-in day of the settlement cycle on the NSE. The units (in the case of units bought) and the funds (in the case of units sold) are paid out to the broker on the payout day of the settlement cycle on the NSE. The NSE regulations stipulate that the trading member should pay the money or units to the investor within 24 hours of the payout.</p> <p>If an investor has bought units, he should give Standing Instructions for 'Delivery-In' to his/her Depository Participant (DP) for accepting units</p>

	<p>in his/her beneficiary account. An investor should give the details of his/her beneficiary account and the DP-ID of his/her DP to his/her trading member. The trading member will transfer the units directly to his/her beneficiary account on receipt of the same from NSE's Clearing Corporation.</p> <p>An investor who has sold units should instruct his/her DP to give 'Delivery Out' instructions to transfer the units from his/her beneficiary account to the Pool Account of his/her trading member through whom he/she have sold the units. The details of the Pool A/c (CM-BP-ID) of his/her trading member to which the units are to be transferred, unit quantity etc. should be mentioned in the Delivery Out instructions given by him/her to the DP. The instructions should be given well before the prescribed securities pay-in day. SEBI has advised that the Delivery Out instructions should be given at least 24 hours prior to the cut-off time for the prescribed securities pay-in to avoid any rejection of instructions due to data entry errors, network problems, etc.</p>												
<p>Rolling Settlement</p>	<p>As per the SEBI's circular dated March 4, 2003, the rolling settlement on T+2 basis for all trades has commenced from April 1, 2003 onwards. The Pay-in and Pay-out of funds and the securities/units takes place within 2 working days after the trading date.</p> <p>The pay-in and pay-out days for funds and securities are prescribed as per the Settlement Cycle. A typical Settlement Cycle of Rolling Settlement is given below:</p> <table border="1" data-bbox="610 982 1382 1268"> <thead> <tr> <th>Day</th> <th>Activity</th> </tr> </thead> <tbody> <tr> <td>T</td> <td>The day on which the transaction is executed by a trading member</td> </tr> <tr> <td>T+1</td> <td>Confirmation of all trades including custodial trades by 11.00 a.m.</td> </tr> <tr> <td>T+1</td> <td>Processing and downloading of obligation files to brokers /custodians by 1.30 p.m.</td> </tr> <tr> <td>T+2</td> <td>Pay-in of funds and securities by 11.00 a.m.</td> </tr> <tr> <td>T+2</td> <td>Pay out of funds and securities by 1.30 p.m.</td> </tr> </tbody> </table> <p>While calculating the days from the Trading day (Day T), Saturdays, Sundays and trading holidays are not taken into consideration.</p>	Day	Activity	T	The day on which the transaction is executed by a trading member	T+1	Confirmation of all trades including custodial trades by 11.00 a.m.	T+1	Processing and downloading of obligation files to brokers /custodians by 1.30 p.m.	T+2	Pay-in of funds and securities by 11.00 a.m.	T+2	Pay out of funds and securities by 1.30 p.m.
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<p>The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.</p>	<p>Presently, AMC does not intend to re-issue the units once redeemed. The number of Units held by the Unit Holder in his demat account will stand reduced by the number of Units redeemed.</p>												
<p>Suspension of Sale and Redemption of Units</p>	<p>The Trustee may decide to temporarily suspend determination of NAV of the Scheme and consequently sale and redemption of Units, in any of the following events:</p> <ol style="list-style-type: none"> 1. When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the Scheme are closed otherwise than for ordinary holidays. 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 Scheme is not reasonable or would not 												

	<p>reasonably be practicable without being detrimental to the interests of the Unit holders.</p> <ol style="list-style-type: none"> 3. In the event of breakdown in the means of communication used for the valuation of investments of the Scheme without which the value of the securities of the Scheme 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 Scheme. 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. <p>In the above eventualities, the time limits indicated above, for processing of requests for purchase and redemption of units will not be applicable.</p> <p>However the suspension or restriction of repurchase/redemption facility under the Scheme shall be made applicable only after the approval from Board of Directors of the AMC and Trustee Company. The approval from the AMC and the Trustees giving details of circumstances and justification for the proposed action will also be informed to SEBI in advance.</p>
<p>Restrictions, if any, on the right to freely retain or dispose of units being offered.</p>	<p>As the units of the Scheme will be issued in demat (electronic) form, the units will be transferred and transmitted in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time.</p> <p>Right to Limit Fresh Subscription & Redemption In case the size of the Scheme increases to a level which in the opinion of the Trustees is not manageable, the Trustees reserve the right to stop fresh subscription of units and also redeem the units on pro-rata basis in order to reduce the size to a manageable level.</p> <p>The Trustees reserves the right at its sole discretion to withdraw/suspend the allotment/subscription of units in the Scheme temporarily or indefinitely, if the AMC views that increasing the size of the Scheme may prove detrimental to the unit holders of the Scheme. A request or any order to purchase the units is not binding on and may be rejected by the Trustees or the AMC unless it has been confirmed in writing by the AMC and/or the payment has been received.</p> <p>Right to limit Redemption The Trustee, in the general interest of the unit holders of the Scheme offered under this SID and keeping in view of the unforeseen circumstances/unusual market conditions, may limit the total number of units, which can be redeemed on any Business Day.</p>
<p>Buy back</p>	<p>The Scheme will buy back, from time to time, the fractional units allotted to the unit holders of the Scheme subject to the approval of the Trustees, who shall fix the record date. All the unit holders of the Scheme would be given an option to avail the buy back facility. Amount payable towards buy back will be calculated based on the NAV as on the record date fixed for that purpose.</p>

C. PERIODIC DISCLOSURES

<p>Net Asset Value</p> <p>This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	<p>Benchmark Mutual Fund shall declare the Net Asset Value of the Scheme on every business day on AMFI's website (www.amfiindia.com) by 9.00 p.m. and on our website (www.benchmarkfunds.com).</p> <p>Investors may obtain NAV information on any Working Day by calling the office of the AMC or any of the Investor Service Centers (ISC).</p>
<p>Half yearly Disclosures: Portfolio / Financial Results</p> <p>This is list of securities where the corpus of the scheme is currently invested. The market value of these investments is also slated in portfolio disclosures</p>	<p>Benchmark Mutual Fund and Benchmark Asset Management Company Pvt. Ltd. shall publish a complete statement of the Scheme's portfolio and the unaudited financial results within one month from the close of each half year (i.e. 31st March and 30th September), by way of an advertisement at least, in one national English daily newspaper and one regional newspaper in the language of the region where the head office of the mutual fund is located. The portfolio statement and unaudited financial results will also be placed on our website www.benchmarkfunds.com and link will be provided on www.amfiindia.com.</p>
<p>Half Yearly Results</p>	<p>Benchmark Mutual Fund and Benchmark Asset Management Company Pvt. Ltd. shall before the expiry of one month from the close of each half year (i.e. 31st March and 30th September), publish its unaudited half-yearly financial results in one national English daily newspaper and in a regional newspaper published in the language of the region where the registered office of the Mutual Fund is situated. The half-yearly financial results will be placed on our website www.benchmarkfunds.com and link will be provided on www.amfiindia.com.</p>
<p>Annual Report</p>	<p>Scheme wise Annual Report or an abridged summary thereof shall be mailed to all the Unit holders within four months from the date of closure of the relevant accounts year i.e. 31st March each year.</p> <p>Further, the full text of the annual report will be available for inspection at the office of the Fund and copy shall be made available on specific request on payment of nominal fees, if any. Also the scheme wise annual report will be displayed on our website www.benchmarkfunds.com and link will be provided on www.amfiindia.com.</p>
<p>Associate Transactions</p>	<p>Please refer to Statement of Additional Information (SAI).</p>
<p>Taxation</p> <p>The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.</p>	<p>For details on taxation please refer to the clause on Taxation in the Scheme Additional Information (SAI).</p>

Investor Services	<p>Mr. Bibek Sengupta Investor Relation Officer 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: bibek@benchmarkfunds.com</p> <p>Investors are advised to contact any of the ISCs or the AMC by calling the toll free no. of the AMC at 1800-22-5079. Investors can also visit our website at www.benchmarkfunds.com for complete details.</p>
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D. COMPUTATION OF NAV

NAV of units under the Scheme shall be calculated as shown below:

$$\text{NAV (Rs.)} = \frac{\text{Market or Fair Value of Scheme's investments} + \text{Current Assets} - \text{Minus Current Liabilities and Provision (including accrued expenses)}}{\text{No. of Units outstanding under Scheme on the Valuation Date}}$$

The NAV will be calculated upto four decimals. The NAV shall be calculated and announced at the close of each working day. The computation of NAV shall be in conformity with SEBI Regulations and guidelines as prescribed from time to time.

Valuation of Gold

The Fund will invest in physical Gold. The market price of gold in the domestic market on any business day would be arrived at as under:

Value of gold:

(1) The gold held by 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 the 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.

IV. FEES AND EXPENSES

This section outlines the expenses that will be charged to the Scheme.

A. New Fund Offer (NFO) Expenses

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationery, bank charges etc.

As per the provisions of the Regulations, read with the amendments thereto, the NFO expenses of the Scheme amounting to 1.96% of the amount collected during NFO has been charged to the Scheme.

B. Annual Scheme Recurring Expenses

These are the fees and expenses for operating the Scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given below.

The AMC has estimated the following annual recurring expenses on weekly average net assets of the Scheme:

Item	First Rs. 100 Crores	Next Rs. 300 Crores	Over Rs.300 Crores	On Balance of Assets
Investment Management Fees	1.25%	1.00%	1.00%	1.00%
Trustee Fees	0.01%	0.01%	0.01%	0.01%
Marketing & Selling Cost of Investor Communication, Cost for Account Statement, Dividend, Cost of Statutory Advertisement	0.37%	0.37%	0.16%	0.06%
Custodial Fees	0.50%	0.50%	0.50%	0.40%
Registrar & Transfer Agents	0.08%	0.08%	0.06%	0.03%
Other Expenses	0.04%	0.04%	0.02%	0.00%
Total...	2.25%	2.00%	1.75%	1.50%

For the actual current expenses being charged, the investor should refer to the website of the Fund. It shall be the endeavor of the AMC to maintain a lower expense ratio than that allowed by SEBI Regulations.

The estimates above have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se and types of expenses charged shall be as per SEBI (MF) Regulations. The expenses under any head may be more or less than as specified expenses in the table above, but the recurring expenses will be in compliance with Regulation 52(6) of SEBI (MF) Regulations, 1996. The expenses over and above the limits specified above will be borne by the AMC. Such fees would accrue daily and be payable in arrears on the last working day of each month.

The table given above relating to Annual Recurring Expenses has been given to the investor to assist him/her in understanding the various costs and expenses that an investor of the Scheme will bear directly or indirectly.

SEBI has prescribed the maximum annual recurring expenses that can be charged to the Scheme. Annual Scheme Recurring Expenses shall be within the limits stated in Regulations 52(6) and subject to a percentage limit of Weekly Average Net Assets as in the table below:

First Rs.100 crore	Next Rs.300 crore	Next Rs.300 crore	Over Rs.700 crore
2.50%	2.25%	2.00%	1.75%

As per the Regulations, the AMC is entitled to receive investment management fees as follows:

- 1.25% p.a. of the weekly average net assets outstanding for amounts upto Rs.100 Crores.
- 1.00% p.a. of the weekly average net assets outstanding for amounts above Rs. 100 Crores.

Any expenditure in excess of the limits specified in the SEBI Regulations shall be borne by the AMC.

C. Load Structure

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the Scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to our website www.benchmarkfunds.com or call us at toll free no. 1800-22-5079 or your distributor.

There is no entry/exit load for subscription/redemption of the units of the Scheme in Creation Unit Size with the Fund. However, during the process of creation/redemption there will be transaction costs, other incidental expenses and equalization of dividend and this will form part of the Cash Component.

Further, there is no entry/exit load on units of the Scheme bought or sold through the secondary market on the NSE. However, an investor would be paying cost in the form of a bid and ask spread and brokerage, as charged by his broker for buying/selling units of the Scheme.

Any change in the load structure shall apply on a prospective basis and in no case the same would affect the existing investors adversely. Bonus units shall not be subject to Entry Load/Exit Load.

The investor is requested to check the prevailing load structure of the Scheme before investing. For any change in Load structure, AMC will issue an addendum and display it on the AMC Website/Investor Service Centres.

All loads including Contingent Deferred Sales Charges are intended to enable the AMC to recover expenses incurred on promotion or distribution and sales of the Scheme. The load collected from the investors will be credited to a separate account with the AMC and will be utilized towards meeting the selling and distribution expenses and investor servicing related expenses and for any other purpose as may be permitted under the SEBI Regulations. Any surplus in this account may be credited to the Scheme, whenever felt appropriate by the AMC.

The Fund may charge load within the stipulated limit of 7% and without any discrimination in favour of any specific group of unitholders. The AMC will ensure that the repurchase price will not be lower than 93% of the NAV and the sale price will not be higher than 107% of the NAV and difference between the redemption price and purchase price will not exceed the permissible limit as prescribed by SEBI from time to time which is presently 7% calculated on the purchase price.

Under the Scheme, the AMC reserves the right to modify/alter the load structure if it so deems fit in the interest of smooth and efficient functioning of the Scheme, subject to maximum limits as prescribed under the SEBI Regulations. The load may also be changed from time to time and in case of exit/redemption, load may be linked to the period of holding, while in case of entry load, the same may be linked to the amount of investment.

At the time of change in load structure in future, the AMC will take following steps:

- i. The addendum detailing the changes shall be attached to SID and KIM. The addendum will be circulated to all the distributors so that the same can be attached to all SID and KIM already in stock.
- ii. Arrangements shall be made to display the changes/modifications in the SID in the form of a notice in all investor service centres and distributors/brokers offices.
- iii. The introduction of the exit load/CDSC along with the details shall be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load/CDSC.
- iv. A public notice may be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.
- v. The Fund shall display the addendum on its website (www.benchmarkfunds.com).

D. Waiver of Load for Direct Applications

As per SEBI Regulations, no entry load shall be charged for existing/prospective investors of the Scheme in case of direct applications which are received by the AMC i.e. applications received through internet, submitted to AMC or collection centre/Investor Service Centre that are not routed through any distributor/agent/broker. Further no entry load would be charged for any additional purchases done directly by the investor under the same folio.

If applications are not routed through agent/distributor/broker, investor should write the word 'DIRECT' in the field provided for mentioning the code of the distributor/broker/agent. If the field provided for mentioning the code of the agent/distributor/broker is left blank, the application shall be processed as 'DIRECT' application.

In cases, where the application form/transaction slip already contains the agent/distributor/broker code, investors can accordingly delete the code mentioned in the application form/transaction slip and shall countersign the same to enable their application to be treated as 'DIRECT'.

V. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

VI. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY

Monetary penalties imposed and/or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years.	Nil
All enforcement actions taken by SEBI in the last three years and/or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/or suspension and/or cancellation and/or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company and/or any of the directors and/or key personnel (especially the fund managers) of the AMC and Trustee Company were/are a party.	Nil
Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company and/or any of the directors and/or key personnel are a party.	Nil
Deficiency in the systems and operations of the Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency.	Nil

The Trustees have approved this Scheme Information Document by a resolution by circulation dated March 1, 2005 and have ensured that the Gold Benchmark Exchange Traded Scheme (Gold BeES) is a new product offered by Benchmark Mutual Fund and is not a minor modification of the existing Schemes/Fund/ Product. This version of the Scheme Information Document has been updated in line with the current laws and Regulations.

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (MF) Regulations, 1996 and the Guidelines thereunder shall be applicable.