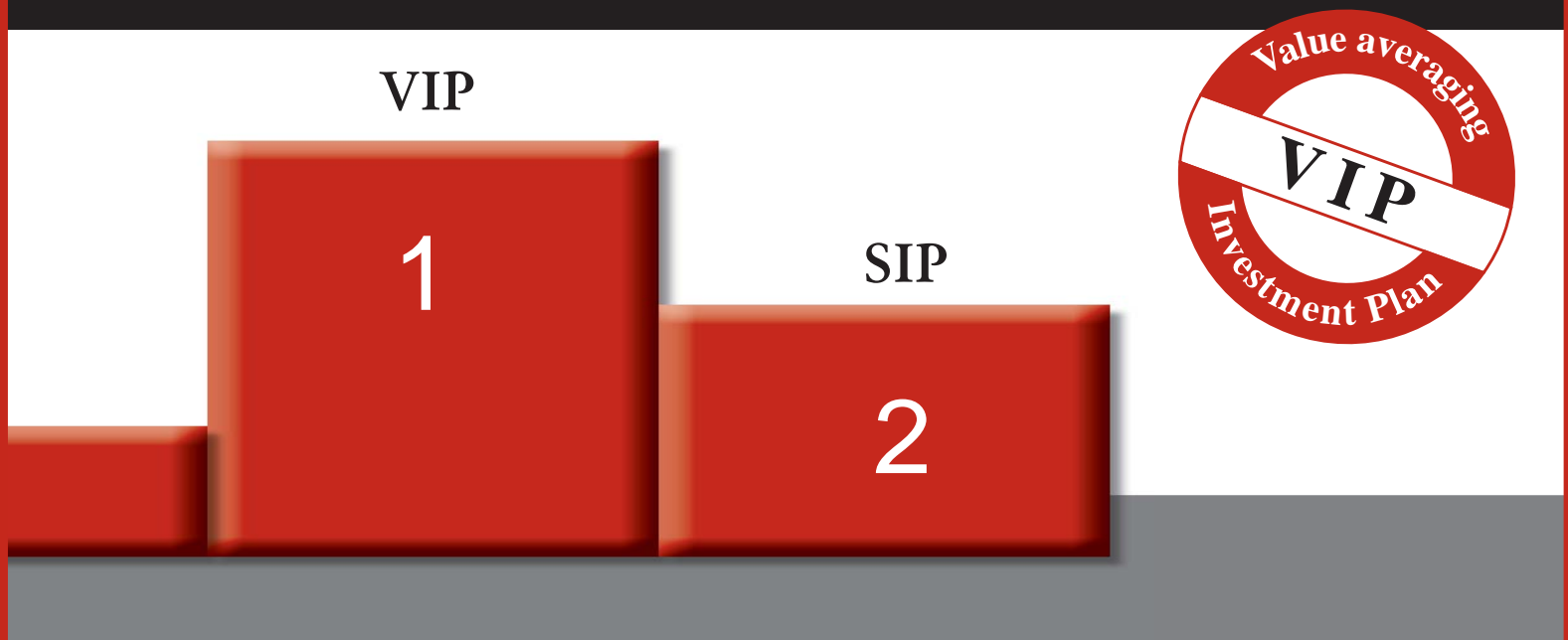


VIP

The new Champion for Regular Investors



For the first time in India, Benchmark presents **Value averaging Investment Plan (VIP)**-a new and intelligent investment strategy compared to Systematic Investment Plan (SIP), it is icing on the cake for returns of Benchmark S&P CNX 500 Fund and has a compelling case (total market exposure, no fund manager risk, low cost) to be considered as a core vehicle for long term equity exposure in the portfolio.

As shown in performance chart overleaf, in most cases VIP is **much better than Rupee cost averaging** or more popularly known as SIP as it invests large amounts when markets are down and less amounts when markets are up and in most scenarios offers **high return, low acquisition costs, low portfolio volatility** compared to SIP

Plan Details :

A. Investors opting for VIP will have to mention two amounts explained as under :

- 1. Nominal amount :** This is the amount which the investor will invest at the time of enrolment for VIP. The nominal amount would be used to calculate target portfolio amount and in the circumstances when market rises in straight line giving the target return, this amount would be the actual amount to be invested. The minimum nominal amount shall be Rs. 2,000/- and in multiples of Re.1/- thereafter and there is no maximum cap on this amount.
- 2. Maximum Monthly Debit amount:** This amount is the maximum amount which the investor would allow the Fund to debit from their account. There is no upper limit for this amount but the amount shall be higher than the nominal amount. This helps the investor to manage the monthly cash flow and make sure that larger debit for investment does not create imbalances.

B. The rate of return to be considered for VIP is 15% per annum, based on which the monthly installments of investments to be invested by the investor would be calculated.

Amount for Investment in VIP

Every month based on the portfolio value, the Fund will derive an amount to be invested (subject to the maximum monthly debit amount specified by the investor) for the next month and that amount will be debited from the investor's account. The minimum amount to be debited from the investor's account is Nil. Hence, there could be times that when markets have appreciated; there is no debit in the investor's account.

For Example :

Suppose, an investor chooses

- 1 Nominal amount - Rs. 5,000/-
- 2 Maximum monthly debit amount - Rs. 15,000/- (any amount higher than nominal amount)

This means that the target portfolio amount will increase as if Rs. 5,000/- is invested every month and the market is generating 15% return. Thus, the actual debit would be between the range of Nil to Rs. 15,000/-.

PERFORMANCE – VIP Vs SIP

Rolling Three Year Period Ending on	Returns - CAGR(%)		CAGR Outperformance of VIP over SIP	VIP average cost As % of SIP Cost
	VIP	SIP		
Oct-97	0.67%	-1.97%	2.64%	95.98%
Oct-98	-9.15%	-10.74%	1.59%	95.21%
Oct-99	26.74%	24.35%	2.38%	92.82%
Oct-00	9.10%	5.34%	3.76%	95.64%
Oct-01	-18.45%	-18.31%	-0.14%	90.46%
Oct-02	-8.32%	-12.13%	3.81%	93.12%
Oct-03	34.38%	31.91%	2.47%	94.22%
Oct-04	39.27%	36.02%	3.26%	83.00%
Oct-05	42.10%	38.40%	3.70%	90.41%
Oct-06	40.36%	38.18%	2.18%	92.61%
Oct-07	51.11%	48.63%	2.49%	91.30%
Oct-08	-28.71%	-22.85%	-5.86%	97.26%
Oct-09	21.01%	10.51%	10.50%	87.31%
Average	15.39%	12.87%	2.52%	92.26%

Note: (1) In the above table S&P CNX 500 index is the underlying in which we are investing every month for a particular period. (2) For VIP the nominal amount considered for investment is Rs.2000. The minimum and the maximum amount considered for investment are 0 (Zero) and Rs. 20,000 per month and the target rate of return considered is 15% p.a. (3) For SIP a fixed amount of Rs. 2,000 per month is considered for investment. (4) The above data is for illustrative purpose only.

BENCHMARK

M U T U A L F U N D

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Statutory Details: Benchmark Mutual Fund has been set up as a Trust by Niche Financial Services Pvt. Ltd. with Benchmark Trustee Company Pvt. Ltd. as the Trustee (Trustee under the Indian Trust Act, 1882) and Benchmark Asset Management Company Pvt. Ltd. as the Investment Manager.

Investment Objective: Benchmark S&P CNX 500 Fund: An open ended Index Scheme that seeks to generate capital appreciation through equity investments by investing in securities which are constituents of S&P CNX 500 Index in the same proportion as in the Index. Entry Load : Nil. Exit Load : Redeemed within 1 year from date of allotment 1.50%, Redeemed after 1 year but within 2 years from date of allotment 1.00%, Redeemed after 2 years but within 3 years from date of allotment 0.50%, Redeemed after 3 years from date of allotment Nil.

Risk Factors pertaining to VIP : • As the monthly investment amount is variable, it would be difficult for the investors to manage their cash flows. • If the market moves in one direction i.e. either up or down, VIP may generate less return compared to SIP. • If the NAV of the Scheme continuously decreases, the absolute loss to the investor would be more than what the investor would have incurred by investing in SIP.

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 markets.
- Past performance of the Sponsors/Investment Manager/Mutual Fund and its affiliates does not indicate the future performance of the Scheme and may not provide a basis of comparison with other investments.
- Benchmark S&P CNX 500 Fund 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.
- 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.
- The Scheme's NAV will react to the stock market movements. The Investor could lose money over short periods due to fluctuation in the Scheme's NAV in response to factors such as economic and political developments, changes in interest rates and perceived trends in stock and securities prices, market movements, and over longer periods during market downturns.
- The Scheme is required to have (i) minimum 20 investors and (ii) no single investor holding >25% of corpus. If the aforesaid point (i) is not fulfilled within the prescribed time, the Scheme will be wound up and in case of breach of the aforesaid point (ii) at the end of the prescribed period, the investor's holding in excess of 25% of the corpus will be redeemed as per SEBI guidelines.
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