

TATA

FIXED MATURITY PLAN

Series 25 Scheme A

(18 Months Closed Ended Debt Scheme)



Expertise that's trusted

NFO Closes on 10th September 2009. Units at Rs. 10/- each

Times change for the better and so do investment options. In keeping with the changing times and financial needs, Tata Mutual Fund presents a contemporary & tax efficient investment option. **Benefit from our experience in managing several debt and liquid funds, by investing in the Tata Fixed Maturity Plan Series 25 Scheme A (TFMP).**

What are Fixed Maturity Plans?

Fixed Maturity Plans (FMPs) are basically income/debt schemes with fixed maturity period. However, FMPs give the investor an option to exit, which is subject to an exit load and other exit charges as per the fund's regulations.

Fixed Maturity Plans in general:

- ▶▶ Invest in a portfolio of debt instruments which have a maturity close to the maturity period the plan.
- ▶▶ Are passively managed with an eye on coupon income. Thus, investors staying till the maturity of the fund earn the normal yield applicable on their investment tenure, without bothering much about the mid-way volatility in prices of underlying instruments due to interest rate fluctuation.

Why invest in TFMP 25 Scheme A?

- ▶▶ **Minimal Interest Rate risk:** Unlike debt funds, which are exposed to three kinds of risks viz. interest rate, credit and liquidity risk, FMPs like TFMP seem a better option. It would be least exposed to interest rate risk as the fund manager would normally hold the instruments till maturity, getting a fixed rate of return. It would normally invest in quality papers which try to minimise credit risk.
- ▶▶ **Low transaction cost:** Due to its very nature of holding the instrument till maturity, there will be no regular churning of the portfolio in TFMP. This significantly reduces the costs incurred in buying these instruments.
- ▶▶ **Tax Benefit:** By investing in Tata Fixed Maturity Plan Scheme 25 Scheme A, an investor can take advantage of the indexation benefit for tax calculation. Your investment in TFMP would enable you to post higher post tax returns to the extent of tax saved on your investment.

DOUBLE INDEXATION

Whenever units of a mutual fund scheme is sold, it could lead to a capital gains tax liability. The liability can either be short-term or long-term, depending on the tenure of investment. For example, in the case of mutual funds, an investment held for a period of more than 365 days qualifies as a long-term investment.

In case of long-term capital gains in debt schemes, the tax liability is computed using two methods i.e. with indexation (charged at 20% plus surcharge & cess) and without indexation (charged at 10% plus surcharge & cess); the tax liability will be the lower of the two.

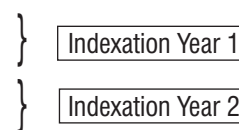
Simply put, indexation means adjusting the cost of the capital asset (in this case a mutual fund), by incorporating the impact of inflation during the period of holding i.e. the period between the purchase date and the date of transfer/sale.

Double indexation comes into play when the purchase is made in one financial year and the MF matures or is sold two financial years later. Double indexation means enjoying indexation benefits for more than one financial year, without having to hold the asset for the said period. Simply put, an investor can claim indexation benefits for 2 financial years, without having been invested for 2 complete financial years.

Financial Year at time of investment: 2009-10

Financial Year in between investment and redemption :2010 - 2011

Financial Year at time of redemption: 2011-12



KEY FEATURES

Investment Objective	: The investment objective of the schemes is to generate income and / or capital appreciation by investing in wide range of Debt and Money Market instruments having maturity in line with the maturity of the respective schemes. The maturity of all investments shall be equal to or less than the maturity of the respective schemes.
Investment Pattern	: Likely around 100% in Debt and Money Market Instruments & Securitised Debt
Investment Plan	: 18 Months Maturity
Options	: Retail Investment Plan, High Investment Plan & Super High Investment Plan - Under each plan Growth Option & Dividend Option is available. Dividend Option has Periodic option with Dividend Payout & Dividend Re-investment facility.
Minimum Application Amount	: Retail Investment Plan (RIP) - Rs. 10,000/- and in multiples of Re.1/- thereafter. High Investment Plan (HIP) - Rs. 25,00,000/- and in multiples of Re.1/- thereafter. Super High Investment Plan (SHIP) - Rs. 1,00,00,000/- and in multiples of Re.1/- thereafter.
Applicable loads (as a % of relevant NAV)	: Entry Load: Nil. Exit Load: Nil
Transparency	: The NAV will be declared on all Business Days.
New Fund Offer Opens On	: 1st September, 2009
New Fund Offer Closes On	: 10th September, 2009

Distributed by:

OUR BRANCHES

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Statutory Details: Constitution: Tata Mutual Fund has been set up as a trust under the Indian Trust Act, 1882. **Sponsors & Settlers:** Tata Sons Ltd., Tata Investment Corporation Ltd. **Investment Manager:** Tata Asset Management Ltd. **Trustee:** Tata Trustee Co. Ltd. **Risk Factors:** Mutual Fund and securities are investments subject to market risks and there can be no assurance and no guarantee that the scheme will achieve its objectives. As with any investment in stocks, shares and securities the NAV of the units under the scheme can go up or down, depending upon the factors and forces affecting the capital market. Past performance of the previous Schemes, the Sponsors or its Group affiliates is not indicative of and does not guarantee the future performance of the Scheme. Tata Fixed Maturity Plan Series 25 Scheme A is only the name of the scheme and does not in any manner indicate either the quality of the scheme, its future prospects or the returns. The sponsors are not responsible or liable for any loss resulting from the operations of the scheme beyond the initial contribution of Rs.1 lac made by them towards setting up the Mutual Fund. Investment by Mutual Fund schemes in fixed income securities is subject to interest rate risk, credit risk and liquidity risk. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio. Risks in using derivatives include the risk of default of counter party, mis-pricing and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Scheme specific risk factors have been mentioned in the Scheme Information document. The scheme is not offering any assured/guaranteed returns to investors. For scheme specific risk factors and other details please read the Scheme Information document (SID) of the scheme carefully before investing. For Scheme Information Document (SID) & Application forms, please contact your nearest Collection Center / AMC Office.