

SCHEME INFORMATION DOCUMENT**EDELWEISS GOLD EXCHANGE TRADED FUND**
(An Open-ended Gold Exchange Traded Fund)

Offer of Units of Rs. 100/- each for cash during the New Fund Offer Period at a premium equivalent to the difference between the allotment price and face value of Rs. 100/- each and continuous offer for Units in Creation Unit Size at NAV based prices.

NEW FUND OFFER OPENS ON:**NEW FUND OFFER CLOSSES ON:****SCHEME RE-OPENS ON:****MUTUAL FUND:****Edelweiss Mutual Fund**

Edelweiss House,
Off. C.S.T Road, Kalina,
Mumbai - 400 098

www.edelweissmf.com

SPONSOR:**Edelweiss Financial Services Limited**

Edelweiss House,
Off. C.S.T Road, Kalina,
Mumbai - 400 098

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TRUSTEE:**Edelweiss Trusteeship Company Limited**

Edelweiss House,
Off. C.S.T Road, Kalina,
Mumbai - 400 098

INVESTMENT MANAGER:**Edelweiss Asset Management Limited**

Registered Office: Edelweiss House,
Off. C.S.T Road, Kalina,
Mumbai - 400 098

www.edelweissmf.com

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.

The Scheme Information Document 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 Scheme Information Document incorporated 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 Edelweiss Mutual Fund, Tax and Legal issues and general information on www.edelweissmf.com.

This Document should be read in its entirety before making application and should be retained for future reference.

SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated _____

Disclaimer clause of National Stock Exchange of India Limited (NSE)

As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/185711-F dated November 5, 2012 permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the Stock Exchanges 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 Scheme Information Document 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 Scheme Information Document 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 Scheme Information Document; 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 sponsors, its management or any Scheme 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.

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HIGHLIGHTS – SUMMARY OF THE SCHEME

Name of the Scheme	Edelweiss Gold Exchange Traded Fund
Type of the Scheme	An Open-ended Gold Exchange Traded Fund
Investment Objective	<p>To generate returns that are in line with the performance of physical gold in domestic prices, subject to tracking error.</p> <p>However, there is no assurance that the investment objective of the Scheme will be realized and the Scheme does not assure or guarantee any returns.</p>
Suitable for	Investors seeking to earn gold linked returns on their investments.
Investment Plans/Options	The Scheme does not offer any Plans/Options for investment. The AMC/Trustee reserve the right to introduce Plans/Option(s) as may be deemed appropriate at a later date.
Minimum Application Amount	<p><u>During New Fund Offer Period:</u> Minimum of Rs. 10,000/- and any amount in multiples of Re. 1 thereafter per application which includes switch in from other Schemes of the Edelweiss Mutual Fund.</p> <p><u>During Ongoing offer Period:</u> <u>a. For Subscription of units directly with the Mutual Fund:</u></p> <p>Subscription facility directly with the Mutual Fund would be restricted to Authorized Participants and Large investors only in Creation Unit Size and in multiples thereof. The Creation Unit Size will be 1000 units and in multiples of 1000 units thereof.</p> <p><u>- Authorised Participants:</u> Application for subscription of units of the Scheme at Applicable NAV and applicable charges, if any, in exchange of physical gold of defined purity (fineness) and quantity and/or cash, value of which is equivalent to Creation Unit Size.</p> <p><u>- Large Investors:</u> Application for subscription of Units of the Scheme in Creation Unit Size at Applicable NAV in exchange of Cash.</p> <p><u>b. For Subscription through Stock Exchange(s):</u> All categories of investors may purchase the Units of the Scheme through the Stock Exchange on which the units of the Scheme are listed, on any trading day in round lot of one (1) Unit and multiples thereof at the prevailing listed price.</p>

	<p>However, the AMC/ Trustee Company reserves the right to introduce a facility allowing all investors to subscribe directly with the Mutual Fund in creation unit size of 10 units (where one unit would represent 1 gm of gold with 99.5% purity) and multiples of 10 units (10 gms) thereof on an ongoing basis.</p>
Minimum Redemption Amount	<p><u>During Continuous Offer Period:</u></p> <p><i>a. For Repurchase of units directly with Mutual Fund:</i> Repurchase directly with the Mutual Fund would be restricted to Authorized Participants and Large Investors and such redemptions can only be done in Creation Unit Size & in multiples thereof. Each Creation Unit Size consists of 1,000 units of the Scheme and Cash Component, if any.</p> <p><i>b. For Sale of units through Stock Exchange(s):</i> In round lot of 1 (one) Unit at the prevailing listed price.</p> <p>Each unit is approximately one gram of gold of specified purity which is of 995 parts per 1000 (99.5%) of physical gold.</p> <p>The AMC/ Trustee Company reserves the right to introduce a facility allowing all investors to redeem directly with the Mutual Fund in Creation Unit Size of 10 units (where one unit would represent 1 gm of gold with 99.5% purity) and multiples of 10 units (10 gms) thereof on an ongoing basis.</p>
Target Amount to be raised during the NFO	Rs.10 crores
Dematerialization (Demat)	<p>The Units of the Scheme will be available only in Dematerialized ('Demat') form. Investors intending to invest in the Scheme are required to have a beneficiary account with a Depository Participant (DP) (registered with NSDL / CDSL as may be indicated by the Fund at the time of launch of the Scheme) and are required to indicate their DP's name, DP ID Number and the Beneficiary Account Number held with the DP in the application form at the time of subscribing to the Units during the NFO and on an ongoing basis at the time of purchasing Units directly from the Fund in 'Creation Unit Size'.</p> <p>Units of the Scheme will be issued, traded and settled compulsorily in dematerialized form.</p>
Dividend Policy	No Dividend is proposed to be declared in the Scheme
Fund Manager	Mr. Dhilip Krishna

**Std.
Obs. 10**

New Fund Offer Price	<p>During the New Fund Offer, the units being offered will have a face value of Rs.100 each.</p> <p>Units will be issued at a premium equivalent to difference between allotment price and the face value of Rs. 100. Each Unit is approximately equal to 1 (one) gram of gold of defined purity.</p>	Std. Obs. 9
Benchmark Index	Edelweiss GOLD Exchange Traded Fund would be benchmarked against the domestic price of physical gold.	
Load	<p>*Entry Load : Not Applicable</p> <p>Exit Load: NIL</p> <p>Other charges for transactions through Stock Exchange Mode – The units of the Scheme are compulsorily traded on Stock Exchange(s) in dematerialized form, and hence, there shall be no entry/exit load for the units purchased or sold through Stock Exchanges. However, the investor shall have to bear costs in the form of bid/ask spread and brokerage and such other costs as charged by his broker for transacting in the units of the Scheme through secondary market.</p> <p>* No entry load will be charged for purchase / switch-in transaction(s) accepted by the Fund. The upfront commission on investment made by the investor shall be paid by the investor directly to the ARN Holder based on the investor's assessment of various factors including service rendered by the ARN Holder.</p> <p>The AMC / Trustee Company reserve the right to introduce/revise the load structure from time to time. Such changes will become effective prospectively from the date such changes are incorporated. For more details on load structure, please refer Section on “Load Structure” in this Document.</p>	
Transaction handling charges	Charges payable to Custodian and/or RBI approved bullion bankers and Canalising agents for receiving in or delivering gold every time gold is purchased or sold and any incidental expenses relating to such purchase and sale, inclusive of but not limited to fixing commission, etc. Such transaction handling charges shall be recoverable from the transacting Authorized Participant/Large Investor.	
Liquidity	Units of the Scheme will be listed on the Capital Market Segment of the National Stock Exchange of India Limited (NSE) and/or on any other recognized Stock Exchange/s as may be decided by the AMC from time to time.	

	<p>The Units of the Scheme can be purchased / sold on a continuous basis on NSE and/or any other stock exchange on which the Units are listed during the trading hours like any other publicly traded stock. The price of the Units on the Stock Exchange(s) will depend on demand and supply at that point of time and underlying NAV. There is no minimum investment limit, although the Units are normally traded in a round lot of 1 Unit which will be equivalent to approximately 1 gram of gold.</p> <p>The AMC will appoint Authorised Participant(s) to provide liquidity in secondary market on an ongoing basis. The Authorised Participant(s) would provide daily two-way quote (buy and sell quotes) in the secondary market for ensuring liquidity.</p> <p>Only Authorised Participants and Large Investors can directly subscribe to /redeem units of the Scheme with the Mutual Fund in 'Creation Unit Size' at NAV based prices on all Business Days on an ongoing basis. The Creation Unit Size will be 1,000 units and in multiples of 1,000 units thereof.</p> <p>The AMC/ Trustee Company reserves the right to introduce a facility allowing all investors to subscribe to and/ or redeem the units of the Scheme directly with the Mutual Fund in creation unit size of 10 units (where one unit would represent 1 gm of gold with 99.5% purity) and multiples of 10 units (10 gms) thereof on an ongoing basis.</p>
<p>Transparency/NAV Disclosure</p>	<p>The AMC will calculate and disclose the first NAV within the timelines stipulated under the Regulations from the closure of the New Fund Offer Period. Subsequently, the NAV will be calculated and disclosed on a daily basis. NAV shall be published at least in two daily newspapers having circulation all over India. NAV will also be updated on the website of the AMC (www.edelweissmf.com) and on the AMFI website (www.amfiindia.com) by 9.00 p.m. on every Business Day. In case of any delay, the reasons for such delay would be explained to AMFI by the next day. If the NAVs are not available before commencement of working hours on the following day due to any reason, the Fund shall issue a press release providing reasons and explaining when the Fund would be able to publish the NAV.</p> <p>The AMC will disclose details of the portfolio of the Scheme on a monthly basis by the tenth of the subsequent month on its website. As presently required by the SEBI (MF) Regulations, a complete statement of the Scheme portfolio would be published by the Mutual Fund as an advertisement in one English daily Newspaper circulating in the whole of India and in</p>

	<p>a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated within one month from the close of each half year (i.e. March 31 & September 30) or mailed to the Unit holders. The Portfolio Statement will also be made available on the website of the Mutual Fund and AMFI.</p> <p>The AMC will make available the Annual Report of the Scheme within four months of the end of the financial year.</p>
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I. INTRODUCTION

A RISK FACTORS:

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Apart from the risk factors mentioned in SAI, following are some of the additional risk factors which investors are advised to go through before investing:

a) 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 various factors and forces affecting the capital markets.
- * Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Scheme.
- * Edelweiss Gold Exchange Traded Fund is the name of the Scheme & does not in any manner indicate either the quality of the Scheme or its future prospects and returns.
- * The sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs.1,00,000 made by it towards setting up the Fund.
- * The Scheme is not a guaranteed or assured return Scheme.

b) SCHEME SPECIFIC RISK FACTORS:

The Scheme seeks to invest predominantly in physical gold. The price of gold and accordingly the NAV of the Scheme may fluctuate due to several reasons including but not limited to global macroeconomic events, demand and supply for gold in India and in the international markets, currency fluctuations, Interest rates, Inflation trends, regulatory restrictions on the import and trade of gold etc. Some of the risks are listed below:

1. Risk Factors Associated with investment in Gold:

- * **Market Risk:** The value of the units relates directly to the value of the gold held by the Scheme and fluctuations in the price of gold could adversely affect investment value of the units. The factors that may affect the price of gold, inter alia, include demand & supply, economic and political developments, changes in interest rates and perceived trends in bullion prices, exchange rates, inflation trends, market movements, movement/trade of gold that may be imposed by RBI/ any competent agency, trade and restrictions on import/export of gold or gold jewellery etc.
- * **Currency Risk:** The domestic Price of Gold will primarily depend upon both the international price of gold (denominated in US\$), as well as conversion value of US dollar into Indian Rupee. The NAV of the gold units of the Scheme

is based on the imported (landed) value of gold denominated in US dollars and other charges embedded to it. Investors will be exposed to fluctuation in the value of US dollar and Indian Rupee.

- * **Counterparty Risk:** Since there is no exchange for trading physical gold in India, the Scheme may have to buy or sell physical gold from the open market, which may lead to counter party risks for the Scheme for trading and settlement.
- * **Liquidity Risk:** The Scheme can sell gold only to bullion bankers/traders who are authorized to buy gold. Though, there are adequate numbers of players (commercial or bullion bankers) to whom the Fund can sell gold the Scheme may have to resort to distress sale of gold if there is no or low demand for gold to meet its cash needs of redemption or expenses.

Trading in units of the Scheme on the Exchange may be halted because of abnormal market conditions or for reasons that in view of the Exchange authorities or SEBI, trading in units of the Scheme is not advisable. In addition, trading in units is subject to trading halts caused by extraordinary market volatility and pursuant to Stock Exchange(s) and SEBI "circuit filter" rules as applicable from time to time. There can be no assurance that the requirements of the exchange/s necessary to maintain the listing of units of the Scheme will continue to be met or will remain unchanged. The AMC/MF will make arrangements with market makers for providing liquidity in the Stock Exchange.

- * **Regulatory Risk:** Changes in the stock exchange trading regulations may impact the Authorised Participant's ability/willingness to arbitrage, thus resulting in wider quotes (larger premium/discount to the NAV) in the secondary market for the investor. Regulatory changes related to import and export of gold and gold jewellery (including customs duty, sales tax, VAT and any such other statutory levies) may also impact the Scheme's ability to buy or sell gold to meet purchase/redemption request.
- * **Risk associated with Physical gold:** There is a risk that all or part of the Scheme's gold could be lost, damaged or stolen. Access to it could also be restricted by natural events or human actions. Any of these actions may have adverse impact on the operations of the Scheme.
- * **Asset Class Risk:** The returns from physical gold in which the Scheme invests may underperform returns from any other asset classes and this may have an impact on the performance of the Scheme.
- * **Passive Investment:** The Scheme shall follow a passive investment strategy. The Scheme's performance may be affected by the general price decline in the gold prices. The Scheme shall invest in Gold regardless of their investment merit. The Scheme does not aim to take any defensive position in case of falling markets.

- * **Operational risk:** Gold Exchange Traded Funds are relatively new products and their value could decrease if unanticipated operational or trading problems arise. This Scheme is therefore subject to operational risks. In addition, investors should be aware that there is no assurance that gold will maintain its long-term value in terms of purchasing power. In the event that the price of gold declines, the value of investment in units is expected to decline proportionately.

The Scheme may not be able to acquire or sell the desired number of units of gold due to conditions prevailing in the market, such as, but not restricted to circuit filters on the gold ETF (if any), liquidity and volatility in gold prices.

A day on which valuation on London Bullion Market Association (LBMA) is not available shall not be a Business day and hence NAV for the said day shall not be available to the Investors.

The Units will be issued only in demat form through depositories. The records of the depository are final with respect to the number of Units available to the credit of Unit holder. Settlement of trades, repurchase of Units by the Mutual Fund during liquidity window depends upon the confirmations to be received from depository (ies) on which the Mutual Fund has no control.

The NAV of the units of Gold ETF are determined based on the formula as prescribed by the SEBI, whereas the actual price in the market may be different from the value of gold at based on the prescribed formula. This may lead to a condition where the NAV is too different from the domestic market price of gold. In such cases the trustees reserves the right to delay or suspend the buy/sell transactions.

The Trustee, in the interest of the Unit holders of the Scheme offered under this Scheme Information Document and keeping in view the unforeseen circumstances/ unusual market conditions, may limit the total number of Units, which can be redeemed on any Business Day.

- * **Tracking error:** The performance of the Scheme may be impacted by Tracking Error (deviation in the performance of the Scheme vis-à-vis the benchmark). Tracking error may be accounted by the various reasons which includes but not limited to expenses, cash balance to meet redemptions, dividend payout, delay in purchase/sale of gold, Illiquidity, delay in realization of sale proceeds, buy/sell transactions at different point in time which may not correspond to the closing price, transaction cost (including taxes, insurance etc), creation of lot size etc. The AMC would however, endeavour to keep the tracking error as low as possible.
- * **Taxation:** For the valuation of gold by 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 Scheme. The Trustees, AMC, Fund, their directors or their employees shall not be liable for any tax consequences that may arise in the event that the Scheme is wound up for

the reasons and in the manner provided under the Scheme Information Document & Statement of Additional Information.

2. Risk factors associated with Fixed Income and Money Market Instruments:

- * **Interest rate risk:** Price of a fixed income instrument falls when the interest rates move up and vice-versa, which will affect the NAV accordingly.
- * **Spread risk:** Investments in corporate bonds are exposed to the risk of widening of the spread between corporate bonds and gilts. Prices of corporate bonds tend to fall if this spread widens which will affect the NAV of the Scheme accordingly.
- * **Credit risk or default risk:** Credit risk is the risk that the issuer of a debenture/ bond or a money market instrument may default on interest &/or principal payment obligations.
- * **Liquidity & Settlement Risk:** The Risk of non execution of sale/purchase order due to low volumes is liquidity risk. Different segments of the financial markets have different settlement cycle/periods and such settlement cycle/periods may be impacted by unforeseen circumstances, leading to Settlement Risk.
- * **Reinvestment risk:** Interest rates may vary from time to time. The rate at which intermediate cash flows are reinvested may differ from the original interest rates on the security, which can affect the total earnings from the security.
- * **Performance Risk:** Performance of the Scheme may be impacted with changes in factors, which affect the capital market and in particular the debt market.
- * **Prepayment Risk:** The Scheme may receive payment of monthly cash flows earlier than scheduled, which may result in reinvestment risk.
- * **Market risk:** Lower rated or unrated securities are more likely to react to developments affecting the market as they tend to be more sensitive to changes in economic conditions than higher rated securities.

3. Other risks:

- a. Though the units of the Scheme would be listed in Stock Exchanges, there is no assurance that an active secondary market will be developed or maintained.
- b. Conversion of underlying physical gold into units of the Scheme may attract capital gains tax depending on the acquisition cost and holding period.
- c. Any action by the Governments and institutions that hold gold effects sale in large quantities may result in steep decline in gold prices and the NAV of the Scheme may be adversely affected.

B REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

As per SEBI Circular SEBI/IMD/CIR No. 10/22701/03 dated December 12, 2003, the provisions with respect to minimum number of investors and maximum holding for single investor are not applicable to an exchange traded fund. Accordingly, these provisions shall not be applicable to Edelweiss Gold Exchange Traded Fund.

C SPECIAL CONSIDERATIONS

The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs.1,00,000/- (Rupees One Lakh) collectively made by them towards setting up the Scheme or such other accretions and additions to the initial corpus set up by the Sponsor.

Neither this Document nor the Units have been registered in any other jurisdiction. The distribution of Units /this Statement in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this Document are required to inform themselves about, and to observe, any such restrictions.

The AMC can invest in money market/liquid Schemes of Edelweiss Mutual Fund subject to the limits as prescribed by the SEBI Regulations and in such case it will not be entitled to charge any fees on such investments. The Sponsor, entities managed or sponsored by the affiliates or associates of the Sponsor, Funds managed/ advised by the Sponsor/and their associated entities, the Asset Management Company, the Custodian, the Registrar, any Associate, any Distributor, Dealer, any Company, Corporate Bodies, Trusts, any Service Provider, investor (resident or non resident), any Scheme / Mutual Fund managed by the Asset Management Company or by any other Asset Management Company may invest in this Scheme, subject to the limits specified by SEBI. While at all times the Trusteeship Company and the Asset Management Company will endeavor that excessive holding of Units in the Scheme among a few Unit holders is avoided, however, the funds invested by these aforesaid persons may acquire a substantial portion of the Scheme's outstanding Units and collectively may constitute a majority unit holder in the Scheme. Redemption of Units held by such persons may have an adverse impact on the value of the Units of the Scheme because of the timing of any such redemption. It may also have impact on the liquidity of the Scheme, which may lead to an adverse impact on the NAV of the Scheme.

Prospective investors should review / study this document in addition with Statement of Additional Information 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, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (by way of sale, switch or redemption or conversion into money) of Units and to the treatment of income (if any), capitalisation, capital gains, any distribution, and other tax consequences relevant to their subscription, acquisition, holding, capitalisation, disposal (by way of sale, transfer, switch or conversion into money) of Units within their jurisdiction of nationality, residence, incorporation, 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, purchasing or holding Units before making

an application for Units.

The tax benefits described in this Document in addition with Statement of Additional Information are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advice received by the AMC regarding the law and practice currently in force in India and the Investors should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely.

D DEFINITIONS & ABBREVIATIONS

The following Scheme Specific definitions/terms which apply throughout this Statement in addition to the definitions mentioned in the Statement of Additional Information unless the context requires otherwise:

AMC or Investment Manager or EAML	Edelweiss Asset Management Limited, the asset management company set up under the Companies Act, 1956 and authorized by SEBI to act as the Asset Management Company to the Schemes of Edelweiss Mutual Fund.
Applicable NAV	The Net Asset Value (NAV) applicable for purchases or redemptions or switches, based on the time of the Business Day & relevant cut off time by which the application is accepted at the Investor Service Centres and/or at Branches.
Application Supported by Blocked Amount (ASBA)	An application containing an authorization to the Self Certified Syndicate Banks (SCSB) to block the application money in the bank account maintained with SCSB for subscribing to the NFO.
Authorised Participant	Authorised Participant means the member of the National Stock Exchange of India Ltd.(NSE) or any other Recognized Stock Exchange(s) as defined under Section 2(f) of the Securities Contracts (Regulation) Act, 1956 and their nominated entities/persons or any person who are appointed by the AMC/Fund to act as Authorised Participant.
Allotment Price	Allotment price is the price at which each unit will be allotted and will be equal to the face value of Rs.100/- plus premium equivalent to the difference between the face value and price of one gram of gold of defined purity on the date of allotment.
Business Day	Business Day is a day other than (a) Saturday and Sunday or (b) a day on which banks in Mumbai including Reserve Bank of India are closed for business or clearing or (c) a day on which the Stock Exchanges are closed or (d) a day which is a public and/or bank holiday at AMC's branch offices or

	<p>(e) a day on which sale and repurchase of Units is suspended by the AMC or</p> <p>(f) a day on which normal business could not be transacted due to storms, floods, bandhs, strikes, etc. or</p> <p>(g) a day on which money markets are closed for business / not accessible or</p> <p>(h) a day on which funds accompanying applications cannot be realized and / or are not available for utilisation for investments or investments cannot be liquidated and / or funds are not available for utilization for redemption / repurchase or</p> <p>(i) A day on which Banks/Bullion Market is closed for purchase or sale of gold.</p> <p>(j) A day on which valuation on London Bullion Market Association (LBMA) is not available.</p> <p>The AMC reserves the right to declare any day as Business Day or otherwise at any of the it's branches.</p>
Cash Component	<p>Cash Component represents the difference between the Applicable NAV of a Creation Unit and the market value of Portfolio Deposit. 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, if any and will include the difference between the purchase price/sale price (in case of subscription/redemption) and closing price of Portfolio Deposit for creation/redemption of the ETF units in Creation Unit Size.</p> <p>The cash component will vary from time to time and will be decided and announced by the AMC.</p>
Creation Unit Size	<p>Creation Unit Size is fixed number of units of the Scheme, which is exchanged against a predefined quantity and purity (fineness) of physical gold called the 'Portfolio Deposit' and 'Cash Component' or cash of equivalent value. Each Creation Unit consists of 1,000 units of the Scheme and in multiples of 1,000 units thereof.</p> <p>Each unit of the Scheme is approximately equivalent to one (1) gram of gold of specified purity which is of 995 parts per 1000 (99.5%) of physical gold.</p>
Custodian	<p>A person who has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulations 1996, which for the time being is the Bank of Nova Scotia, Mumbai for the Portfolio Deposit (i.e. Physical Gold) and Citibank N.A. for other Securities/Instruments (other than Portfolio Deposit) held</p>

	by the Scheme.
Day	Any day (including Saturday, Sunday and holiday) as per English Calendar viz. 365 days in a year. For the filing of an official request, if the day is a Saturday, Sunday, or federal (or gazetted or statutory) holiday, or any occurrence causes the closure of the designated accepting office (for part or whole of the day), the next day that office is open is counted as the day.
Debt Instruments	Corporate debentures, bonds, promissory notes, money market instruments, pass-through obligations and other possible similar securities.
Depository	Depository as defined in the Depositories Act, 1996 (22 of 1996).
Depository Participant or DP	'Depository Participant' or 'DP' means a person registered as such under subsection (1A) of section 12 of the Securities and Exchange Board of India Act, 1992.
Exchange Traded Fund (ETF)	A fund whose units are listed on an exchange and can be traded (bought and sold) at prices determined by the buyer and seller.
Electronic Fund Transfer/ EFT	Electronic Fund Transfer includes all the means of electronic transfer like Direct Credit / Debit, Electronic Clearing System (ECS), RTGS, NEFT, Wire Transfer or such like modes as may be introduced by relevant authorities from time to time.
Exchange or Stock Exchange	National Stock Exchange of India Limited (NSE) and such other recognized stock exchange(s) where the Units of the Scheme are listed.
Foreign Institutional Investor or FII	Means an institution established or incorporated outside India and registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
Fund / Mutual Fund / EMF	Edelweiss Mutual Fund, a trust set up under the provisions of the Indian Trusts Act, 1882 and registered as a Mutual Fund with SEBI bearing SEBI Registration No. MF/057/08/02 dated April 30, 2008.
Gilt or Government Securities	Under the Government Securities Act 2006, "Government security" means a security created and issued by the Government for the purpose of raising a public loan or for any other purpose as may be notified by the Government in the Official Gazette and having one of the forms mentioned in section 3 of the said Act, as amended or re-enacted from time to time.
Investor Service Centre / ISC	Investor Service Centres, as designated from time to time by the AMC, whether of the Registrar or AMC's own branches, being official points of acceptance, authorized to receive Application Forms for Purchase/ Redemption /Switch and other service requests/queries from investors/Unit Holders. For details please refer to the application form and/or website of the Mutual Fund at www.edelweissmf.com .
Large Investors	Means investors (other than Authorised Participants) who

	are eligible to invest in the Scheme and who would be subscribing to / redeeming the Units of the Scheme in Creation Unit size for cash.
Load	In the case of redemption of a Unit, the sum of money deducted from the Applicable NAV and in the case of subscription / switch in of a Unit, a sum of money to be paid by the prospective investor on the Sale / Switch in of a Unit in addition to the Applicable NAV.
Money Market Instruments	Money Market Instruments as defined in the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time. Money market instruments include commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, CBLO, certificates of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time.
NAV or Net Asset Value	Net Asset Value of the Units of the respective Option under the Scheme calculated in the manner provided in this Document and in conformity with the SEBI Regulations as prescribed from time to time.
New Fund Offer or NFO	Offer for purchase of Units under the Scheme during the NFO Period as described hereinafter.
New Fund Offer Period or NFO Period	The date on or the period during which the initial subscription of Units of the Scheme can be made subject to extension, if any.
Official Points of Acceptance	Places, as specified by AMC from time to time where application for subscription / redemption / switch will be accepted on ongoing basis.
Portfolio Deposit	Portfolio Deposit consists of physical Gold of predefined quantity weighing 1 Kg and in multiples of 1 Kg thereof and purity (fineness) of 995 parts per 1,000 (99.5%) of gold. The quantity and purity (fineness) of gold will be defined and announced by the AMC from time to time.
Reserve Bank of India or RBI	Reserve Bank of India established under the Reserve Bank of India Act, 1934 as amended from time to time.
Registrar and Transfer Agent/R&TA	Karvy Computershare Pvt. Ltd., currently acting as registrar to the Scheme, or any other registrar appointed by the AMC from time to time.
Repo/Reverse Repo	Sale/Purchase of Securities as may be allowed by RBI from time to time with simultaneous agreement to repurchase/resell them at a later date.
Redemption or Repurchase	The Units of Edelweiss Gold Exchange Traded Fund, which will be brought back by the Fund.
Scheme	Edelweiss Gold Exchange Traded Fund/Edelweiss Gold ETF
Scheme Information Document or SID or Document	This document issued by Edelweiss Mutual Fund offering Units of the Scheme for Subscription.

SEBI	Securities and Exchange Board of India established under the SEBI Act, 1992.
SEBI Regulations or Regulations or SEBI (MF) Regulations or SEBI (MF) Regulations	The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from time to time, including its Circulars, Notification & Guidelines.
Securities	As defined in The Securities Contract (Regulation) Act, 1956 & includes notes, bonds, debentures, debenture stock, warrants, etc., futures, options, derivatives, etc. or other transferable securities of a like nature in or of any incorporated company or other body corporate, Gilts / Government Securities, Mutual Fund Units, Money Market Instruments like Commercial Paper, Treasury Bills, etc. and such other instruments as may be declared by GOI and / or SEBI and / or RBI and / or any other regulatory authority to be securities and rights or interest in securities.
Statement of Additional Information / SAI	The document issued by Edelweiss Mutual Fund containing details of Edelweiss Mutual Fund, its constitution, and certain tax, legal and general information. SAI is legally a part of the SID.
Tracking error	The extent to which the NAV of the Scheme moves in a manner inconsistent with the movements of the Scheme's benchmark on any given day or over any given period of time.
Trustee or Trustee Company/ETCL	Edelweiss Trusteeship Company Limited, a Company set up under the Companies Act 1956, to act as the Trustee to Edelweiss Mutual Fund.
Unit	The interest of an investor, which consists of one undivided share in the assets of the Scheme. Each unit is approximately one gram of gold of specified purity which is of 995 parts per 1000 (99.5%) of physical gold.
Unit holder	A person holding Unit(s) in the Scheme offered under this Document.
Volatility	The relative rate at which the price of a security moves up and down. Volatility is found by calculating the annualized standard deviation of daily change in price. If the price of a stock moves up and down rapidly over short time periods, it has high volatility. If the price almost never changes, it has low volatility.

Abbreviations:

AMFI	Association of Mutual Fund in India	PAN	Permanent Account Number
		NSE	National Stock Exchange of India Limited
EMF	Edelweiss Mutual Fund	RTGS	Real Time Gross Settlement
IMA	Investment Management	SEBI	Securities and Exchange Board of

	Agreement	or the Board	India established under the SEBI Act, 1992
NFO	New Fund Offer	SEBI Act	Securities and Exchange Board of India Act, 1992
NRI	Non Resident Investor	I.T. Act	Income Tax Act, 1961 as amended from time to time.
NEFT	National Electronic Fund Transfer Service	LBMA	London Bullion Market Association
KYC	Know Your Customer	SAI	Statement of Additional Information
ISC	Investor Service Centre	SID	Scheme Information Document

Interpretation:

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

- (a) Words denoting any gender shall include all genders.
- (b) Words used in singular would include plural form and vice-versa.
- (c) A reference to a thing includes a part of that thing.
- (d) Any reference to any statute or statutory provision shall be construed as including a reference to any statutory modifications or re-enactment from time to time.
- (e) Clause headings are for ease of reference only and shall not affect the construction or interpretation of this Document.
- (f) Words and expressions used herein but not defined shall have the meaning specified in the Companies Act, 1956, Securities Contract (Regulations) Act, 1956, SEBI Act, 1992, SEBI (Mutual Funds) Regulations, 1996, Depositories Act, 1996, Reserve Bank of India Act, 1934, Public Debts Act, 1944, Information Security Act, 2000 and the Rules, Income Tax Act 1961, Contract Act 1872, Prevention of Money Laundering Act, 2002, Foreign Exchange Management Act & Regulations and the Rules, Regulations and Guidelines issued thereunder from time to time.

***E* DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY**

A Due Diligence Certificate, duly signed by the Chief Executive Officer of Edelweiss Mutual Fund, has been submitted to SEBI which reads as follows:

DUE DILIGENCE CERTIFICATE

It is confirmed that:

- * The draft Scheme Information Document forwarded to SEBI is in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.

- * All legal requirements connected with the launching of the Scheme and also the Guidelines, instructions, etc. issued by the Government of India and any other competent authority in this behalf, have been duly complied with.
- * The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well-informed decision regarding investments in the proposed Scheme.
- * 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.
- * The contents of Scheme Information Document including figures, data, yields, etc. have been checked and are factually correct.

Signed: sd/-

Place: Mumbai
Date: November 6, 2012

Name : **Vikaas M Sachdeva**
Designation: **Chief Executive Officer**

II INFORMATION ABOUT THE SCHEME

A NAME & TYPE OF SCHEME

Edelweiss Gold Exchange Traded Fund is an Open Ended Gold Exchange Traded Fund.

B INVESTMENT OBJECTIVE

The investment objective of the Scheme is to generate returns that are in line with the performance of physical gold in domestic prices, subject to tracking error.

However, there is no assurance that the investment objective of the Scheme will be realized and the Scheme does not assure or guarantee any returns.

C ASSET ALLOCATION AND INVESTMENT PATTERN

Std. Obs. 14

Under normal circumstances, the anticipated asset allocation would be:

Instruments	Indicative allocation (% of total assets)		Risk Profile
	Min.	Max.	
Physical Gold*	90	100	Medium
Debt and Money Market instruments (including cash & cash equivalent) and/or units of money market/liquid Schemes of Edelweiss Mutual Fund	0	10	Low to Medium

*The Scheme may also invest in gold related instruments as and when permitted by SEBI.

The Scheme shall not make any investment in Fund of Funds Scheme, Securitised Debt, Derivatives, Foreign Securities and ADRs/GDRs.

Std. Obs. 3,4

Pending deployment of funds as per the investment objective of the Scheme, the funds may be parked in short term deposits of the Scheduled Commercial Banks, subject to guidelines and limits specified by SEBI from time to time.

The cumulative gross exposure through Physical Gold, debt and Money Market Instruments and units of mutual fund Schemes shall not exceed 100% of the net assets of the Scheme. However, cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.

Change In Asset Allocation:

Subject to the 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 percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Fund Manager, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and defensive considerations.

The Scheme would endeavor to rebalance the portfolio within 30 days. In the event of the Scheme not being rebalanced within the aforesaid period, justification for the same shall be placed before the Investment Committee for review and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times, the AMC shall endeavour to ensure that the Portfolio would adhere to the overall Investment objective of the Scheme.

Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub regulation (15A) of Regulation 18 of the Regulations, as detailed later in this document.

Investment Pattern and changes:

The Scheme, out of the funds allocated shall primarily invest in Gold bullion and shall invest in debt and money market securities and units of liquid/money market Schemes of the Fund only to the extent necessary to meet the liquidity requirements for honoring repurchase/redemptions/ expenses. In view of the nature of the Scheme, the asset allocation pattern as indicated above may not change, except in line with the changes made in SEBI (MF) Regulations, from time to time.

- **An introduction to Gold Exchange Traded Fund:**

Gold as an asset class: Since ages, Gold has been acknowledged as a global currency, a commodity, an investment and considered as an all weather asset. Gold has traditionally been extremely popular with Indians. Almost every house hold possesses Gold in one form or the other and it forms part of important events like marriages, religious ceremonies etc. Significantly, Gold is often used to counter the ill effects of inflation and currency fluctuation. Portfolios containing Gold are generally considered as more robust and less volatile. Gold is considered as significantly less volatile than other commodities and indices.

- **Portfolio Diversification:**

Investment strategy involves asset allocation for diversification of risks in a portfolio. Prudent asset allocation among different asset classes is to be ensured for minimising risks and maximising returns. Many investors resort to acquisition of asset classes like commodities to achieve an optimum level of diversification. Gold as an asset class for diversification has gained prominence in the recent years as prices of Gold is not directly correlated to prices of other commodities and asset classes. This offers enhanced diversification opportunities to investors

to look to Gold as an important hedge against most of the other asset classes. However, the prices of Gold are not too insulated at all times. But the factors that determine the price of Gold are very different from factors affecting the prices of other asset classes.

- **What are Gold ETFs?**

Gold ETFs are units representing physical gold in dematerialised form. These units are traded on the exchange like shares of any listed company. Gold ETFs are intended to offer investors a means of participating in the gold bullion market without the necessity of taking physical delivery of gold, and to buy and sell that participation through trading of a security on stock exchange.

- **What are the benefits of Gold ETFs?**

Transparent Pricing: Investors get best possible price while investing in Gold ETFs.

Easy Accessibility: Trading of ETFs are facilitated through the nationwide network of terminals of stock exchanges where the units are listed.

Security: No storage and security issues are associated with ETFs as investors hold the units representing Gold in dematerialised form.

Availability: Gold ETFs are available in smaller denominations of even one gram of gold (and multiples thereof) suitable to retail investors

Tax benefits: As units are traded in Stock Exchanges, Long Term Capital Gains Tax shall be applicable for ETFs held for a period of one year as against three years in the case of physical gold.

Liquidity: As Gold ETFs are actively traded on the exchanges, one can easily sell/liquidate ones holding whenever needed. Authorised participants also help in providing liquidity by creating or redeeming ETFs based on demand and supply.

Purity: On behalf of investors, the Authorised Custodian sources the gold from LBMA (London Bullion Market Association) approved refiners. The physical gold held by custodians is of fineness of 995 parts per 1000. This gold is 99.5% pure and is commonly called 24 carat gold. The gold held with the custodian is fully insured. except, in each case, for losses arising from nuclear fission or fusion, radioactivity, war, terrorist event, invasion, insurrection, civil commotion, riot, strike, act of government or public authority including confiscation and expropriation, act of God.

- **HOW DOES EDELWEISS GOLD ETF WORK?**

- a. **Issue of units during NFO:**

1. Each unit of the Scheme will be approximately equal to one gram of gold.
2. The units of the Scheme will be allotted within five business days from the date of closure of the NFO.
3. The units will be listed on NSE or any other stock exchange within five business days from the date of allotment of units under the NFO.
4. The security will be arranged to be admitted as security for dematerialization with NSDL/CDSL within five working days from the date of allotment.

Allotment of Units during NFO and computation of NAV on allotment date (Example):

Cash Collection during NFO (Rs.)	A	100,000,000
Total Gold Purchased (Gms)	B	31,250
Cost per gm of Gold Purchased (Rs.)	C	3,195
Total Cost of Gold Purchased (Rs.)	D=B*C	9,98,43,750
Allotment Price Per Unit (Rs.)	E=A/B	3,200
Total Value of Units Allotted(Rs.)	F=(A)	100,000,000
Total No. of Units Allotted	G=F/E	31,250
Closing Price on Allotment Date(Rs.)	H	3,215
Closing Value of Gold(Rs.)	I=B*H	10,04,68,750
Other Assets(Rs.) *	J	1,56,250
AUM on Allotment Date(Rs.)	K	10,06,25,000
Per unit NAV on Allotment Date(Rs.)	L	3,220
Cash component in per unit (Rs.)	M=L-H	5

* represents residual cash in the Scheme, in this example.

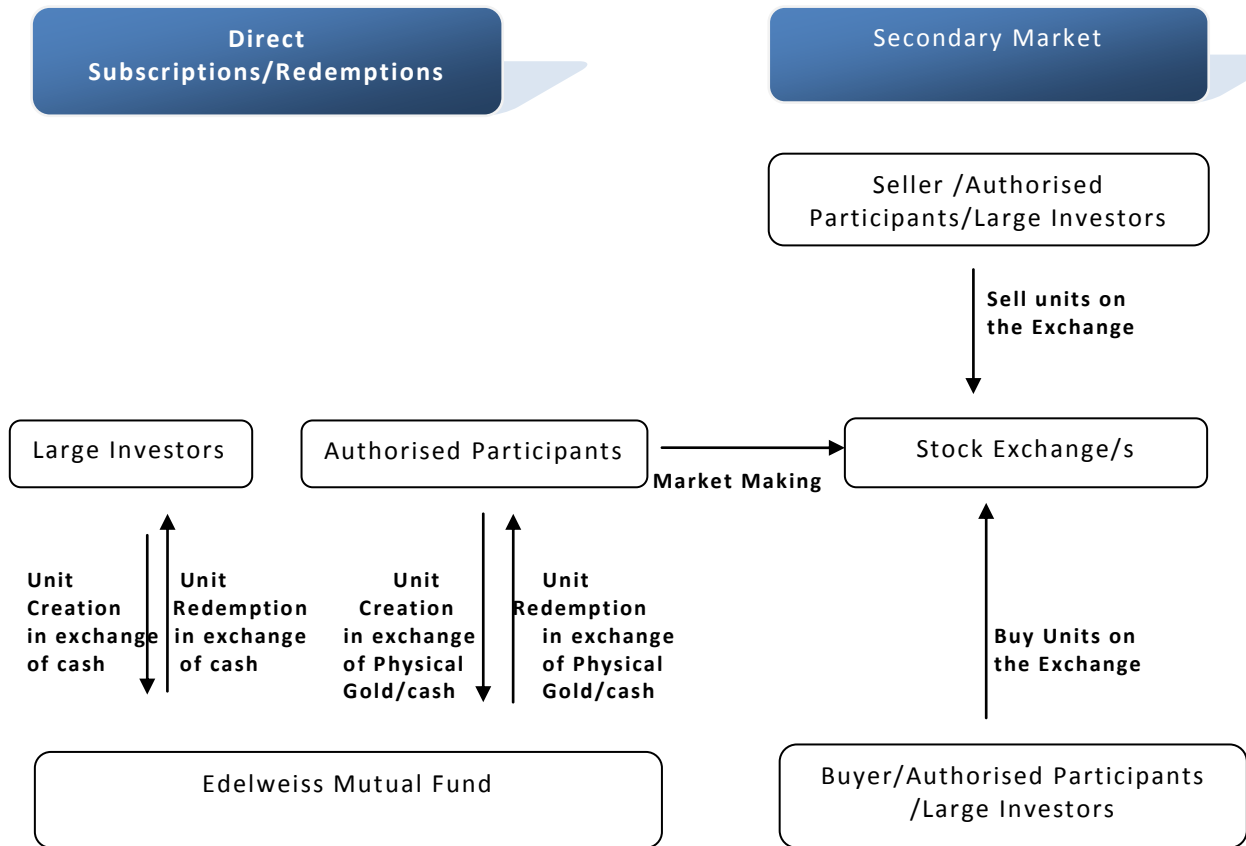
5. Allotment of units will be made to the extent of units in whole figures. The balance amount represented by fractional units will be refunded to the investor after accounting for cash holdings, expenses and other incidental costs.

Amount Invested (a)	Rs. 10,000
Price of 1 gram of Gold on allotment date	Rs. 3,200
Issue price of Edelweiss Gold ETF on allotment date (b)	Rs. 3,200
Number of units (a/b)	3.125
Actual units allotted	3
Amount refunded	Rs. 400 [i.e. Rs.10,000 – (Rs.3,200* 3)]

The above tables are for illustration purpose only and do not indicate in any manner the likely price of Gold on the allotment date or thereafter.

b. Issue of units during Ongoing Offer:

For All Investors:



Note: The role of the AMC is of a facilitator to the Authorised Participants to purchase/sell Gold on their behalf for the purpose of creating/redeeming Units in Creation Unit Size.

After the NFO, the Units of the Scheme will be listed on National Stock Exchange of India Limited (NSE) and/or any other recognized Stock Exchanges as may be decided by the AMC from time to time. The Units of the Scheme may be bought or sold on all trading days in round lot of 1(one) unit at the prevailing listed price on such Stock Exchange(s).

Alternatively, on an ongoing basis Authorised Participants and Large Investors can directly buy / sell the units from the Fund in 'Creation Unit' size.

I. Creation of units in Creation Unit Size:

A) Subscription of units in Creation Unit Size with Portfolio Deposit and Cash Component by Authorised Participants:

1. Authorised Participants may submit a duly completed application form for subscription of units in Creation Unit Size to the AMC on any Business Day, within the cut-off time. The AMC will not accept Portfolio Deposit (i.e. physical gold) from any other investor except for the Authorised Participants subject to conditions specified by the Custodian in this regard.

2. By submitting the application form for subscription, the Authorised Participant agrees to transfer (deposit) the Portfolio Deposit (i.e. physical gold) and/or the Cash Component, if any in the Scheme's account with the Custodian. The day on which the application is submitted is referred to as the 'T' day.

3. Authorised Participants are required to deposit the Portfolio Deposit (i.e. physical gold) to the Scheme account with the Custodian latest by T+1 day basis, while the balance Cash Component, if any has to be paid to the AMC only by means of payment instruction of Real Time Gross Settlement (RTGS) /National Electronic Funds Transfer (NEFT) or For any other (electronic) mode as may be decided by the AMC from time to time. The cash component has to be paid to the AMC latest by T+1 day.

4. As per the agreement with Custodian for physical gold (Bank of Nova Scotia), Custodian will accept physical gold only if the gold is in compliance with the Good Delivery norms as specified by LBMA and the Custodian/AMC has the discretion to reject the application form and the Portfolio Deposit if it does not fulfill the Good Delivery norms.

The Good Delivery norms as specified by LBMA are as under:

(a) Original Assay Certificate;

(b) Bar list from the refiner;

(c) relevant shipping documents (airway bill and customs invoice) establishing that the gold has been shipped directly from a Good London Refiner using an accredited international shipping company on a door to door basis through one of the accredited agencies; and

(d) such other documents that the Custodian may require from time to time so as to adequately indicate the purity of the Gold deposited with it.

Further, such portfolio deposit has to be delivered at the location of the Custodian in Mumbai/Ahmedabad and the incidental expenses, if any and responsibility for transporting the gold to the Custodian shall be of the Authorised Participant. The Custodian will ensure that all Gold deposited with it is accompanied by the above documents and that the Gold bars indicate that the fineness is 995 or above.

5. On having credited the Scheme's account with the gold deposits in the physical form, the Custodian will confirm to the AMC of vaulting of gold. Upon realization of Cash Component, the AMC will instruct the Registrar & Transfer Agent of the total number of units to be created against the Portfolio Deposit. The creation of units will be at the NAV of the Scheme on T day (i.e. the date on which application was made by Authorised Participants within the applicable cut-off timing).

6. The Registrar & Transfer Agent will then allocate the units to the demat account of the Authorised Participant.

B) Subscription in Cash by Authorised Participant/Large Investors:

1. AMC shall allow cash purchases of units in Creation Unit Size by Authorised Participants/Large Investors. They shall make creation request to the AMC where upon the AMC will arrange to purchase the underlying physical gold.

2. Authorised Participants/Large Investors may submit an application for purchase of the ETF units in Creation Unit Size to the AMC on any Business Day, within the applicable cut-off timing for NAV applicability, by payment of requisite cash as determined by AMC only by means of payment instruction of Real Time Gross Settlement (RTGS) / National Electronic Funds Transfer (NEFT) or any other (electronic) mode as may be decided by AMC from time to time.

3. On receipt of confirmation from the Custodian of crediting the Scheme's account with the gold deposits purchased by the AMC on behalf of the Authorised Participant/Large Investor, AMC will instruct the Registrar & Transfer Agent the total number of units to be created and upon realization of the requisite cash, the creation of units will be at the NAV of the Scheme on T day (i.e. the date on which application was made by Authorised Participants/Large Investors within the applicable cut-off timing).

II. Redeeming of Units in Creation Unit Size:

A. REDEMPTION IN GOLD

The procedure by which Authorized Participants can redeem the units in gold in Creation Unit Size is as follows:

1. Authorised Participants may make a redemption request to the AMC for redemption of the Units in Creation Unit Size on any Business Day by way of a duly filled in redemption form, within the applicable cut-off timing for NAV applicability.

2. By placing the redemption request, the Authorised Participants agree to transfer the requisite number of the Units in Creation Unit Size to the Scheme's DP accounts on T+0 business day.

3. The request for redemption by Authorised Participants needs to be enclosed with the delivery order used in the depository system duly acknowledged by the DP with whom the Authorized Participants has a depository account stating the number of the units transferred to the Scheme's DP account on T+0 business day.

4. After successful verification of the redemption request, the AMC will instruct the Custodian to transfer the Portfolio Deposit of Gold to the custody

account of Authorized Participant and remit/collect the Cash Component after adjusting transaction handling charges, other applicable charges and the difference between the applicable NAV and closing price of gold.

5. The expenses associated with taking the delivery of Gold will have to be borne by Authorised Participants.
6. The delivery of gold to Authorised Participants will be made at the location of the Custodian within the jurisdiction of Mumbai/Ahmedabad.
7. The redemption price for redemption of units in Creation Unit Size will be based on the applicable NAV on the redemption request date subject to cut-off timing limits.
8. The AMC will deliver physical gold of the specified quality and quantity only to the Authorized Participants within 5 business days from the date of receipt of redemption request. The delivery of physical gold to Authorized Participant will be made at the location of the Custodian within the jurisdiction of Mumbai/Ahmedabad. The expenses associated with taking physical delivery of gold will have to be borne by the Authorized Participant. Balance amount, if any, will be paid/ received in cash by the AMC.
9. Redemption proceeds (Cash Component), if any, will be dispatched to Authorized Participant within 10 Business Days of the date of redemption request, subject to confirmation with the depository records of the Scheme's DP account.

B. REDEMPTION FOR CASH

1. AMC provides for cash redemption of units in Creation Unit Size by Authorised Participant/Large Investor. On receipt of such redemption requests, AMC will arrange to sell physical gold on behalf of the Authorised Participant/Large Investor. Accordingly, the sale proceeds of physical gold after adjusting necessary applicable charges / costs & exit load, if any will be remitted to the Authorised Participant/Large Investor.
2. By placing the redemption request, the Authorised Participants/Large investors agree to transfer the requisite number of the ETF units in Creation Unit Size to the Scheme's DP accounts on T+0 business day.
3. The request for redemption by Authorised Participants / Large Investors needs to be enclosed with the delivery order used in the depository system duly acknowledged by the DP with whom the Authorized Participants has a depository account stating the number of the units transferred to the Scheme's DP account on T+0 business day.
4. The redemption price for redemption of units in Creation Unit Size will be based on the applicable NAV and applicable charges, if any, on the date of redemption request, subject to cut-off timing limits.

5. Redemption proceeds will be dispatched to Authorised Participant/Large Investor within 10 Business days of the date of redemption, subject to confirmation with the depository records of the Scheme's DP account.

The minimum number of units that can be created / redeemed for Cash directly with the Fund will be announced by the Fund from time to time.

The role of AMC is of a facilitator to the Authorised Participants /Large Investors to purchase /sell Gold on their behalf for the purpose of creating /redeeming units of the Scheme in Creation Unit Size.

Applicable charges include brokerage, depository participant charges, uploading charges and such other charges that the AMC/Mutual Fund may have to incur in the course of accepting/providing the portfolio deposit as consideration for a subscription/redemption request. Such applicable charges shall be recoverable from the transacting Authorized Participant/Large Investor.

The AMC shall disclose on a daily basis the Portfolio Deposit and Cash Component for subscription and redemption of Units in Creation Unit Size in the Scheme on its website which would be applicable for subscribing and redeeming Units in Creation Unit Size for that business day only.

The Portfolio Deposit and Cash Component may change from time to time due to change in NAV and will be decided and announced by AMC.

The Fund may from time to time change the size of the Creation Unit Size in order to equate it with marketable lots of underlying instruments.

The Scheme shall meet its expenses out of the cash held and in case the cash is insufficient to meet the expenses, the Scheme may be required to sell the Portfolio Deposit to meet the Scheme expenses resulting into Portfolio Deposit being lower than the units allotted under the Scheme.

Example of computation of Cash Component for Creation / Redemption of Units in Creation Unit Size:

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 Gold and will be for 1 kg and in multiples of 1 kg thereof. The value of Portfolio Deposit will change due to changes in the prices during the day.

The Cash Component will be arrived in the following manner:

Number of Units comprising one Creation Unit	A	1000 units
NAV per unit	B	Rs. 3,200/-

Value of 1 Creation Unit	C	Rs. 32,00,000/-
Closing Price per gram of Gold	D	Rs. 3,180/-
Value of Portfolio Deposit (1 Kg Gold) (A X D)	E	Rs. 31,80,000/-
Cash Component (C – E)	F	Rs. 20,000/-

The above table is for illustration purpose only and does not indicate in any manner the likely price of Gold on the allotment date or thereafter.

Custodian:

(i) The Trustees have appointed The Bank of Nova Scotia as the Custodian of Portfolio Deposit (i.e. Physical Gold) for the Scheme. The Bank of Nova Scotia is SEBI approved Custodian. The registration of the Custodian is still valid and effective. The Custodian shall hold the custody and possession of the Portfolio Deposit of the Scheme and will discharge all the functions as are ordinarily discharged by a Custodian. It does not have any power or authority to sell or dispose of or deal with the Portfolio Deposit held by it on behalf of the Scheme except as instructed by the AMC. The Trustee reserves the right to change the Custodian for Portfolio Deposit, if required.

(ii) The Trustee has appointed Citibank N.A. as Custodian of Securities/Instruments (other than Portfolio Deposit) held by the Scheme. The Custodian, in accordance with the Custodian Agreement entered into with the Trustee and AMC, shall act and discharge its duties and responsibilities.

D WHERE WILL THE SCHEME INVEST?

Std. Obs. 15

Subject to the Regulations, the corpus of the Scheme will mainly be invested in any (but not exclusively) of the following securities:

1. Physical Gold: The Scheme will, primarily invest in Physical Gold of 99.5% fineness (or purity) or Gold related Instruments as permitted by SEBI from time to time (as per the asset allocation mentioned above). Presently, investment only in physical gold is allowed as per SEBI guidelines. Investment in gold or gold related instruments may be undertaken as and when permitted by SEBI. The Scheme shall invest in debt and money market securities, only to the extent necessary to meet the liquidity requirements for honoring repurchase/redemptions/ expenses.

According to the Eight Schedule of Regulation 47 of SEBI Regulations, the gold purchased by the Scheme would be in the form of standard bars having a fineness of 995.0 parts per thousand. 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.

If the gold acquired by the Gold ETF 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 London Bullion Market Association (LBMA).

2. Investment in Money Market and Debt securities:

The Scheme shall invest in a range of Debt & Money Market Instruments.

Some of these instruments are:

- a. Securities created and issued by Governments of India and/or repos/ reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- b. Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- c. Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.
- d. Corporate debt and securities (of both public and private sector undertakings) including Bonds, Debentures, Notes, Strips etc.
- e. Money market instruments permitted by SEBI/RBI, having maturities upto one year and call money market or in alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements.
- f. The non-convertible part of convertible securities.
- g. Any other domestic fixed income securities.
- h. Any other like instruments as may be permitted by RBI/SEBI/ such other Regulatory Authority from time to time.

For details on definition & risk associated with investment in the above security, please refer SAI.

3. Investments in the Schemes of Mutual Fund:

Std. Obs. 1

The Scheme may invest in units of money market/liquid Schemes managed by the AMC, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing SEBI Regulations. As per SEBI Regulations, no Investment Management fees will be charged for such investments and the aggregate inter Scheme investment made by all Schemes in the schemes of the Mutual Fund shall not exceed 5% of the Net Asset Value of the Mutual Fund.

4. Any other like instruments as may be permitted by RBI/SEBI/such other Regulatory Authority from time to time:

The above-mentioned securities could be listed, unlisted, secured, unsecured, rated or unrated and may be acquired through Primary, secondary market offerings, private placements, rights offer etc. Further, investments in debentures, bonds and other fixed income securities will usually be in instruments, which have been assigned investment grade ratings by an approved rating agency. In cases where the debt instrument is unrated, specific approval from the Board of the Asset Management Company and the Board of Trustees shall be obtained.

E INVESTMENT STRATEGY & APPROACH

Std. Obs. 7

*** Investment Strategy:**

Edelweiss Gold ETF will be a passively managed fund tracking the domestic price of Gold and will reflect the performance of the Gold price. The Scheme would invest up to 100% in physical Gold and/or up to 10% in debt and money market instruments to meet the liquidity requirements, subject to tracking error. The Fund Manager will try to minimize the tracking error of the Scheme,

however, there is no assurance that the Scheme will achieve any particular level of tracking error related to the performance of the benchmark index. The Scheme may buy or sell gold at different points of time during the trading session at the then prevailing prices which may or may not correspond to its closing price, due to disinvestments to meet redemptions, cost and recurring expenses, execution of large buy/sell orders etc. This style of Passive Fund Management would eliminate the risks involved with active management with regard to over / underperformance vis-à-vis a benchmark.

The Fund Manager will not make any judgments about the investment merit of gold nor will it attempt to apply any economic, financial or market analysis.

*** Risk Control:**

Physical Gold:

The Scheme aims to track the domestic gold price of physical gold as closely as possible post expenses. Since fund manager risk is not relevant, the risk control measures for investment strategy pertain to managing operational risks focused on minimizing tracking error. Time-wise processes are well defined to enable efficient re-balancing of portfolios and settlements with Authorised Participants and Custodians.

Debt Securities:

The Scheme has a risk management strategy that endeavors to manage risks associated with investing in fixed income & money market instruments. The Scheme has identified various risks pertaining to the Scheme including interest rate, credit and liquidity risks and has placed appropriate limit and control structures that are embedded in the investment process to mitigate these risks.

*** Investment in Mutual Fund Units:**

To avoid duplication of portfolios and to reduce expenses, the Scheme may also invest in Money Market/Liquid Schemes managed by the AMC, provided that aggregate inter-Scheme investment made by all Schemes managed by the AMC shall not exceed 5% or such other permitted limit, of the Net Asset Value of the Fund. No investment management fees shall be charged for investing in other Schemes of the Fund.

Std. Obs. 1

*** Portfolio Turnover:**

The Scheme is an open-ended Exchange Traded Fund and it is expected that there may be a number of subscriptions and repurchases on a daily basis through Stock Exchange (s) or Authorised Participants and Large Investors which may require purchase or sale of gold. The Scheme is largely passive but transactions of Authorised Participants, Large Investors, sale of gold to meet expenses of the Scheme may require the Scheme to buy and sell gold. However, it will be the endeavour of the Investment Manager to maintain an optimal portfolio turnover rate commensurate with the investment objective of the Scheme and the purchase/redemption transactions on an ongoing basis in the Scheme.

Pursuant to Schedule IX read with Regulation 50 of the SEBI (Mutual Funds) Regulations, 1996, the cost of investments acquired or purchased shall include all such costs incurred for effecting the transaction while the sale proceeds of investment sold or redeemed shall be net of all such costs incurred for effecting the sale transactions and shall form part of the purchase or the sale value of investments.

*** How the Scheme is different from other existing Schemes of Edelweiss Mutual Fund:**

Edelweiss Gold Exchange Traded Fund launched by Edelweiss Mutual Fund is its first Exchange Traded Fund. There is no other exchange traded fund launched by the Fund till date.

F. FUNDAMENTAL ATTRIBUTES

Std. Obs. 8

Following are the Fundamental Attributes of the Scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

(i) Type of a Scheme – Edelweiss Gold Exchange Traded Fund is an Open Ended Gold Exchange Traded Fund.

(ii) Investment Objective

* Main Objective – The primary objective of the Scheme is to generate returns that are in line with the performance of physical gold in domestic prices subject to tracking error. However, there is no assurance that the investment objective of the Scheme will be realized and the Scheme does not assure or guarantee any returns.

* Investment pattern – The tentative portfolio break-up with minimum and maximum asset allocation is disclosed in the Section II-C on “Asset Allocation and Investment Pattern” in this Document.

(iii) Terms of Issue

*** Liquidity Provisions:**

Authorised participants and large investors can directly buy and sell units of the Scheme from the Mutual Fund. Units of the Scheme will be listed on the Capital Market Segment of the National Stock Exchange of India Limited (NSE) and/or on any other recognized Stock Exchange/s as may be decided by the AMC from time to time, provide liquidity through the secondary market. All categories of investors may purchase the units through secondary market on any trading day. The Scheme will offer subscription & redemption facility at the Applicable NAV on every Business Day. As per SEBI Regulations, the Mutual Fund shall dispatch Redemption proceeds within 10 business Days of receiving a valid Redemption request. In case the Redemption proceeds are not made within 10 business Days of the date of receipt of a valid Redemption request, interest will be paid @ 15% per annum or such other rate from the 11th day onwards as may be prescribed by SEBI from time to time.

* Aggregate fees and expenses charged to the Scheme:

Please refer to Section IV. "Fees and Expenses" in this SID.

Change in Fundamental Attributes:

In accordance with SEBI Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme or the trust or fee and expenses payable or any other change which would modify the Scheme and affect the interests of Unit holders is carried out unless:

- A written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- 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.

G. BENCHMARK- Domestic Price of Gold

Std. Obs. 9

The Benchmark for Edelweiss Gold ETF will be the domestic price of physical gold. The performance of this Scheme will be compared with its peers in the Industry. The performance will be placed before various Committees as well as the Board of Directors of the AMC and the Trustee Company in each of their meetings. The Mutual Fund reserves the right to change the said benchmark and/or adopt one/more other benchmarks to compare the performance of the Scheme.

Rationale for adoption of benchmark:

Since the Scheme seeks to provide returns in line with returns earned on physical gold (net of expenses), the actual prices of physical gold would serve as the relevant benchmark to track the performance of the Scheme.

H. FUND MANAGER FOR THE SCHEME

Std.
Obs. 10

Mr. Dhillip Krishna will be the Fund Manager for the Scheme.

Mr. Dhillip Krishna, aged 27, is a B-Tech (Computer Science) NITK Surathkal and PGDM (IIM Bangalore). He has worked with Edelweiss Group for more than three years. Prior to joining Edelweiss Asset Management Ltd., he has worked with Edelweiss Securities Limited (ESL) as Quantitative Research Analyst in the Asset Management function. His primary responsibility was to develop quantitative research models for trading in Indian Equity and Bond markets.

He is also the Fund Manager for all the debt Schemes of the Fund viz., Edelweiss Liquid Fund, Edelweiss Ultra Short Term Bond Fund, Edelweiss Short Term Income Fund, Edelweiss Monthly Income Plan (debt portion of the Scheme),

Edelweiss Gilt Fund, Edelweiss Fixed Maturity Plans, launched from time to time and a Co-Fund Manager for all the existing equity Schemes viz. Edelweiss Diversified Growth Equity Top 100 (E.D.G.E. Top 100) Fund, Edelweiss ELSS Fund, Edelweiss Equity Enhancer Fund, Edelweiss Absolute Return Fund and Edelweiss Select Midcap Fund.

I. INVESTMENT RESTRICTIONS

Std. Obs. 11

As per the Regulations, the following investment restrictions are currently applicable to the Scheme:

1. (a) the funds of the Scheme shall be invested only in physical gold in accordance with its investment objective, except to the extent necessary to meet the liquidity requirements for honouring repurchases or redemptions, as disclosed in this document; and
(b) pending deployment of funds in accordance with clause (a), the Fund may invest such funds in short-term deposits of scheduled commercial banks.
2. Transfer of investments from one Scheme to another Scheme in the Mutual Fund is permitted provided:
 - Such transfers are done at the prevailing market price for quoted instruments on spot basis (spot basis shall have the same meaning as specified by a Stock Exchange for spot transactions); and
 - The securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.
3. The Scheme may invest in other Schemes of the AMC or any other Mutual Fund without charging any fees, provided the aggregate inter-Scheme investment made by all the Schemes under the same management or in Schemes under management of any other Asset Management Company shall not exceed 5% of the Net Asset Value of the Fund. No investment management fees shall be charged for investing in other Schemes of the fund or in the Schemes of any other Mutual Fund.
4. The Scheme shall not make any investment in any fund of funds Scheme.
5. The Mutual Fund shall buy and sell physical gold and securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities: Provided that the Mutual Fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI. Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

6. The Fund shall get the securities purchased or transferred in the name of the Fund on account of the concerned Scheme, wherever investments are intended to be of a long-term nature.
7. The Scheme shall not make any investment in:
 - Any unlisted security of an associate or group company of the Sponsor; or
 - Any security issued by way of private placement by an associate or group company of the Sponsor; or
 - The listed securities of group companies of the Sponsor, which is in excess of 25% of the net assets of the Scheme of the Mutual Fund.
8. The Scheme shall not make any investment in any Fund of Funds Scheme, Securitised Debt, Derivatives, Foreign Securities and ADR/GDRs
9. No loans for any purpose shall be advanced by the Scheme.
10. 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 and dividend to the Unit holders. Provided that the Fund shall not borrow more than 20% of the net assets of the Scheme and the duration of the borrowing shall not exceed a period of 6 months.
11. Pending deployment of funds of the Scheme in securities in terms of the investment objectives of the Scheme, the Fund may invest the funds of the Scheme in short term deposits of scheduled commercial banks or in like instruments subject to the Guidelines as may be specified by the SEBI as under:
 - Total investment of the Scheme in Short term deposit(s) of all the Scheduled Commercial Banks put together shall not exceed 15% of the net assets. However, this limit can be raised upto 20% of the net assets with prior approval of the Board of Trustees.
 - Investments in Short Term Deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
 - Scheme shall not invest more than 10% of the net assets in short term deposit(s), of any one scheduled commercial bank including its subsidiaries.
 - Scheme shall not invest in short term deposit of a bank which has invested in that Scheme.
 - All the short term deposits will be held in the name of the Scheme.

The investments in short term deposits of scheduled commercial banks will be reported to the Board of Trustees along with the reasons for the investment which, inter alia, would include comparison with the interest rates offered by other scheduled commercial banks. Further, the AMC shall ensure

that the reasons for such investments are recorded in the manner prescribed in SEBI Circular MFD/CIR/6/73/2000 dated July 27, 2000.

12. The Scheme shall not engage in short selling or securities lending.
13. The Scheme will comply with any other regulations applicable to the investments of Mutual Funds from time to time.
14. The AMC would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimise tracking error to the maximum extent possible. Given the structure of the Scheme, the AMC expects the tracking error to be lower.

These investment restrictions shall be applicable at the time of investment. Changes, if any, do not have to be effected merely because, owing to appreciations or depreciations in value, or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any Schemes of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Fund, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, AMC shall as soon as possible take appropriate corrective action, taking into account the interests of the Unit holders.

In addition, certain investment parameters may be adopted internally by AMC, and amended from time to time, to ensure appropriate diversification / security for the Fund. The Trustee Company / AMC may alter these above stated limitations from time to time, and also to the extent the SEBI (Mutual Funds) Regulations, 1996 change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for Mutual Funds to achieve its investment objective. As such all investments of the Scheme will be made in accordance with SEBI (Mutual Funds) Regulations, 1996.

J. SCHEME PERFORMANCE

This Scheme is a new Scheme and does not have any performance track record.

K. INVESTMENT OF SUBSCRIPTION MONEY

Pending deployment in securities as per the investment objectives of the Scheme & also taking into consideration the current SEBI Regulations, the Fund may invest subscription money received from the investing public in bank deposits, or money market instruments before finalisation of the allotment of Units. AMC, on being satisfied of the receipt of the minimum subscription amount, can commence investment out of the funds received in accordance with the investment objectives of the Scheme and as per the existing Regulations on or after the closure of the NFO period. The income earned out of such investments would be merged with the corpus of the Scheme on completion of the allotment of the Units.

III UNITS & OFFER

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

A NEW FUND OFFER (NFO):

<p>New Fund Offer Period</p> <p>This is the period during which a new Scheme sells its units to the investors.</p>	<p>NFO For: Edelweiss Gold Exchange Traded Fund</p> <p>NFO opens on: NFO closes on:</p> <p>The AMC / Trustee also reserve the right to close the Scheme earlier by giving at least one day's notice.</p> <p>The AMC / Trustee reserve the right to extend the closing date of the NFO Period, subject to the condition that subscription list of the NFO shall not be kept open for more than 15 days. Any such extension shall be announced by way of a notice in one national newspaper.</p>
<p>New Fund Offer Price:</p> <p>This is the price per unit that the investors have to pay to invest during the NFO.</p>	<p>During the New Fund Offer, the units being offered will have a face value of Rs.100 each.</p> <p>Units will be issued at a premium equivalent to the difference between allotment price and the face value of Rs. 100.</p> <p>Allotment price of each Unit would be approximately equal to the price of 1 gram of Gold.</p>
<p>Minimum Amount for Application in the NFO</p>	<p>The minimum application amount will be of Rs.10,000/- and in multiples of Rs. 1/- thereafter which includes switch from other Schemes of Edelweiss Mutual Fund.</p>
<p>Minimum Target amount</p>	<p>The minimum target amount to be raised during the NFO Period shall be Rs. 10 Crores.</p> <p>This is the minimum amount required to operate the Scheme and if this is not collected during the NFO period of the Scheme, then all the investors would be refunded the amount invested without any return. However, if the AMC fails to refund the amount within 5 Business Days from the date of closure of the NFO Period, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of fifth business day of the closure of the subscription period.</p>
<p>Maximum Amount to be raised (if</p>	<p>There will be no upper limit on the total corpus</p>

<p>any) This is the maximum amount which can be collected during the NFO period, as decided by the AMC.</p>	<p>collected under the Scheme during the NFO Period.</p>
<p>Plans/Options offered</p>	<p>The Scheme does not offer any Plans/Options for investment. The AMC/Trustee reserve the right to introduce Plans/Option(s) as may be deemed appropriate at a later date.</p>
<p>Dividend Policy</p>	<p>No Dividend is proposed to be declared in the Scheme</p>
<p>Allotment</p>	<p>For all valid applications received by the Mutual Fund on or before the date of closure of the NFO of the Scheme, full allotment will be made.</p> <p>Units of the Scheme shall be credited to the investor's beneficiary account with a depository participant (DP) of CDSL or NSDL.</p> <p>The process of allotment of Units and mailing of allotment advice reflecting the allotments will be completed within 5 (five) business days from the date of closure of the New Fund Offer Period. In case of Unitholders who have provided their e-mail address the Fund will provide the allotment advice only through e-mail message, subject to SEBI Regulations and unless otherwise required.</p> <p>Allotment of units will be made to the extent of units in whole figures. The balance amount represented by fractional units will be refunded to the investor after accounting for cash holdings, expenses and incidental costs.</p> <p>Subject to the SEBI Regulations, the AMC / Trustee may reject any application received in case the application is found invalid/incomplete or for any other reason in their sole discretion.</p> <p>All allotments will be provisional, subject to realisation of payment instrument and subject to the AMC having been reasonably satisfied about receipt of clear funds.</p> <p>All Units will rank pari passu, among Units within the Scheme concerned as to assets, earnings and the receipt of dividend distributions, if any, as may be declared by the Trustee.</p> <p>Account Statement</p>

	<p>Investors should note that, no separate account statement will be issued to the Unitholders since the statement of account furnished by depository participant will contain the details of transaction</p>
<p>Refund</p>	<p>Refund of subscription money to applicants in the case of minimum subscription amount not being raised or applications rejected for any other reason whatsoever, will be made within 5 Business Days from the date of closure of the NFO period & all refund orders will be sent by registered post or in such other manner as permitted under Regulations. Investors should note that no interest will be payable on any subscription money so refunded within 5 Business Days. If the Mutual Fund refunds the amount after 5 Business Days, interest at the rate of 15% p.a. will be paid to the applicant and borne by the AMC for the period from the day following the date of expiry of 5 Business Days until the actual date of the refund. Refund orders will be marked "A/c. Payee only" and drawn in the name of the applicant in the case of a sole applicant and in the name of the first applicant in all other cases. In both cases, the bank name and bank account number, as specified in the application, will be mentioned in the refund order. The bank and/or collection charges, if any, will be borne by the applicant.</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>Any resident individual, HUF, Partnership Firm, Mutual Funds or its Schemes or such other Funds like Provident / Pension / Gratuity etc., Companies or Body Corporates, PSU, AOP, BOI, Societies, Banks, SPV's, Trusts, NRIs, FIIs, unincorporated body of persons/trust, Trustees of Edelweiss Mutual Fund, the AMC, their Shareholders or Sponsor, their associates, affiliates, group companies may subscribe to Units under the Scheme or such other category of individuals / institutions / body corporate etc. so long as they are in conformity with SEBI Regulations & other applicable regulations from time to time. For details on eligibility for investment in this Scheme, please refer to details given in SAI under the heading "Who can Invest?"</p> <p>Note:</p> <ol style="list-style-type: none"> 1. Returned cheques are not liable to be presented again for collection, and the accompanying application forms are liable to be rejected. In case the returned cheques are presented again, the necessary charges, if any, are liable to be

debited to the investor.

2. It is expressly understood that at the time of investment, the investor/Unit holder has the express authority to invest in Units of the Scheme and AMC / Trustees / Mutual Fund will not be responsible if such investment is ultra vires the relevant constitution. Subject to the Regulations, the Trusteeship Company may reject any application received in case the application is found invalid/ incomplete or for any other reason in the Trusteeship Company's sole discretion.
3. The Trusteeship Company may also periodically add and review the persons eligible for making application for purchase of Units under the Scheme. If a person who is a resident Indian at the time of subscription becomes a resident outside India subsequently, he/she shall have the option to either be paid repurchase value of Units, or continue into the Scheme if he/she so desires and is otherwise eligible. However, the AMC shall not be liable to pay interest or any compensation, arising on account of taxation law or otherwise, on redemption, dividend or otherwise, to such a person during the period it takes for the Fund to record change in residential status, bank mandates, and change in address due to change in tax status on account of change in residential status. Notwithstanding the aforesaid, the Trusteeship Company reserves the right to close the Unit holder account and to pay the repurchase value of Units, subsequent to his becoming a person resident outside India, should the reasons of cost, interest of other Unit holders and any other circumstances make it necessary for the Fund to do so.
4. It is compulsory for investors to give certain Mandatory Disclosures while applying in the Scheme like Bank Details & KYC Acknowledgement etc. for details please refer SAI.

Investors are requested to view full details on eligibility for investment which is mentioned in SAI under the head "Who Can Invest" & also note that 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>* Who cannot invest?</p> <ol style="list-style-type: none"> 1. Any entity that is not a Resident Indian under the Foreign Exchange Management Act, 1999, except where registered with SEBI as an FII or FII sub account. 2. Presently OCBs are not permitted to invest in Mutual Fund pursuant to RBI A.P. (DIR Series) Circular No. 14 dated September 16, 2003. <p>The Fund reserves the right to include / exclude new / existing categories of investors to invest in the Scheme from time to time in case the application is found invalid / incomplete or for any other reason in the Trusteeship Company's sole discretion, subject to SEBI Regulations and other than prevailing statutory regulations, if any.</p>
Where can you submit the filled up applications.	<p>Duly completed application form for purchase of Units under the Scheme during the NFO period along with the instrument for payment may be submitted at any of the Official Point of Acceptance/ISC of the AMC or to the Registrars - Karvy Computershare Private Limited (KCPL) at UNIT EMF '3rd Floor, Karvy Plaza, #8-2-596, Street No 1, Banjara Hills Hyderabad - 500 034 Tel: 040-23312454/40308000' or can also call us at our toll free number 1800 425 0090 (MTNL/BSNL) and non toll free number 040-23433150 for others and investors outside India or mail at investor.amc@edelweissfin.com.</p> <p>For further details please refer the back cover page of this Document.</p>
How to Apply	Investors are requested to refer to the SAI and Application form for instructions.
Listing	Since the Scheme is an Exchange Traded Fund, the Scheme will be listed on National Stock Exchange of India Limited and/or any other stock exchange as maybe decided by the AMC from time to time.
Special facilities available during the NFO	<p>Applications Supported by Blocked Amount ("ASBA"):</p> <p>Investors have an option to subscribe to units of the Scheme during the NFO period under the Applications Supported by Blocked Amount (ASBA) facility.</p> <p>Thus, apart from the current process of accepting payment for subscription through cheques/demand drafts, investors also have the ASBA facility as an additional mode of payment. Banks which provide this facility and are empanelled with SEBI shall</p>

	<p>extend the same facility to all eligible investors subscribing to the NFO of the Scheme.</p> <p>Investors are requested to refer to SAI for further details on the ASBA facility.</p> <p>Stock Exchange Infrastructure Facility: During NFO of the Scheme the AMC may make available facility to investors to subscribe to the Units of the Scheme through Mutual Fund Services System (MFSS) of the National Stock Exchange of India Ltd. (NSE). For more information on this facility, please refer to SAI.</p> <p>Switching Options: Unit holders will be able to invest in the NFO of the Scheme by switching part or all of their unit holdings held in the respective Option(s) of the existing Scheme(s) established by the Mutual Fund. Application for switch of units from existing Schemes to the Scheme will be accepted upto 3.00 p.m. on the last day of the NFO of the Scheme.</p> <p>This option will be useful to unit holders who wish to alter the allocation of their investment among the Scheme(s) of the Mutual Fund (subject to completion of lock-in period, if any, of the units of the Scheme(s) from where the units are being switched) in order to meet their changed investment needs.</p> <p>The switch will be effected by way of a redemption of units from the Scheme and a reinvestment of the redemption proceeds in this Scheme and accordingly, to be effective, the switch must comply with the redemption rules of the Scheme and the issue rules of the Scheme (e.g. as to the minimum number of units that may be redeemed or issued, exit load etc). The price at which the units will be switched-out of the Scheme will be based on the redemption price and the proceeds will be invested in Scheme at the offer price of Rs. 100/- per unit.</p>
<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>The Scheme does not propose to reissue redeemed units. The number of Units held by the Unit holder in his Beneficiary (Demat) account will stand reduced by the number of Units redeemed.</p>
<p>Restrictions, if any, on the right to freely retain or dispose of units being offered.</p>	<p>For details please refer to paragraph on “Right to limit redemption, “Suspension of purchase and / or redemption of Units” & “Lien & pledge” under SAI.</p>

Bank Mandate	Std. Obs. 19	<p>It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per requirements laid down by SEBI and any other requirements stated in the Application Form. Applications 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>The bank details as updated in/linked to the demat account should be provided.</p>
Static details		<ul style="list-style-type: none"> • The details provided by investors in the application form for subscribing to Units should be same as the details registered with the DP. • In the event of any conflict, the details registered with the DP will prevail. • In the event of mismatch in the mode of holding as mentioned in the application form vis-à-vis details with the DP, the application is liable to be rejected.

B ONGOING OFFER DETAILS

<p>Ongoing Offer Period This is the date from which the Scheme will reopen for subscriptions/redemptions after the closure of the NFO period.</p>	<p>The Scheme will reopen for subscriptions/redemptions, within 5 business days from the date of allotment of units of Edelweiss Gold Exchange Traded Fund.</p>
<p>Ongoing price for subscription (purchase) This is the price you need to pay for purchase /switch-in</p>	<p>For subscription of units directly with Mutual Fund: Only Authorized Participants and Large Investors will be permitted to subscribe to the Units of the Scheme directly with the Mutual Fund. The AMC will not accept Portfolio Deposit (i.e. physical gold) from its investors. However the AMC at its absolute discretion may accept Portfolio Deposit (i.e. physical gold) from Authorized Participant subject to the satisfaction of conditions prescribed by the Custodian appointed by the Mutual Fund for the custody of Gold. Authorized Participants may subscribe to the Units of Scheme at applicable NAV and transaction charges, if any, by depositing physical gold of defined purity (fineness) and quantity and/or in cash, the value of which is equivalent to Creation Unit size.</p> <p>Large Investors can invest in Creation Unit size and</p>

in multiples thereof by payment of requisite cash.

The subscription facility will be available on all business days.

The Creation Unit size for Edelweiss Gold ETF shall be 1,000 units and in multiples thereof. The defined purity (fineness) is 995 parts per 1,000 (99.5%) or higher.

The AMC/ Trustee Company reserves the right to introduce a facility allowing all investors to subscribe directly with the Mutual Fund in creation unit size of 10 units (where one unit would represent 1 gm of gold with 99.5% purity) and multiples of 10 units (10 gms) thereof on an ongoing basis.

For Purchase of units through Stock Exchange:

The units of the Scheme will be listed on the National Stock Exchange and/or any other Exchange as may be decided by the AMC from time to time. All categories of Investors may purchase the units of the Scheme on the Stock exchange on which the units of the Scheme are listed on any trading day at the prevailing listed price. Minimum trading lot size is 1 unit. For purchase of Units, Investors shall open a trading account with the trading member/ brokers of the Stock Exchange where Edelweiss Gold ETF units are listed. Since the units are traded in dematerialized forms investors shall also open depository participant account with any SEBI registered depository participants.

For opening both trading and depository account investors must complete the necessary documentation with the trading Member (broker) and the depository participant. On successful registration, the investors will be provided with a unique client code which will be used for transacting in the secondary market. The trading members will issue contract notes for the transaction executed on behalf of the investors. The transactions (trading) in the Stock Exchange and clearing corporation (clearing and settlement) shall be subject to the Regulations, Bye laws and Rules applicable to the Stock Exchanges and its clearing house respectively.

	<p>The trading members shall be responsible for delivering the units to the demat account of the investors on successful completion of settlement. Investors are advised to contact their trading members to understand the various cut-off times to meet their fund pay-in obligations for ensuring successful settlement of their transactions.</p> <p>Please note that the investor shall have to bear costs in form of bid/ ask spread and brokerage or such other cost as charged by his broker for transacting in units of the Scheme through secondary market.</p>
<p>Ongoing price for redemption (sale) by investors. This is the price you will receive for redemptions.</p>	<p>For Redemption of units directly with Mutual Fund: Only Authorized Participants and Large Investors will be permitted to redeem the Units of the Scheme directly with the Mutual Fund. The redemption facility will be available on all business days. Authorized Participants may redeem the Units of the Scheme at applicable NAV subject to exit load and transaction charges, if any, by receiving physical gold of defined purity (fineness) and quantity and/or in cash, the value of which is equivalent to Creation Unit size. AMC also provides for redemption of units in Creation Unit Size by Large Investor in cash.</p> <p>The Creation Unit size for Edelweiss Gold ETF shall be 1,000 units and in multiples thereof. The defined purity (fineness) is 995 parts per 1,000 (99.5%) or higher.</p> <p>The AMC/ Trustee Company reserves the right to introduce a facility allowing all investors to redeem units of the Scheme directly with the Mutual Fund in creation unit size of 10 units (where one unit would represent 1 gm of gold with 99.5% purity) and multiples of 10 units (10 gms) thereof on an ongoing basis.</p> <p>For Sale of units through Stock Exchange:</p> <p>The units of the Scheme will be listed on the National Stock Exchange and/or any other Exchange as may be decided by the AMC from time to time. All categories of Investors may sell the units of the</p>

	<p>Scheme on the Stock Exchange on which the units of the Scheme are listed on any trading day at the prevailing listed price. Minimum trading lot size is 1 unit.</p> <p>For sale of units, Investors shall open a trading account with the trading member/brokers of the Stock Exchange where Edelweiss Gold ETF units are listed. Since the units are traded in dematerialized forms investors shall also open depository participant account with any SEBI registered depository participants. For opening both trading and depository account investors must complete the necessary documentation with the trading Member (broker) and the depository participant. On successful registration, the investors will be provided with a unique client code which will be used for transacting in the secondary market. The trading members will issue contract notes for the transaction executed on behalf of the investors. The transactions (trading) in the Stock Exchange and clearing corporation (clearing and settlement) shall be subject to the Regulations, Bye laws and Rules applicable to the Stock Exchanges and its clearing house respectively. The trading members shall be responsible for issuing cheque/transferring the sale proceeds to the account of the investors on successful completion of settlement. Investors are advised to contact their trading members to understand the various cut-off times to meet their security pay-in obligations for ensuring successful settlement of their transactions.</p>
<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>NAV is the Net Asset Value per Unit at the close of the Business Day on which the application for subscription/redemption is received at the AMC branches subject to its being complete in all respects and received prior to the cut-off timings on that Business Day.</p> <p>The AMC will calculate and disclose the NAV on daily basis and the same shall be published at least in two daily newspapers (along with sale and repurchase prices) having circulation all over India. The NAV declared at the close of every Business Day, will be uploaded on the AMFI website i.e., www.amfiindia.com and on Edelweiss Mutual Fund's website i.e. www.edelweissmf.com by 9.00 p.m.</p> <p><u>In case of Purchase / Redemption directly with</u></p>

Mutual Fund:

(a) Cut off Timing for Subscriptions:

In respect of valid applications received from Authorised Participants along with the Portfolio Deposit and Cash Component, if any, paid only by means of payment instruction of Real Time Gross Settlement (RTGS) / National Electronic Funds Transfer (NEFT), upto 3.00 p.m. on a Business Day, the closing NAV of the day on which the application is received shall be applicable.

In respect of valid applications received, from Authorised Participants along with the Portfolio Deposit and Cash Component, if any, paid only by means of payment instruction of Real Time Gross Settlement (RTGS) / National Electronic Funds Transfer (NEFT), after 3.00 p.m. on a Business Day, the closing NAV of the next business day on which the application is received shall be applicable.

In respect of valid applications received from Authorised Participants and Large Investors, paid only by means of payment instruction of Real Time Gross Settlement (RTGS) / National Electronic Funds Transfer (NEFT), upto 3.00 p.m. on a Business Day, the closing NAV of the day on which the application is received shall be applicable.

In respect of valid applications received, from Authorised Participants and Large Investors paid only by means of payment instruction of Real Time Gross Settlement (RTGS) / National Electronic Funds Transfer (NEFT), after 3.00 p.m. on a Business Day, the closing NAV of the next business day on which the application is received shall be applicable.

The Portfolio Deposit and Cash Component may change from time to time due to change in NAV and will be announced by the AMC on its website.

As per the agreement with Custodian, the custodian will accept physical gold only if it is in compliance with the good delivery norms of LBMA.

(b) Cut off Timing for Redemptions:

In respect of valid applications received upto 3 p.m. on a Business Day by the Mutual Fund, same day's

	<p>closing NAV shall be applicable.</p> <p>In respect of valid applications received after 3 p.m. on a Business Day by the Mutual Fund, the closing NAV of the next Business Day shall be applicable.</p> <p><u>In case of Purchase/Redemption through Stock Exchange:</u> An investor can buy/sell Units on a continuous basis on the National Stock Exchange or such other stock exchange where the Scheme shall be listed during the trading hours on all trading days like any other publicly traded stock at prices which may be close to the NAV of the Scheme. Therefore, the provisions of Cut-off timing for subscriptions/ redemptions will not be applicable.</p> <p>The information on NAV may be obtained by the Unit holders, on any day from the office of AMC / the office of the Registrar or any of the other Designated Investor Service Centres or from www.edelweissmf.com & www.amfiindia.com. Investors may also call our Toll free number 1800 425 0090, Callers outside India, mobile users, other landline users may dial 04023310090.</p>
Where can the applications for purchase/redemption-submitted?	Investors can submit the Application Forms for purchase or redemption only at the offices of the AMC. For details please visit AMC website (www.edelweissmf.com)
Minimum amount for purchase/redemption/switches	<p><u>DIRECTLY FROM THE FUND:</u> Authorised Participants and Large Investors can directly subscribe to /redeem units of the Scheme with the Mutual Fund in 'Creation Unit Size' at NAV based prices on all business days on an ongoing basis.</p> <p><u>ON THE EXCHANGE:</u> The units of the Scheme can be purchased/sold in minimum lot of 1 (one) unit and in multiples thereof at the prevailing listed price.</p>
Minimum balance to be maintained and consequences of non maintenance.	Not applicable.
Special Products available	None
Account Statements	<p>Std. Obs. 18</p> <p>For normal transactions during ongoing subscription and redemption: No account statements will be issued by the AMC. Upon allotment, an Allotment advice will be sent to each Unit holder, stating the number of Units</p>

	<p>allotted, within 5 Business Days from the date of allotment.</p> <p>For those Unit holders who have provided an e-mail address, the AMC will send an allotment advice by email. Unit holders will be required to download and print the documents after receiving e-mail from the Mutual Fund.</p> <p>Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. It is deemed that the Unit holder is aware of all security risks including possible third party interception of the documents and contents of the documents becoming known to third parties.</p> <p>The Account Statement of the Beneficiary Account with the DP will be sent by the respective DPs periodically.</p>
Dividend Policy	No Dividend is proposed to be declared in the Scheme
Redemption/Repurchase Proceeds	As per SEBI Regulations, the Mutual Fund shall dispatch redemption proceeds within 10 Business Days of receiving a valid redemption request.
Delay in payment of redemption / repurchase proceeds	The AMC shall be liable to pay interest to the Unit Holders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum). However, the AMC will not be liable to pay any interest or compensation or any amount otherwise, in case the AMC/Trustee is required to obtain from the Unit Holder verification of identity or such other details as may be required under any applicable law or as may be required by a regulatory authority which may result in delay in processing the application.

C PERIODIC DISCLOSURES & OTHER INFORMATION

Std. Obs. 17 (a)

<p>Net Asset Value</p> <p>This is the value per unit of the Scheme on a particular day. You can</p>	<p>The AMC will calculate and disclose the first NAVs of the Scheme not later than 5 Business days from the date of allotment. NAVs will be calculated up to four decimal places. Subsequently, the 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. on the day of declaration of the NAV and also on their website (www.edelweissmf.com). NAV shall also be communicated to Stock</p>
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<p>ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	<p>Exchanges where the units of the Scheme are listed.</p> <p>In case of any delay, the reasons for such delay would be explained to AMFI and SEBI by the next day. If the NAVs are not available before commencement of business hours on the following day due to any reason, Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs.</p> <p>The NAV shall be published at least in two daily newspapers having circulation all over India every day in accordance with SEBI Regulations. The information on NAV of the Scheme may be obtained by the unit holders, on any day by calling the office of the AMC or any of the ISCs at various locations.</p>
<p>Half yearly Disclosures: Portfolio / Financial Results</p> <p>This is a list of securities where the corpus of the Scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	<p>In accordance with the Regulation, Edelweiss Mutual Fund shall within one month from the close of each half year (i.e. 31st March and 30th September) host a soft copy of it's unaudited financial results in the prescribed format as per SEBI Regulations on it's website www.edelweissmf.com in a user-friendly and downloadable format. Such half-yearly unaudited financial results shall contain details as specified in Twelfth Schedule of SEBI Regulations and such other details as are necessary for the purpose of providing a true and fair view of the operations of the Fund. The Fund/AMC shall publish an advertisement disclosing the hosting of such unaudited financial results on their website, in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Fund is situated.</p> <p>The AMC will disclose details of the portfolio of the Scheme on a monthly basis by the tenth of the subsequent month on its website. As presently required by the SEBI (MF) Regulations, a complete statement of the Scheme portfolio would be published by the Mutual Fund as an advertisement in one English daily Newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated within one month from the close of each half year (i.e. March 31 & September 30) or mailed to the Unit holders. The Portfolio Statement will also be made available on the website of the Mutual Fund and AMFI.</p>
<p>Half Yearly Results</p>	<p>As per SEBI Circular, Edelweiss Mutual Fund & the AMC will before the expiry of one month from the close of each half year that is on 31st March and on 30th September, host a soft copy of its unaudited financial results in the prescribed format as per SEBI Regulations on its website www.edelweissmf.com in a user-friendly and downloadable format. Such half-yearly unaudited financial results shall contain details as specified in Twelfth Schedule of SEBI Regulations and such other details as are necessary for the purpose of providing a true and fair view of the operations of the Fund. The Fund/AMC shall publish an</p>

	advertisement disclosing the hosting of such unaudited financial results on their website, in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Fund is situated.
Annual Report	<p>As per SEBI Regulation, Scheme wise annual report or an abridged summary thereof shall be sent in the following manner:</p> <ul style="list-style-type: none"> ▪ By email to the Unit holders whose email address is available with the AMC/Fund. ▪ In physical form to the Unit holders whose email address is not available with the AMC/Fund and/or in case of receipt of specific request from the Unit holders for a physical copy. <p>The Scheme wise annual report or an abridged summary thereof shall be sent by mail/e-mail not later than four months from the date of closure of the relevant accounting year (i.e. 31st March each Year). The physical copy of the same shall be made available to the investors at the registered office of the AMC.</p> <p>A link of the Scheme annual report or abridged summary thereof shall be displayed prominently on the website of the Fund and shall also be displayed on the website of Association of Mutual Funds in India (AMFI).</p>
Associate Transactions	Please refer to the Statement of Additional Information.
Taxation	For details on taxation, please refer Tax benefit section in the SAI.
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	

<p>or her participation in the Scheme.</p>	
<p>Investor services</p>	<p>Investors can enquire about NAVs, Unit Holdings, Valuation, Dividends, etc or lodge any service request including change in the name, address, designated bank account number and bank branch, loss of Account Statement / Unit Certificates, etc. to M/s. Karvy Computershare Private Limited UNIT EMF '3rd Floor, Karvy Plaza, #8-2-596, Street No 1, Banjara Hills Hyderabad - 500 034 Tel: 040-23312454/40308000' or can also call us at our toll free number 1800 425 0090 (MTNL/BSNL) and non toll free number 040-23433150 for others and investors outside India. It should be noted that all investor who has provided KYC confirmation issued by CVL, all details of the investor in the Edelweiss Mutual Fund records will be replaced by the details given by the investor to the CVL in the KYC Application Form. Any change in details like change of Name / Address / Status /Signature, etc. should be given by such Investor, who has provided KYC Confirmation, directly to CVL in the prescribed manner.</p> <p>Alternatively, the Unit holder can call at the EAML branch office for any services / information. Some service requests can be processed only upon receipt of a written request with required supporting documents. In order to protect confidentiality of information, the service representatives at our branches/ ISC's may require personal information of the investor for verification of his / her identity.</p> <p>Unit holder's grievances should be addressed to Investor Services Centres of the AMC. All grievances will then be forwarded to the Registrar, if required, for necessary action. The complaints will be closely monitored / followed up with the Registrar to ensure timely redressal.</p> <p>The AMC will at all times endeavour to handle transactions efficiently and to resolve any investor grievances promptly. A comprehensive complaint management system is in place for managing complaints with features for tracking each complaint through its lifecycle from recording and initiation to investigation, reporting, and closure - following the appropriate process to ensure that nothing slips through the cracks enabling the AMC to conduct root cause analysis and trigger corrective and preventive action. There is a built in customised workflow process as well as assignment and escalation process to the AMC officials.</p> <p>Investors can also address their queries/grievances to Mr. George Jose, Senior Manager-Investor Services at Edelweiss Mutual Fund: Edelweiss House, Off. C.S.T Road, Kalina, Mumbai - 400 098. Contact Details: Tel. No. (022) 40979900 Fax No. (022) 40979878 E-mail id: investor.amc@edelweissfin.com</p>

D COMPUTATION OF NET ASSET VALUE

The Net Asset Value (NAV) of the Units will be determined as of every Business Day and for such other days as may be required for the purpose for transaction of Units. The NAV shall be calculated in accordance with the following formula, or such other formula as may be prescribed by SEBI from time to time.

Market or Fair Value of Scheme's investments
+ Current assets - Current Liabilities and Provisions
----- = NAV (Rs.)
No. of Units outstanding under the Scheme

The NAV of the Scheme will be calculated and declared upto 4 decimal places & the fourth decimal will be rounded off higher to next digit if the fifth decimal is or more than 5 i.e., if the NAV is 10.12345 it will be rounded off to 10.1235.

Valuation of gold:

As the Scheme will invest predominantly in physical gold (Gold bullion), the same will be valued based on the market price of gold in the domestic market and will be marked to market on a daily basis. As laid down under the Clause 3A of the Eighth Schedule of SEBI Regulations, valuation of gold would be arrived as under:

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 measure 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. as mentioned above.

The formula for deriving at the market price of gold in the domestic market on any business day would be arrived at as under:

Domestic price of gold = (London Bullion Market Association AM fixing in USD per troy ounce X conversion factor for converting ounce into kg for 0.995 fineness X rate for USD into INR) + custom duty for import of gold + sales tax/octroi and other levies applicable.

The Trustees reserve the right to change the source (LBMA centre) for determining the exchange rate. The AMC shall record in writing the reason for change in the source for determining the exchange rate.

IV FEES AND EXPENSES

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

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 stationary, bank charges etc. The New Fund Offer Expenses in relation to the Scheme will be borne by the AMC. Thus, the entire amount received from the Unit Holder will be available for investment.

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 in the table below:

AMC has estimated the following percentage of the daily average net assets of the Scheme will be charged to the Scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the Mutual Fund.

Particulars	% of Net Assets
Investment Management & Advisory Fee	0.55
Trustee Fees	0.02
Custodial Fees	0.45
Registrar & Transfer Agent Fees including cost related to providing accounts statement, dividend/redemption cheques/warrants etc.	0.07
Marketing & Selling Expenses including Agents Commission and statutory advertisement	0.20
Brokerage & Transaction Cost pertaining to the distribution of Units	0.05
Audit Fees / Fees and expenses of trustees	0.02
Costs related to investor communications	0.02
Investor Education and Awareness	0.02
Costs of fund transfer from location to location	0.05
Other Expenses*	0.05
Total Recurring Expenses	1.50%

**Subject to the Regulations and as permitted under Regulation 52 of SEBI (MF) Regulations, 1996, any other expenses which are directly attributable to the Scheme may be charged with the approval of the Trustee within the overall limits as specified in the Regulations.*

The purpose of the above table is to assist the investor in understanding the various costs and expenses that an investor in the Scheme will bear directly or indirectly. These estimates have been made in good faith by AMC and are subject to change inter se. The expenses under any head may vary than as specified in

the table above, but the total recurring expenses that can be charged to the Scheme will be subject to limits prescribed from time to time under the SEBI Regulations. Expenses over and above the limits prescribed under the SEBI Regulations shall be borne by AMC or by the trustee or sponsors.

Total expense ratio of the Scheme (including investment management and Advisory Fees) shall not exceed one and one half percent (1.5%) of the daily average net assets as stated in Regulation 52(6) of SEBI (MF) Regulations.

In addition to the limits specified above, as per Regulation 52(6A) of the SEBI (Mutual Fund) Regulations, 1996, the following costs or expenses may be charged to the Scheme, namely-

- (a) Brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions;
- (b) Expenses not exceeding 0.30 per cent of daily net assets, if the new inflows from beyond top 15 cities* as specified by SEBI from time to time are at least:
 - (i) 30 per cent of gross new inflows in the Scheme, or;
 - (ii) 15 per cent of the average assets under management (year to date) of the Scheme,whichever is higher.

In case the inflows from beyond top 15 cities is less than the higher of (a) or (b) above, such additional expenses on daily net assets of the Scheme shall be charged on proportionate basis.

The expenses so charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities.

Further, the additional expense charged on account of new inflows from beyond top 15 cities shall be credited back to the Scheme, in case the said inflows are redeemed within a period of 1 year from the date of investment.

*The top 15 cities shall mean top 15 cities based on Association of Mutual Funds in India (AMFI) data on 'AUM by Geography – Consolidated Data for Mutual Fund Industry' as at the end of the previous financial year.

- (c) Additional expenses, upto 0.20 per cent of daily net assets of the Scheme, incurred towards different heads mentioned under Regulation 52(2) and Regulation 52(4) of SEBI Regulations.

The AMC/Mutual Fund may charge service tax on investment and advisory fees to the Scheme in addition to the aforesaid total expense ratio.

Service tax on other than Investment and Advisory Fees, if any, shall be borne by the Scheme within the maximum limit of expenses as per Regulation 52 of SEBI Regulations, as amended from time to time.

Service tax on brokerage and transaction cost paid for asset purchases, if any, shall be within the limit prescribed under Regulation 52 of SEBI Regulations, as amended from time to time.

The AMC may incur expenses on behalf of the Mutual Fund which can be reimbursed on actual basis to the AMC to the extent such expenses are permissible & are within the prescribed SEBI limit.

The AMC will sell gold held by the Scheme on an as-needed basis to pay the Scheme's expenses. As a result, the amount of gold to be sold will vary from time to time depending on the level of the Scheme's expenses and the market price of gold.

C. LOAD STRUCTURE

Std. Obs. 16

The Load Structure would comprise of an Entry Load and /or an Exit Load / CDSC, as may be permissible under the Regulations. The current load structure is stated as under:

Type of Load	Load chargeable (as %age of Applicable NAV)
Entry Load*	Nil
Exit Load**	<p>Stock Exchange Mode – The units of the Scheme are compulsorily traded on Stock Exchange(s) in dematerialized form, and hence, there shall be no entry/exit load for the units purchased or sold through Stock Exchanges.</p> <p>Directly from Mutual Fund – Nil</p>

*No entry load will be charged for purchase / additional purchase / switch-in transaction(s) accepted by the Fund. The upfront commission shall be paid by the investor directly to the ARN Holder based on the investor's assessment of various factors including service rendered by the ARN Holder.

** The entire Exit load net of service tax, if any, collected under the Scheme shall be credited back to the Scheme.

For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centres.

The investor is requested to check the prevailing load structure of the Scheme before investing.

*** Changing the Load Structure:**

Under the Scheme, the AMC reserves the right to change the Load structure if it so deems fit in the interest of investors & for the smooth and efficient functioning of the Scheme. Any imposition or enhancement in the load shall be applicable on prospective investments only. However, AMC shall not charge any load on issue of bonus units and units allotted on reinvestment of dividend for existing as well as prospective investors. At the time of changing the load structure, to avoid investor's complaints who invest without knowing the loads, the AMC shall issue a public notice 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. Unit Holders / prospective investors will be informed of the changed / prevailing Load structures through various means of communication such as public notice and / or display at ISCs / Distributors' offices, on account statements, acknowledgements, investor newsletters etc. The addendum detailing the changes will be attached to Scheme Information Documents and Key Information Memorandum. The addendum will be circulated to all the distributors/brokers so that the same can be attached to all Scheme Information Documents and key information memoranda already in stock. The introduction of the exit load/ CDSC alongwith the details may also be disclosed in the statement of accounts issued after the introduction of such load/CDSC.

Std. Obs. 17b

Unitholder Expenses and Load:

The repurchase price shall not be lower than 93% of the NAV and the Sale Price will not be higher than 107% of the NAV and the difference between the repurchase price and sale price shall not exceed 7% on the sale price.

D. TRANSACTION CHARGES

In accordance with SEBI circular no. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, the AMC will deduct Transaction Charges on purchase/subscription of Rs.10,000/- and above made through a valid ARN Holder i.e. AMFI Registered distributors/intermediaries, provided such distributor has opted to receive the Transaction Charges under the Scheme. Such Transaction Charges collected by the AMC will be paid to the ARN Holder in the following manner:

(i) For the First Time Investor in Mutual Funds (across all mutual funds):

Transaction Charge of Rs. 150/- for subscription of Rs. 10,000/- and above will be deducted from the subscription amount and paid to the distributor/agent of such First Time Investor and the balance amount will be invested.

(ii) For Investor other than First Time Mutual Fund Investor (existing investors in any mutual fund):

Transaction Charge of Rs. 100/- per subscription of Rs.10,000/- and above will be deducted from the subscription amount and paid to the distributor/agent of the investor and the balance amount will be invested.

(iii) No Transaction Charges shall be deducted:

1. where the ARN Holder/distributor of the investor has not opted to receive any Transaction Charges;
2. for purchases/subscriptions of an amount less than Rs. 10,000/-;
3. for transactions other than purchases/ subscriptions relating to new inflows such as Switches etc;
4. for purchases/subscriptions made directly with the Mutual Fund (i.e. not through any distributor);
5. for purchase/subscription routed through the Stock Exchange Platform.

Identification of investors as "first time" or "existing" will be based on Permanent Account Number (PAN) at the First/Sole Applicant/ Guardian level. Hence, Unit holders are urged to ensure that their PAN / KYC is updated with the Fund. Unit holders may approach any of the Official Points of Acceptances of the Fund in this regard.

The Account Statement / Consolidated Account Statement sent to the Unit holders shall clearly state the net investments as gross subscription less Transaction Charges and shall also show the number of units allotted against the net investments.

E. WAIVER OF LOAD FOR DIRECT APPLICATIONS

Not Applicable

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

Std. Obs. 20

1. All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed. N.A

2. In case of Indian Sponsor(s), details of all 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 shall also be disclosed. Nil

3. Details of 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. The details of the violation shall also be disclosed.

Edelweiss Financial Services Limited ("EFSL"), sponsor of Edelweiss Mutual Fund, received a Show Cause Notice ("SCN") dated September 8, 2010 from SEBI with respect to the alleged violation of the provisions of SEBI (Merchant Bankers) Regulations, 1992, SEBI (Disclosure and Investor Protection) Guidelines, 2000, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and SEBI Circular No. MRD/DoP/Cir-05/2007 dated April 27, 2007 with respect to the inspection of its Merchant Banking operations. Subsequently, EFSL has paid the requisite settlement charges to SEBI towards the acceptance of consent proposal dated April 19, 2011.

4. 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 should also be disclosed separately. Nil

5. Any 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, shall be disclosed. Nil

Notes:

1. Further, any amendments / replacement / re-enactment of SEBI Regulations subsequent to the date of the Document shall prevail over those specified in this Document.
2. The Scheme under this Document was approved by the Board of Trustees on August 31, 2010.
3. The information contained in this Document regarding taxation is for general information purposes only and is in conformity with the relevant provisions of the Tax Act, and has been included relying upon advice provided to the Fund's tax advisor based on the relevant provisions prevailing as at the currently applicable Laws.
4. Any dispute arising out of this issue shall be subject to the exclusive jurisdiction of the Courts in India.

Notwithstanding anything contained in the Scheme Information Document the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the Guidelines there under shall be applicable.

Std. Obs. 22

**For and on behalf of the Board of Directors
of Edelweiss Asset Management Limited**

Sd/-

Vikaas M Sachdeva
Chief Executive Officer

PLACE: MUMBAI
DATE: , 2012