Edelweiss
Mutual Fund

Edelweiss

EDELWEISS FIXED MATURITY PLAN – SERIES 10 TO SERIES 12 (1 to 60 months)

(A Close ended Income Scheme)

Scheme Information Document (SID)

Offer of Units of Rs. 10/- each during the New Fund Offer Period

NEW FUND OFFER OPENS ON:

NEW FUND OFFER CLOSES ON:

As the Scheme is a close ended scheme, it will not provide redemption facility until the Maturity Date/ Final Redemption Date. The Units of the Scheme will be listed on the BSE Limited (BSE). Investor can purchase/ sell Units on a continuous basis on the Stock Exchange(s) on which the Units are listed.

This product is suitable for investors who are seeking*:
• Regular income over short, medium and long term horizon (upto 1 year – short term, >1 year =<3 years - medium term and =>3 years – long term) • Investment in debt & money market securities maturing on or before the tenure of the Scheme • Low risk (BLUE)

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Note: *Risk is represented as:*

(BLUE) *investors understand that their principal will be at low risk*	***(YELLOW)*** *investors understand that their principal will be at medium risk*	***(BROWN)*** *investors understand that their principal will be at high risk*

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.

BSE Disclaimer

"BSE Limited ("the Exchange") has given vide its letter dated March 04, 2014 permission to Edelweiss Mutual Fund to use the Exchange's name in this SID as one of the Stock Exchanges on which this Mutual Fund's Unit are proposed to be listed. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to Edelweiss Mutual Fund. The Exchange does not in any manner: -

I) warrant, certify or endorse the correctness or completeness of any of the contents of this SID; or
ii) warrant that this scheme's unit will be listed or will continue to be listed on the Exchange; or
iii) take any responsibility for the financial or other soundness of this Mutual Fund, its promoters, its management or any scheme or project of this Mutual Fund;

and it should not for any reason be deemed or construed that this SID has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any unit of Edelweiss Fixed Maturity Plan - Series 10 to 12 of this 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 for any other reason whatsoever."

MUTUAL FUND:
Edelweiss Mutual Fund
Edelweiss House, Off. C.S.T Road,
Kalina, Mumbai - 400 098
www.edelweissmf.com

TRUSTEE:
Edelweiss Trusteeship Company Limited
Edelweiss House, Off. C.S.T Road,
Kalina, Mumbai - 400 098

SPONSOR:
Edelweiss Financial Services Limited
Edelweiss House, Off.C.S.T Road,
Kalina, Mumbai - 400 098
www.edelweissfin.com

INVESTMENT MANAGER:
Edelweiss Asset Management Limited
Edelweiss House, Off. C.S.T Road,
Kalina, Mumbai - 400 098
www.edelweissmf.com

REGISTRAR:
Karvy Computershare Private Limited
Unit - Edelweiss Mutual Fund
3rd Floor, Karvy Plaza, #8-2-596,
Street No 1, Banjara Hills
Hyderabad - 500 034
Tel: 040-23312454/40308000

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.

Edelweiss Mutual Fund / Edelweiss Asset Management Limited and its empanelled distributors have not given and shall not give any indicative portfolio and/or indicative yield of the Scheme in any of their communication in any manner whatsoever. Investors are advised not to rely on any communication regarding indicative portfolio/yield with regard to the Scheme.

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 www.edelweissmf.com.

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

This Scheme Information Document is dated ___________________.

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HIGHLIGHTS – SUMMARY OF THE SCHEME

Name of the Scheme	Edelweiss Fixed Maturity Plan – Series 10 to Series 12 (1 to 60 Months)
Type of the Scheme	A Close-ended Income Scheme
Investment Objective	The primary investment objective of the Scheme is to generate regular income through investment in Debt and Money Market Instruments maturing on or before the Maturity Date of the Scheme. 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.
Suitable for	Investors with a fixed investment time horizon for potentially higher returns in comparison to liquid funds or traditional bank deposits with similar maturity.
Duration/Maturity of the Series/Scheme	Each Series under Edelweiss Fixed Maturity Plan – Series 10 to Series 12 will have a duration of 1 month up to 60 months from the date of allotment of Units, including the date of allotment (exact duration of the Series/Scheme shall be decided at the time of launch of the respective Series/Scheme). If the Maturity Date is a non-Business Day, the subsequent Business Day shall be considered as the Maturity Date for the Series/Scheme. Each Series/Scheme will be managed as a separate portfolio.
Plans available	The Scheme offers two Plans: 1. Regular Plan; and 2. Direct Plan Direct Plan is offered only for investors who purchase/subscribe Units of the Scheme directly with the Fund and is not available for investors who route their investments through a Distributor. The portfolio of the Scheme under these Plans will be common.
Options/Facilities available	Each Plan offers the following Options: (a) Growth Option (b) Dividend Option Dividend Option offers Dividend Payout Facility only. The AMC reserves the right to introduce further Options/Facilities as and when deemed fit.
Default Plan	The investors must clearly indicate their choice of Plan in the relevant space provided for in the Application Form. In

	the absence of such clear instructions it will be assumed that the investor has opted for the Default Plan & the Application will be processed accordingly. **Default Plan**: **Direct Plan** (between Regular & Direct) The application will be processed under the Direct Plan: • If the Investor indicates "Direct Plan" against the Scheme name and/or indicates "Direct" in the ARN column of the Application Form, • In case Distributor code is mentioned in the Application Form, but "Direct Plan" is indicated against the Scheme name, the Distributor code will be ignored, and • Where application is received for the Regular Plan without Distributor code or "Direct" mentioned in the ARN Column. If the above conditions are not met, the application will be processed under the Regular Plan
Default Option	If the investor does not clearly specify the choice of Option at the time of investing, the Units of the Scheme will be by default allotted under: 1. Dividend Option – in case the duration of the Scheme is equal to or less than 12 months; and 2. Growth Option - in case the duration of the Scheme is more than 12 months. The AMC reserves the right to change the default Options as and when deemed fit.
Minimum Application Amount	Minimum of Rs. 5,000/- and addition of Rs.10/- thereafter.
Redemption / Repurchase	No redemption/repurchase of units shall be allowed prior to the Maturity Date/Final Redemption Date of the Scheme. Investors wishing to exit may do so, only in demat mode, by selling through BSE Limited or any of the stock exchange(s) where the Scheme is listed as the Trustee may decide from time to time.
Target Amount to be raised during the NFO	The Fund seeks to collect a minimum subscription amount of Rs.20 Crore under each Scheme.
Dematerialization (Demat)	The Unit holders will have an Option to hold the units by way of an Account Statement or in Dematerialized ('Demat') form. Unit holders opting to hold the units in Demat form must provide their Demat Account details in the specified section of the application form. The Unit holders intending to hold the units in Demat form 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 each Scheme) and will be required to indicate in the application the DP's name, DP ID Number and the beneficiary account number of the applicant held with the DP at the time of

	subscribing to the Units during the NFO of the Scheme. The Units of the Scheme will be traded and settled on the Stock Exchange compulsorily in demat form. In case Unit holders do not provide their demat account details or the demat details provided in the application form are incomplete / incorrect or do not match with the details with the Depository records, the Units will be allotted in account statement mode provided the application is otherwise complete in all respect and accordingly an account statement shall be sent to them. Such investors will not be able to sell the Units on the stock exchange till the Units are converted in to demat (electronic) form.
Fund Manager	Mr. Bhavesh Jain will be the Fund Manager of the Scheme.
New Fund Offer Price	The units will have a face value of Rs. 10/- each.
Load	*Entry Load : NIL **Exit Load: Since the Scheme will be listed on the Stock Exchange, no exit load will be charged. * Pursuant to SEBI Circular no. SEBI/IMD/CIR No. 4/ 168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor. 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. **The Scheme being closed-ended, Units under the Scheme cannot be redeemed directly with the Mutual Fund until the Maturity Date. Investors holding Units in demat mode and wishing to exit may do so through the Stock Exchanges where the Scheme is listed. Bonus units and units issued on reinvestment of dividends shall not be subject to entry and exit load. The AMC / Trustee Company reserve the right to 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.
Transaction Charges	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. Further, In

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	accordance with SEBI circular no. Cir/IMD/DF/21/2012 dated September 13, 2012, distributors have an option either to opt in or opt out of levying transaction charge based on type of the product. Such Transaction Charges collected by the AMC will be paid to the ARN Holder through whom the investment has been made. However, no Transaction Charges will be imposed for investments made directly with the Fund. For more details on Transaction Charges, please refer the Section on "Transaction Charges" in this Document.	
Benchmark Index	The Benchmark indices of the Scheme shall be as follows: a) For Scheme(s) having duration of 1 month to 3 months: **CRISIL Liquid Fund Index** b) For Scheme(s) having duration of more than 3 months and up to 36 months - **CRISIL Short Term Bond Fund Index.** c) For Scheme(s) having duration of more than 36 months up to 60 months - **CRISIL Composite Bond Fund Index.** The AMC/Trustee reserve the right to change the benchmark as and when deem fit.	Std.Obv. 9
Whether SIP/STP/SWP Facility available	No	
Liquidity	The Units of the Scheme cannot be redeemed by the Unit holders directly with the Fund until the Maturity Date/Final Redemption Date and there will be redemption by the Fund on the maturity of the Scheme. As per SEBI Regulations, the Mutual Fund shall dispatch Redemption proceeds within 10 business days from the date of maturity/final redemption. Incase payment of the redemption proceeds are not made within 10 Business Days days from the date of maturity/final redemption, interest will be paid @15% per annum or such other rate from the 11th Business Day onwards, as may be prescribed by SEBI from time to time. Investors holding Units in demat mode, who wish to redeem/exit the Scheme before the Maturity Date/Final Redemption Date may do so through the Stock Exchanges where the Scheme is listed. The Units of the Scheme will be listed on the Capital Market segment of the BSE. The AMC/Trustee may at its sole discretion list the Units under the Scheme(s) on any other recognized Stock Exchange at a later date.	

	The Units of the Scheme can be purchased / sold on a continuous basis on BSE 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.
Listing	The Units of the Scheme(s) will be listed on BSE Limited on within 5 Business Days from the date of allotment of Units after the close of the NFO Period.
Transparency/NAV Disclosure	The AMC will calculate and disclose the first NAVs of the Scheme not later than 5 Business days from the date of allotment of Units after the close of the NFO Period. Subsequently, the NAV will be calculated and disclosed at the close of every Business Day and sent for publication to at least two daily newspapers having circulation all over India. The NAVs declared, will also be uploaded on the AMFI website by 9.00 p.m. on every Business Day at **www.amfiindia.com.** 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. The investors can also visit the website of the Fund **www.edelweissmf.com** or contact any of the Investor Service Centres (ISCs) of the Fund for the latest NAV. The Fund/AMC will disclose the portfolio of the Scheme as on the last day of the month on its website www.edelweissmf.com on or before the tenth day of the succeeding month in a user friendly and downloadable format. The AMC shall also communicate the portfolio of the Scheme on a half-yearly basis to the Unit holders within one month from the close of each half year (i.e. 31st March and 30th September) either by sending a complete statement to all the Unit holders or by publishing the same by way of advertisement in one national English daily newspaper 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 located. The Mutual Fund will also display the full portfolio of Scheme on a half-yearly basis on the website of AMC and AMFI. The Fund/AMC shall within one month from the close of each half year, i.e. on 31st March and on 30th September, host a soft copy of its half yearly unaudited financial results on their website www.edelweissmf.com and AMFI website (www.amfiindia.com) in a user-friendly and

	downloadable format. The AMC will make available the Annual Report of the Scheme within four months of the end of the financial year.
Roll Over Facility	At the time of maturity, if it is perceived that the market outlook for the similar securities/ instruments is positive and investment in the similar kind of instruments would likely to fetch better returns for the investors, then in the interest of the Investor, the Trustees may decide to roll-over the Scheme(s). This would be based on demand/request of the investors for the same. All other material details of the Scheme including the likely composition of assets immediately before the roll over, the net assets and net asset value of the scheme, will be disclosed to the unit holders and a copy of the same will be filed with SEBI. Such rollover will be permitted only in case of those unit holders who express their consent in writing.

I. INTRODUCTION

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A RISK FACTORS:

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 Fixed Maturity Plan - Series 10 to Series 12 is only the name of the Scheme & it 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 present Scheme is not a guaranteed or assured return Scheme.

b) SCHEME SPECIFIC RISK FACTORS:

The performance of the Scheme may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems, etc. Some of the risks are listed below:

1. Risks Associated with Fixed Income and Money Market Instruments:

Different types of fixed income securities in which the Scheme would invest as stated in this Document carry different levels and types of risk. Investments in corporate debt carry a higher level of risk than investments in Government securities. Further, even among corporate debt, AAA/P1+ rated instruments are comparatively less risky than AA/P1 rated instruments. Accordingly, the Scheme risk may increase or decrease depending upon its investment pattern. Other risk factors are as stated below:

- **Interest rate risk:** Price of a fixed income instrument generally falls when the interest rates move up and vice- versa. The extent of fall or rise in the prices depends upon the coupon and maturity of the security. It also depends upon the yield level at which the security is being traded. The NAV of the Scheme is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.
- **Spread risk:** In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.
- **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 and/or principal payment obligations. Even when there is no default, the price of a security may change with expected changes in the credit rating of the issuer. It is to be noted here that a Government Security is a sovereign security and is the safest. Corporate bonds carry

a higher amount of credit risk than Government Securities. Within corporate bonds also there are different levels of safety and a bond rated higher by a particular rating agency is safer than a bond rated lower by the same rating agency.

- **Liquidity & Settlement Risk:** The liquidity of a fixed income security may change, depending on market conditions leading to changes in the liquidity premium attached to the price of such securities. At the time of selling the security, the security can become illiquid, leading to loss in value of the portfolio. 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. This can adversely affect the ability of the Fund to swiftly execute trading strategies which can lead to adverse movements in NAV.
- **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 cashflows 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.

2. Risks associated with investment in Derivatives:

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Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of Fund Manager may not always be profitable. No assurance can be given that the Fund Manager will be able to identify or execute such strategies.

The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.
Trading in derivatives has the following risks:

a. An exposure to derivatives in excess of the hedging requirements can lead to losses.
b. An exposure to derivatives can also limit the profits from a genuine investment transaction.
c. Efficiency of a derivatives market depends on the development of a liquid and efficient market for the underlying securities.
d. Derivatives carry the risk of adverse changes in the market price.
e. Illiquidity Risk i.e. risk that a derivative trade cannot be executed or reversed quickly enough at a fair price, due to lack of liquidity in the market.

Debt derivatives instruments like interest rate swaps, forward rate agreements or other derivative instruments also involve certain risks. For details, please refer SAI.

3. Risks Associated with Stock Lending & Short Selling:

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Risks associated with stock lending: The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure to comply can result in the possible loss of rights in the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. It may be noted that this activity would have the inherent probability of collateral value drastically falling in times of strong downward market trends, rendering the value of collateral inadequate until such time as that diminution in value is replenished by additional security. It is also possible that the borrowing party and/or the approved intermediary may suddenly suffer severe business setback and become unable to honor its commitments. This, along with a simultaneous fall in value of collateral would render potential loss to the Scheme. Besides, there can be temporary illiquidity of the securities that are lent out and the scheme will not be able to sell such lent out securities until they are returned. There is also a possibility of opportunity loss.

Risks associated with short selling: Scheme may enter into short selling transactions, subject to SEBI and RBI regulations in the matter. This will be done if the fund management team is of the view that there exists an opportunity to make trading gains. Calls for short selling will be taken after considering the liquidity, price movement & volatility of the security by the fund management team. There can be a loss in such a transaction if the price of the security goes up instead of falling down.

For details please refer SAI.

4. Risks Associated with Trading of Units on Stock Exchange(s):

- Although Units of the Scheme(s) as mentioned in this Scheme Information Document are to be listed on the Exchange, there can be no assurance that an active secondary market will develop or be maintained.

- The Units of the Scheme(s) may trade above or below their NAV. The NAV of the Scheme(s) will fluctuate with changes in the market value of Scheme's holdings. The trading prices of Units of the Scheme(s) will fluctuate in accordance with changes in their NAV as well as demand and supply of the Units of the Scheme(s) in the market.

- Trading in Units of the Scheme(s) on the exchange may be halted because of market conditions or for reasons that in view of exchange authorities or SEBI, trading in Units of the Scheme(s) is not advisable. In addition, trading in Units of the Scheme(s) is subject to trading halts caused by extraordinary market volatility and pursuant to Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of Exchange necessary to maintain the listing of Units of the Scheme(s) will continue to be met or will remain unchanged.

- The Units will be issued 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 on the Maturity Date / Final Redemption Date will depend upon the confirmations to be received from depository(ies) on which the Mutual Fund has no control.

- As the Units allotted under the Scheme(s) will be listed on the Exchange, the Mutual Fund shall not provide for redemption / repurchase of Units prior to Maturity Date of the Scheme(s).

B **REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME**

Each Series/Scheme shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme. These conditions will be complied with immediately after the close of the NFO itself i.e. at the time of allotment. In case of non-fulfillment with the condition of minimum 20 investors, the Scheme shall be wound up in accordance with Regulation 39 (2) (c) of SEBI (MF) Regulations automatically without any reference from SEBI. In case of non-fulfillment with the condition of 25% holding by a single investor on the date of allotment, the application to the extent of exposure in excess of the stipulated 25% limit would be liable to be rejected and the allotment would be effective only to the extent of 25% of the corpus collected. Consequently, such exposure over 25% limits will lead to refund within 5 business days of the date of closure of the New Fund Offer.

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 any of the 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.

In accordance with the SEBI Regulations, the AMC subject to certain conditions is permitted to undertakes activities in the nature of portfolio management services and management and advisory services to pooled assets including offshore funds, Insurance funds, if any of such activities are not in conflict with the activities of the Mutual Fund. Subject to these activities being assessed as desirable and economically viable, the AMC may undertake any or all of these activities after satisfying itself that there is no potential conflict of interest. The AMC confirms that there is no conflict of interest between its Mutual Fund and Portfolio Management Services business.

D DEFINITIONS & ABBREVIATIONS

The following scheme specific definitions/terms apply throughout this document 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 switch-ins, 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. Being a scheme listed on stock exchange(s), there will be no redemption or switch-out till the maturity of the scheme.
Application Supported by Blocked Amount (ASBA)	An application containing an authorization to block the application money in the bank account for subscribing to the NFO.

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.
Beneficial Owner	As defined in the Depositories Act 1996 (22 of 1996) means a person whose name is recorded as such with a depository.
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 BSE Ltd. and /or National Stock Exchange are closed or(d) a day which is a public and/or bank holiday at Edelweiss ISC or their R&T Agent's ISC where the application is received or (e) a day on which sale and repurchase of Units is suspended by the AMC or (f) a day on which normal business could not be transacted due to storms, floods, bandhs, strikes, etc. or (g) a day on which money markets are closed for business / not accessible or (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. The AMC reserves the right to declare any day as Business Day or otherwise at any of the ISCs of the Mutual Fund or its Registrar.
Consolidated Account Statement/CAS	Consolidated Account Statement/CAS is a statement containing details relating to all the transactions across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions, etc.
Credit Risk	Risk of default in payment of principal or interest or both.
Cut off Time/ Business Hours	In respect of subscriptions and redemptions received by the Scheme, it means the outer limit of timings within a particular day/ Business Day, which are relevant for determination of the NAV/ related prices to be applied for a transaction.
Custodian	Citibank N.A., Mumbai registered under the Securities and Exchange Board of India (Custodian of Securities) Regulations 1996, acting as Custodian for the Scheme, and includes such Custodian(s) as may be appointed from time to time.
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.
Derivatives	A financial instrument, traded on or off an exchange, the price of which is directly dependent upon (i.e., "derived from") the value of

	one or more underlying securities, debt instruments, commodities, other derivative instruments, or any agreed upon pricing index or arrangement (e.g., the movement over time of the Consumer Price Index or freight rates) etc. is known as a derivative. Derivatives involve the trading of rights or obligations based on the underlying product, but do not directly transfer property.
Dividend	Income distributed by the Mutual Fund on the Units.
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	BSE Limited and such other recognized stock exchange(s) where the Units of the Scheme(s) 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.
Load	In the case of redemption / switch out 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.
Maturity Date/Final Redemption Date	The date (or the immediately following Business Day, if that date is not a Business Day) on which the Units under the Scheme(s) will be compulsorily and without any further act by the Unit holder(s) redeemed at 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 Plan/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 of Scheme(s) 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.
Reserve Bank of India or RBI	Reserve Bank of India established under the Reserve Bank of India Act, 1934.
Redemption or Repurchase	Repurchase of Units by the Scheme from a Unit holder on the Maturity Date.
Redemption Price	The price at which the Units can be redeemed on Maturity Date and calculated in the manner provided in this Document.
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.
Scheme/ Scheme(s)	Edelweiss Fixed Maturity Plan – Series 10 to Series 12 and each of the Series launched there under including the Plans/Options offered under such Series referred to individually as the Scheme and collectively as the Schemes/Scheme(s) in this Scheme Information Document. Each such Fixed Maturity Plan being a distinct entity is of the nature of a Scheme under the SEBI (MF) Regulations and having separate portfolio.
Scheme Information Document or SID or Document	This document issued by Edelweiss Mutual Fund offering Units of the Scheme(s) 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.
Sponsor	Edelweiss Financial Services Limited
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.

Stock Lending	Lending of securities to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio as may be permitted by SEBI from time to 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 net assets of the Scheme.
Unit holder	A person holding Units of the Scheme offered under this Document.

Abbreviations:

AMFI	The Association of Mutual Funds in India	NEFT	National Electronic Fund Transfer Service
BSE	Bombay Stock Exchange Limited	NRI	Non Resident Investor
FIMMDA	Fixed Income Money Market & Derivatives Dealers Association	NSE	National Stock Exchange of India Limited
GOI	Government of India	OIS	Overnight Indexed Swap
IMA	Investment Management Agreement	POA	Power of Attorney
I.T. Act	The Income Tax Act, 1961 as amended from time to time.	RTGS	Real Time Gross Settlement
KYC	Know Your Customer	SEBI Act	The Securities and Exchange Board of India Act, 1992
MIBOR	Mumbai Interbank Offered Rate	SEBI or the Board	The Securities and Exchange Board of India established under the SEBI Act, 1992
PAN	Permanent Account Number	SPVs	Special Purpose Vehicles approved by the appropriate authority.

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 Asset Management Limited, has been submitted to SEBI, which reads as follows:

DUE DILIGENCE CERTIFICATE

It is confirmed that:

1. The 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.

2. 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.

3. The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well-informed decision regarding investments in the proposed Scheme.

4. The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

5. The contents of Scheme Information Document including figures, data, yields, etc. have been checked and are factually correct.

Signed: sd/-

Place: Mumbai
Date: March 4, 2014

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

II INFORMATION ABOUT THE SCHEME

A NAME & TYPE OF SCHEME

Edelweiss Fixed Maturity Plan - Series 10 to Series 12 is a Close-ended Income Scheme.

B INVESTMENT OBJECTIVE

The primary investment objective of the Scheme is to generate regular income through investments in Debt and Money Market Instruments maturing on or before the Maturity Date of the Scheme.

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.Obv. 14

Under normal circumstances the asset allocation pattern of the Scheme(s) (depending on the Duration) will be as follows:

i) **For Scheme(s) having maturity of greater than 1 month but up to 13 months:**

Instruments	Risk Profile	Indicative Allocation (% of net assets)	
		Minimum	Maximum
Debt and Money Market Instruments	Low to Medium	0	100

ii) **For Scheme(s) having maturity of greater than 13 months but up to 36 months:**

Instruments	Risk Profile	Indicative Allocation (% of net assets)	
		Minimum	Maximum
Debt Instruments	Low to Medium	60	100
Money Market Instruments	Low to Medium	0	40

iii) **For Scheme(s) having maturity of greater than 36 months:**

Instruments	Risk Profile	Indicative Allocation (% of net assets)	
		Minimum	Maximum
Debt Instruments	Low to Medium	70	100
Money Market Instruments	Low to Medium	0	30

Note: The Scheme(s) will invest only in such securities which mature on or before the maturity of the Scheme(s).

- The Scheme will not invest in securitized debt and/or Foreign Securities.
- The Scheme can take derivative exposure upto 50% of the net assets of the Scheme. The cumulative gross exposure in debt, money market securities and derivatives will not exceed 100% of the net assets of the respective Scheme. However cash and equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.

- The Scheme may enter into plain vanilla interest rate swaps for hedging purposes. Exposure to a single counterparty in such transactions will not exceed 10% of the net assets of the respective Scheme.
- In addition to the instruments stated in the table above, the Scheme may enter into Collateralised Borrowing & Lending Obligations (CBLO) or repo/reverse repo or in an alternative investment as may be provided by SEBI/RBI from time to time. However, the Scheme shall not participate in Repos of Corporate Debt Securities.
- Pending deployment of funds of the respective Scheme(s) in securities in terms of the investment objective, the AMC may park the funds of the respective Scheme(s) in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.
- The Scheme may also invest in other schemes managed by the AMC or in the schemes of any other Mutual Fund within the regulatory limits, provided it is in conformity with the investment objective of the Scheme.The Scheme may, if the Trustees permit, engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI. The Scheme shall not deploy more than 20% of its net assets in securities lending.

  Securities lending means the lending of securities to another person or entity for a fixed period of time at a negotiated compensation in order to enhance returns of the portfolio. The securities lent would have to be returned by the borrower on the expiry of the stipulated period. The AMC will adhere to strict limits should it engage in securities lending. Collateral would always be obtained by the approved intermediary from such borrower. Collateral value would always be more than the value of the securities lent. Collateral can be in form of cash, bank guarantee and government securities, as may be agreed upon with the approved intermediary.

❋ Change In Asset Allocation :

Std.Obv. 14

Subject to SEBI (MF) 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. These proportions may vary substantially depending upon the perception of the AMC, 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 only for defensive considerations.

In the event of the asset allocation falling outside the limits specified in the asset allocation table, the Fund Manager will review and rebalance the same within the period as specified in the ’Portfolio Rebalancing Table’ below:

Portfolio Rebalancing Table:

Tenure of the Scheme	**Rebalancing period**
Upto 30 days	Nil. There shall be no deviation from the asset allocation table as indicated above
More than 30 days upto 90 days	5 days
More than 90 days upto 180 days	15 days

More than 180 days	30 days

The Scheme reserves the right to invest its entire allocation in debt and money market securities in any one of the fixed income security classes.

Subject to the above, any change in the asset allocation affecting the investment profile of the Scheme(s) shall be effected only in accordance with the provisions of sub-Regulation (15A) of Regulation 18 of the SEBI Regulations, as detailed later in this Document.

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ii) WHERE WILL THE SCHEME INVEST?

The corpus of the Scheme will be invested in debt and money market instruments maturing in line with the duration of the Scheme. Debt and money market instruments will include but not limited to:

* **Commercial Paper (CP)** is an unsecured negotiable money market instrument issued in the form of a promissory note. CPs is issued by corporates as an alternative source of working capital finance. They are issued at a discount to face value, as may be determined mutually by the issuer & investor. CP is traded in secondary market and can be freely bought and sold before maturity.

* **Certificates of Deposit (CD)** is a negotiable money market instrument issued by scheduled commercial banks and select all-India Financial Institutions (FIs) that have been permitted by RBI to raise short-term resources. The maturity period of CDs issued by the banks is between 7 days and one year. FIs can issue CDs for a period not less than 1 year and not exceeding 3 years from the date of issue. CDs also are issued at a discount to face value and can be traded in secondary market akin to CPs.

* **Government securities:** The Scheme intends to invest its assets in securities of Government of India and /or State Government to the extent of SEBI prescribed limits, if any. Such securities may be:

i. Supported by the ability to borrow from the Treasury or
ii. Supported by Sovereign guarantee or the State Government or
iii. Supported by Government of India / State Government in some other way.
The above will depend upon the nature of securities invested.
Central Government Securities are a sovereign debt obligation of the Government of India with zero-risk of default and are issued on its behalf by the RBI. They form a part of the Government's annual borrowing program, and are used to fund the fiscal deficit along with other short and long-term fund requirements.

Central Government Securities are normally fixed interest securities where the interest is paid semi-annually. Different types of Central Government Securities are the fixed interest securities, fixed interest security with put/call option, fixed interest security where the subscription amount is paid in installments, fixed interest security where the maturity amount is received in installments, floating rate bond, capital-indexed bond and zero-coupon bonds.
State government securities are issued by the respective State governments in co-ordination with the RBI. State Government Securities are fixed interest securities where the interest is paid semi-annually.

* **Treasury Bills (T-Bills)** are issued by the Government of India to meet their short-term borrowing requirement. Presently, T-Bills are issued for original maturities of 91 days, 182 days and 364 days. T-Bills are issued at a discount to their face value and redeemed at par.

* **Fixed Deposits** are deposits with Banks for a fixed term at a rate which is determined by various factors such as the term, the amount etc. Pending deployment as per investment objective, the money under the respective Plans may be invested in short-term deposits of Scheduled Commercial Banks.

* **Collateralised Borrowing and Lending Obligation (CBLO)** is a money market instrument that enables entities, to borrow and lend against sovereign collateral security. It is in electronic form. The maturity ranges from 1 day to 90 days and can also be made available up to 1 year. Central Government Securities including T-bills are eligible securities that can be used as collateral for borrowing through CBLO.

* **Repo (Repurchase agreement**) A Repo or Reverse Repo is a transaction in which two parties agree to sell and repurchase the same security. Under such an agreement the seller sells specified securities with an agreement to repurchase the same at a mutually decided future date and price. Similarly, the buyer purchases the securities with an agreement to resell the same to the seller on an agreed date at a predetermined price. The transaction results in collateralized borrowing or lending of funds.

Such a transaction is called Repo when viewed from the perspective of the seller of the securities and borrower of funds and Reverse Repo when viewed from the perspective of the buyer of the securities and lender of funds. The eligible securities for a repo/reverse repo transaction in the Indian financial markets at present are Government Securities, State Government Securities and Treasury Bills.

The Scheme may enter into Reverse Repo, hedging or such other transactions as may be allowed to Mutual Fund from time to time.

* **Non Convertible Debentures** as well as **Bonds** are securities issued by Public Sector Enterprises, Public Sector Banks, All India Financial Institutions, Private Sector Companies etc. for their normal business activities, which may be secured or unsecured against assets of the company. This is one of the sources of financing for corporates which may be in the nature of short term or long term depending on the requirement of the entity. They are priced at a spread over the corresponding government security depending on the level of perceived risk. Different types of securities are fixed interest securities with or without put/call option, fixed interest security where the maturity amount is received in installments, floating rate bonds, zero-coupon bonds (bonds with no intervening interest cash flows)etc. Frequency of interest payments could be monthly/quarterly/semi-annual/annual or zero coupon bonds etc depending on each issue.

* **Floating rate debt instruments** are debt instruments issued by Central / State governments, Corporates, PSUs, etc. with interest rates that are reset periodically. The periodicity of interest reset could be daily, monthly, quarterly, half yearly, and annually or any other periodicity that may be mutually agreed between the issuer and the Fund. The fund manager will have the flexibility to invest the debt component into floating rate debt securities in order to reduce the impact of rising interest rate in the economy. Short term debt consideration for this Scheme includes maintaining an adequate float to meet expenses and other liquidity needs.

* **'When, as and if issued' Security:** SEBI has on April 16, 2008, in principle, allowed Mutual Funds to undertake 'When Issued (WI)' transactions in Central Government securities, at par with other market participants. Transactions in a security on a 'When Issued' basis shall be undertaken in the following manner.

- 'WI' transactions can be undertaken in the case of securities that are being reissued as well as newly issued, on a selective basis.
- 'WI' transactions would commence on the issue notification date and it would cease on the working day immediately preceding the date of issue.
- All 'WI' transactions for all trade dates will be contracted for settlement on the date of issue.
- At the time of settlement on the date of issue, trades in the 'WI' security will be netted off with trades in the existing security, in the case of reissued securities.
- 'WI' originating transactions may be undertaken only on NDS-OM. However, undertaking the cover leg of the 'WI' transactions is permitted even outside the NDS-OM platform, i.e., through telephone market.
- The Transaction should be guaranteed by an approved Central counterparty namely Clearing Corporation of India Limited (CCIL).
- Only PDs can take a short position in the 'WI' market. In other words, non-PD entities can sell the 'WI' security to any counterparty only if they have a preceding purchase contract for equivalent or higher amount.
- Open Positions in the 'WI' market are subject to the following limits:

Category	**Reissued security**	**Newly issued security**
Non-PDs	Long Position, not exceeding 5 per cent of the notified amount.	Long Position, not exceeding 5 per cent of the notified amount.

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

* Derivative Instrument like Interest Rate Swaps, Forward Rate Agreement and such other derivative instruments as may be permitted under the Regulations.

* 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.

Std.Obv. 1

* **Investments in the Schemes of Mutual Fund:**

The Scheme may invest in schemes managed by the AMC or in the schemes of any other Mutual Fund, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing SEBI Regulations. As per the 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 or in the schemes under the management of any other asset management company shall not exceed 5% of the Net Asset Value of the Mutual Fund.

* Any other domestic debt securities as 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. However, the same shall be subject to limitations as contained in Schedule VII to SEBI (Mutual Funds) Regulations, 1996.

Std.Obv. 7

E INVESTMENT STRATEGY & RISK CONTROL

The Scheme will, under normal market conditions, generate income through investments in Debt and Money Market Instruments maturing on or before the Maturity Date of the respective Scheme.

Income may be generated through the amortization of discount on debt instruments, or the purchase and sale of securities in the underlying portfolio.

The investment strategy would be to invest in instruments that generate consistently superior yields at low/moderate levels of risk. In-depth credit analysis to ascertain the short term financial health and long term solvency of the debt issuers will be carried out. The focus would be on fundamentally driven values such as financials, business model, management, industry and the economy as a whole.

The Fund will predominantly invest in a diversified basket of debt & money market instruments.

Credit Evaluation Process of the Fund: The Credit Evaluation Process of the Fund for debt securities is based on analytics and includes non-financial and financial filters such as track record, quality of financial information, background of promoter/group, industry demand, global market share/ competitiveness, prudence in financial and accounting policies, compliance culture, minimum return on capital, margin on sales, market capitalization, floating stock, liquidity etc. In case of debt markets, the specific macro economic factors, domestic as well as global, create major impact on price movements.

The Credit Evaluation Process is backed by a strong research support in following areas:
- Fundamental Research
- Macroeconomic factors and changes - Global & Domestic
- Comparative study of bonds markets, currency markets and credit markets in India
- Industry analysis
- Company analysis - Financial as well as non financial factors
- Technical analysis
- Research reports based on behavioral patterns in the Market

Each research report has a life cycle of one year and the same is evaluated on a quarterly basis.

Apart from the above, data & reports from various resources are considered before arriving at investment decision. Interactions with company management are also carried out wherever necessary.

The investment process involves formulating Investment Strategies based on Interest rate outlook and includes the following risk mitigating measures like:

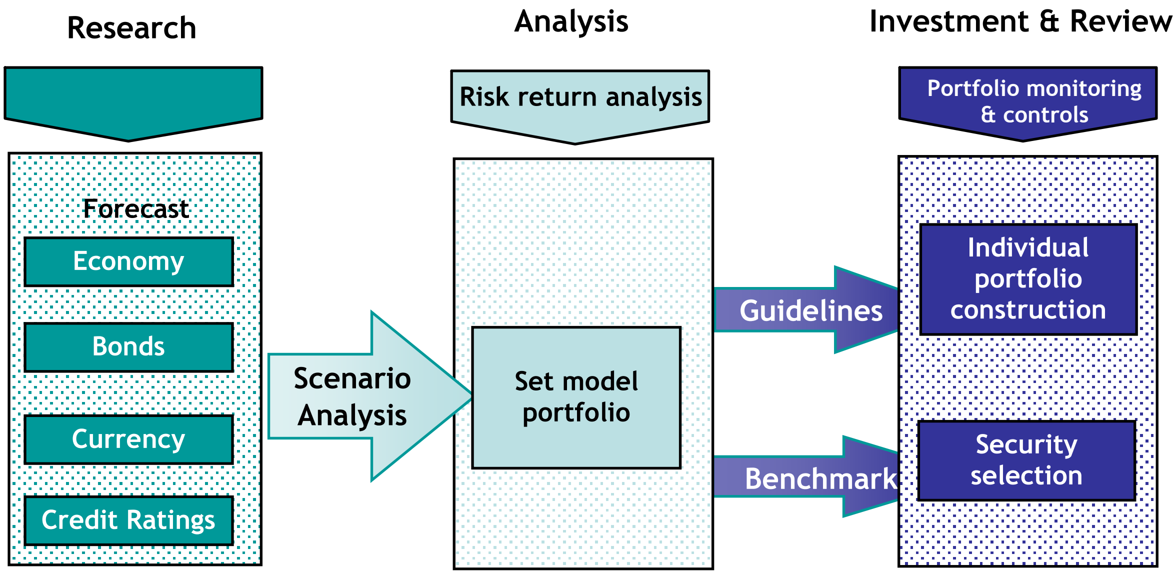
- Fixing Duration
- Yield curve modeling

- Core & trading portfolio segregation strategy
- Scenario analysis
- Interest rate sensitivity Analysis

In assessing the market value sensitivity of the debt portfolio, the AMC applies duration analysis. Effective duration is used to measure potential appreciation/ depreciation in the portfolio under different interest rate scenarios. In applying duration, all embedded options (caps, floors, indices, reset frequencies, prepayments, etc.) are considered while analyzing any floating rate investments to more accurately measure market value sensitivity. Special emphasis is given to macro-economic analysis, which includes assessment of factors affecting interest rates like inflation, liquidity, monetary policy measures and global developments, in addition to diligently analysing the micro factors affecting the investment decisions. These serve to create a strategic backdrop for actual portfolio construction. Essentially, the Fund makes its own internal credit analysis and assigns rating even in respect of rated securities and does not entirely rely on the ratings of external agencies.

The Fund also carries out Credit Spread Analysis as under:
- Monitor corporate actions and change in internal credit ratings on regular basis
- Analyzing credit spreads across time periods
- Global yields and Risk spreads analysis

The Credit Evaluation Process of the Fund for debt securities is explained in the following flow chart:



Exposure to any sector will be based on the sector view of the Fund Manager and the Research Team at the time of deployment of funds under the Scheme. The Scheme will not make any investment in Real Estate, Construction and allied sectors.

The Scheme shall invest in various securities/instruments as mentioned below with the ratings mentioned against the type of instruments. As per the Regulations, the Scheme is allowed to invest within a range of 5% of the intended allocation (floor and cap) against each sub asset class/credit rating. The indicative allocation shall be provided at the time of launch of the Scheme:

Indicative allocation (as % to Net Assets)				
Asset Class/ Instruments	**Credit Rating assigned by an accredited SEBI registered credit rating agency**			
	AAA equivalent	**AA equivalent**	**A equivalent**	**BBB equivalent**
CDs				
CPs				
NCDs				
Cash and Cash equivalent				

Note: Each Scheme will invest only in such securities which mature on or before the Maturity Date of the Scheme. Each Scheme shall endeavour to invest in instruments having credit rating as indicated above or higher. The AAA equivalent rating shall also include A1+/P1+/PR1+/F1+ which are the highest rating provided for the instruments in short term category i.e. instruments having maturity of equal to or less than one year. In case an instrument has more than one publicly available rating, the more conservative rating will be considered for the purpose of investment.

The above stated percentages are indicative and not absolute. There would not be any variation between the intended portfolio allocation and the final portfolio allocation except as outlined in the disclosures below:

1. Point of variation: The Scheme may deviate from the indicated asset allocation in favour of higher credit rated instruments within the same asset class.
2. In case of non-availability of CPs/NCDs the Scheme may invest in the highest rated CDs and CBLOs.
3. At the time of building up the portfolio post NFO Period and also towards the maturity of the Scheme, there may be higher allocation to cash and cash equivalent instruments.
4. In the event of any deviation from the floor and ceiling of credit ratings specified for any instrument, the same shall be rebalanced. The Fund Manager shall review and rebalance the portfolio from the date of such deviation- (a) within 5 days for Scheme(s) having tenure of more than 30 days upto 90 days; (b) within 15 days for Scheme(s) having tenure of more than 90 days upto 180 days, and (c) within 30 days for Scheme(s) having tenure of more than 180 days.

The aforementioned table on indicative portfolio allocation will be finalized and incorporated in the SID of the Scheme at the time of the launch of each Scheme and the same shall be filed with SEBI prior to the date of launch of each Scheme.

* **Derivative Strategies:**

Std.Obv. 5

The Scheme may invest in derivative instruments like Interest Rate Swaps, Forward Rate Agreements, or such other derivative instruments as may be introduced from time to time and as permitted under the SEBI (MF) Regulations and guidelines.

Further, SEBI Circular dated August 18, 2010 has clarified that Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.

The cumulative gross exposure through debt, money market and derivative positions should not exceed 100% of the net assets of the scheme.

The following information provides a basic idea as to the nature of the derivative instruments proposed to be used by the Fund and the benefits and risks attached therewith.

Interest Rate Swaps (IRS) and Forward Rate Agreements (FRA)

Benefits

Bond markets in India are not very liquid. Investors run the risk of illiquidity in such markets. Investing for short-term periods for liquidity purposes has its own risks. Investors can benefit if the Fund remains in call market for the liquidity and at the same time take advantage of fixed rate by entering into a swap. It adds certainty to the returns without sacrificing liquidity.

IRS

All swaps are financial contracts, which involve exchange (swap) of a set of payments owned by one party for another set of payments owned by another party, usually through an intermediary (market maker). An IRS can be defined as a contract between two parties (Counter Parties) to exchange, on particular dates in the future, one series of cash flows, (fixed interest) for another series of cash flows (variable or floating interest) in the same currency and on the same principal for an agreed period of time. The exchange of cash flows need not occur on the same date.

FRA

A FRA is an agreement between two counter parties to pay or to receive the difference between an agreed fixed rate (the FRA rate) and the interest rate prevailing on a stipulated future date, based on a notional amount, for an agreed period. In short, in a FRA, interest rate is fixed now for a future period. The special feature of FRAs is that the only payment is the difference between the FRA rate and the reference rate and hence is single settlement contracts. As in the case of IRS, notional amounts are not exchanged. However, there is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party to comply with the terms of the contract. To the extent that settlements of contracts are not guaranteed by an exchange or clearing corporation, hence, there is the risk of counterparty to a deal defaulting in payment.

The Scheme intends to use derivatives for the purposes, which may be permitted by SEBI Mutual Fund Regulations from time to time, which will include hedging & portfolio balancing. Hedging does not mean maximization of returns but only reduction of systematic or market risk inherent in the investment.

Illustrations -

Basic Structure of a Swap: Assume that the Scheme has a Rs. 20 crores floating rate investment linked to MIBOR (Mumbai Inter Bank Offered Rate). Hence, the Scheme is currently running an interest rate risk and stands to lose if the interest rate moves down. To hedge this interest rate risk, the Scheme can enter into a 6 month MIBOR swap. Through this swap, the Scheme will receive a fixed predetermined rate (assume 12%) and pays the “benchmark rate” (MIBOR), which is fixed by the National Stock Exchange of India Limited (NSE) or any other agency such as Reuters. This swap would effectively lock-in the rate of 12% for the next 6 months, eliminating the daily interest rate risk. This usually is routed through an intermediary who runs a book and matches deals between various counterparties.

The steps will be as follows -

- Assuming the swap is for Rs. 20 crores April 1, 2013 to October 1, 2013. The Scheme is a fixed rate receiver at 12% and the counterparty is a floating rate receiver at the overnight rate on a compounded basis (say NSE MIBOR).

- On April 1, 2013 the Scheme and the counterparty will exchange only a contract of having entered this swap. This documentation would be as per International Swap Dealers Association (ISDA).

- On a daily basis, the benchmark rate fixed by NSE will be tracked by them.

- On October 1, 2013 they will calculate the following -

  - The Scheme is entitled to receive interest on Rs. 20 crores at 12% for 184 days i.e. Rs.1.21 crore, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.

  - The counterparty is entitled to receive daily compounded call rate for 184 days and pay 12% fixed.

  - On October 1, 2013, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 1.21 crore, the Scheme will pay the difference to the counterparty. If the daily compounded benchmark rate is lower, then the counterparty will pay the Scheme the difference.

  - Effectively the Scheme earns interest at the rate of 12% p.a. for six months without lending money for 6 months fixed, while the counterparty pays interest @ 12% p.a. for 6 months on Rs. 20 crores, without borrowing for 6 months fixed.

The above example illustrates the benefits and risks of using derivatives for hedging and optimizing the investment portfolio. Swaps have their own drawbacks like credit risk, settlement risk. However, these risks are substantially reduced as the amount involved is interest streams and not principal.

<u>Investment strategy while using Overnight Indexed Swaps (OIS):</u>

In a rising interest rate scenario the Scheme may enhance returns for the investor by hedging the risk on its fixed interest paying assets by entering into an OIS contract where the Scheme agrees to pay a fixed interest rate on a specified notional amount, for a predetermined tenor and receives floating interest rate payments on the same notional amount. The fixed returns from the Scheme’s assets and the fixed interest payments to be made by the Scheme on account of the OIS transaction offset each other and the Scheme benefits on the floating interest payments that it receives.

The Scheme may enter into an opposite position in case of a falling interest rate scenario, i.e., to hedge the floating rate assets in its portfolio the Scheme enters into an OIS transaction wherein it receives a fixed interest rate on a specified notional amount for a specified time period and pays a floating interest rate on the same notional amount. The floating interest payments that the Scheme receives on its floating rate securities and the floating interest payments that the Scheme has to pay on account of the OIS transaction offset each other and the Scheme benefits on the fixed interest payments that it receives in such a scenario.

The Scheme may deploy one or more of the above mentioned derivative Strategies to the extend they are in line with the investment objective of the Scheme.

* **Investment in debt/ money market instruments**

To achieve its investment objective, the Scheme may also invest, in Debt Instruments which are listed/unlisted and/or rated/unrated debt or money market instruments/securities, securities issued by public/private sector companies/corporations, short term deposits with banks like Fixed Deposits, financial institutions and/or money market instruments such as commercial paper, certificates of deposit, permitted securities under a reverse-repo agreement, etc. These instruments may carry a fixed rate of return or a floating rate of return or may be issued on a discounted basis. Investments will be made in instruments, which in the opinion of the Fund Managers, are of an acceptable credit quality and chance of default is minimum while conforming to the internal broad guidelines provided in the Investment Policy. The Fund Managers will generally be guided by, but not restrained by, the ratings announced by various rating agencies and independent in-house assessment on the assets in the portfolio. The fund management team with the support of research team will take an active view of the interest rate movement by keeping a close watch on various parameters of the Indian economy, as well as developments in global markets.

Investment views / decisions will be taken on the basis of the following parameters:
1. Prevailing interest rate scenario
2. Quality of the security / instrument (including the financial health of the issuer)
3. Maturity profile of the instrument
4. Liquidity of the security
5. Growth prospects of the company / industry
6. Any other factor in the opinion of the fund management team

* **RISK CONTROL:**

Edelweiss Fixed Maturity Plan – Series 10 to Series 12 proposes to allocate assets predominantly in debt instruments like CPs, CDs, NCDs, etc.

This allocation will be steadily monitored and it shall be ensured that investments are made in accordance with the Scheme objective and within the regulatory and internal investment restrictions prescribed from time to time.

The fund has designed a detailed process to identify, measure, monitor and manage the portfolio risk. The aim is not to eliminate the risk completely but to have a structured mechanism towards risk management thereby maximizing potential opportunities and minimize the adverse effects of risk. Few of the key risk identified are:

Risk & Description specific to Debt Securities	Risk mitigants / management strategy
Credit risk Risk associated with repayment of investment	Investment universe carefully selected to only include issuers with high credit quality
Performance risk Risk arising due to change in factors affecting the debt market	Understand the working of the fixed income markets and respond effectively to market movements
Concentration risk Risk arising due to over exposure in few securities	Invest across the spectrum of issuers and keeping flexibility to invest across tenor
Liquidity risk Risk arising due to inefficient Asset Liability Management, resulting in high impact costs	Control portfolio liquidity at portfolio construction stage. Having optimum mix of cash & cash equivalents along with the debt papers in the portfolio
Interest rate risk Price volatility due to movement in interest rates	Control the portfolio duration and periodically evaluate the portfolio structure with respect to existing interest rate scenario
Event risk Price risk due to company or sector specific event	Understand businesses to respond effectively and speedily to events

* **Portfolio Turnover:**

The Scheme will endeavor to keep the portfolio turnover at a minimum. However the portfolio turnover ratio may vary as the Scheme may change the portfolio according to Asset Allocation to align itself with the objectives of the Scheme. The effect of higher portfolio turnover could be higher brokerage and transaction costs.

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F FUNDAMENTAL ATTRIBUTES

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

(i) Type of Scheme – A Close-ended Income Scheme

(ii) Investment Objective:

- **Main Objective** - The primary investment objective of the Scheme is to generate regular income through investments in Debt and Money Market Instruments maturing on or before the Maturity Date of the Scheme. 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 on “Asset Allocation and Investment Pattern” in this Document.

(iii) Terms of Issue:

* **Liquidity Provisions:**

SEBI Regulations require that every close-ended scheme be mandatorily listed on a recognised stock exchange. The Scheme is intended to be listed on BSE Limited or any other stock exchange in India. Investors will not be able to redeem their units during the tenor of the Scheme and the investments can be redeemed only on the Maturity Date of the Scheme. However the units held in dematerialized form can be traded on the Stock Exchange.

The AMC will calculate and disclose the first NAV of the Scheme within a period of 5 (five) Business Days from the date of allotment of the Units after the close of the NFO Period. As per SEBI Regulations, the Mutual Fund shall dispatch redemption proceeds within 10 business days of Maturity Date/Final Redemption Date. In case the payment of redemption proceeds are not made within 10 Business Days of the Maturity Date, interest will be paid @ 15% per annum or such other rate as may be prescribed by SEBI from time to time, from the 11th day onwards as may be prescribed by SEBI from time to time.

* **Aggregate fees and expenses charged to the Scheme:**

The aggregate fees and expenses charged to the Scheme will be in line with the limits defined in the SEBI Regulations as amended from time to time. The aggregate fee and expenses to be charged to the Scheme is detailed in Section IV of this Document.

* **Any Safety Net or Guarantee Provided :**

The Scheme does not provide any safety net or guaranteed or assured returns.

Change in Fundamental Attributes:

Std.Obv. 8

In accordance with Regulations 18 (15A) of the SEBI Regulations, the Trustee shall ensure that no change in the fundamental attributes of the Scheme and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme and the Plan(s) / Option(s) thereunder 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.

Std.Obv. 9

G BENCHMARK FOR THE SCHEME

The Benchmark for Edelweiss Fixed Maturity Plan - Series 10 to Series 12 will be as follows:

- For Scheme(s) having duration of 1 month to 3 months: **CRISIL Liquid Fund Index**
- For Scheme(s) having duration of more than 3 months and up to 36 months: **CRISIL Short Term Bond Fund Index**
- For Scheme(s) having duration of more than 36 months and up to 60 months: **CRISIL Composite Bond Fund Index**

Rationale for adoption of benchmark:

The composition of the aforesaid benchmarks is such that it is most suited for comparing the performance of the respective Scheme(s).

These indices are developed by CRISIL (an independent agency) for benchmarking the performance of a portfolio based on their asset allocation pattern. These indices provide the users a convenient, realistic and easily available tool for capturing and analyzing the market movements and to evaluate the corresponding effect on a portfolio.

The performance of the Scheme will also be compared with its peers in the Industry. The performance will be placed before Apex Level Investment Committee (ALIC), Investment Committee, Board of Directors of the AMC and the Trusteeship Company in their meetings.

The Trustee reserves the right to change the said benchmark and/or adopt one/more other benchmarks to compare the performance of the Scheme in conformity with the investment objectives and appropriateness of the benchmark subject to SEBI (MF) Regulations, and other prevailing guidelines, if any.

Std.Obv. 10

H FUND MANAGER FOR THE SCHEME

Mr. Bhavesh Jain will be the Fund Managers for the Scheme.

Mr. Bhavesh Jain, aged 27 years, has done his Masters in Management Studies (Finance) from the Mumbai University and has a total work experience of over five years in the equity market segment. Mr. Jain has been associated with the AMC for over three years, formerly as an Equity Dealer and presently as Assistant Fund Manager of the schemes of the Fund. He was previously associated with Edelweiss Securities Limited as SGX Nifty Arbitrage Trader.

Mr. Bhavesh D Jain is also the Assistant Fund Manager of Edelweiss Diversified Growth Equity Top 100 (E.D.G.E. Top 100) Fund, Edelweiss ELSS Fund, Edelweiss Equity Enhancer Fund, Edelweiss Absolute Return Fund, Edelweiss Select Midcap Fund and Edelweiss Liquid Fund, Edelweiss Ultra Short Term Bond Fund, Edelweiss Short Term Income Fund, Edelweiss Gilt Fund, Edelweiss Monthly Income Plan (fixed income portion)

Std.Obv. 11

I INVESTMENT RESTRICTIONS

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

1. The Scheme shall not invest more than 15% of its NAV in debt instruments issued by a single issuer, which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the SEBI Act, 1992. Provided that, such investment limit may be extended to 20% of the NAV of the Scheme with the prior approval of the Board of Trustees and the Board of the AMC.
Provided that, such limit shall not be applicable for investments in Government securities. Provided further that investment within such limit can be made in mortgage backed securitised debt which is rated not below investment grade by a credit rating agency registered with SEBI.

2. The Scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25%

of the NAV of the Scheme. All such investments shall be made with the prior approval of the Board of Trustees and the Board of AMC.

3. No mutual fund scheme shall invest more than 30% of its net assets in money market instruments of an issuer.
Provided that such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.

4. 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.

5. Transfer of investments from one scheme to another scheme in the same Mutual Fund shall be allowed only if:
a) 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

b) The securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.

6. 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.

7. The New Fund Offer expenses for the funds raised under the Scheme shall be borne by AMC/Trusteeship Company/ Sponsor.

8. The Scheme shall buy and sell 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 a the Scheme 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.
Further, the Scheme may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI.

9. 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.

10. 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 subject to the following guidelines as specified by SEBI:
a. "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.

b. Short Term deposits shall be held in the name of the Scheme.
c. 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.
d. 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.
e. The 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.
f. The Scheme shall not invest in short term deposit of a bank which has invested in the Scheme.
The aforesaid limits shall not apply to term deposits placed as margins for trading in cash and derivatives market.
The AMC shall not be permitted to charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.

11. The Scheme shall not make any investment in:
a) Any unlisted security of an associate or group company of the Sponsor; or
b) Any security issued by way of private placement by an associate or group company of the Sponsor; or
c) The listed securities of group companies of the Sponsor, which is in excess of 25% of the net assets of the Scheme of the Fund.

12. The Scheme shall not make any investment in any fund of funds Scheme.

13. No loans for any purpose shall be advanced by the Scheme.

14. The Fund may lend and borrow securities in accordance with the Stock Lending & Borrowing Scheme of SEBI.

15. 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 any individual Scheme and the duration of the borrowing shall not exceed a period of 6 months.

16. The Scheme shall not invest more than 30% of its net assets in debt securities issued by issuers belonging to one sector. AMC shall utilize the "Sector" classification prescribed by AMFI for this purpose. However, this limit shall not apply to investments in Bank CDs, CBLO, Government Securities, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks.

The Scheme may have an additional exposure to financial services sector (over and above the limit of 30%) not exceeding 10% of the net assets of the Scheme by way of increase in exposure to Housing Finance Companies (HFCs) registered with National Housing Bank.

Provided further that the additional exposure to such securities issued by HFCs are rated AA and the total investment/ exposure in HFCs shall not exceed 30% of the net assets of the Scheme.

17. Investments in fixed income derivative instruments shall be in lines with the norms/restrictions specified in SEBI circular no. Cir/IMD/DF/11/2010 dated August 18,

2010 as may be amended from time to time.

18. The Scheme will comply with any other regulations applicable to the investments of Mutual Funds from time to time.

These investment restrictions shall be applicable at the time of investment and changes 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, the AMC shall as soon as possible take appropriate corrective action, taking into account the interests of the Unit holders.

In addition, certain investment parameters (like limits on exposure to sectors, industries, companies, etc.) may be adopted internally by the AMC, and amended from time to time, to ensure appropriate diversification / security for the Fund. The Trusteeship 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 Schemes to make its investments in the full spectrum of permitted investments for Mutual Fund to achieve its investment objective. As such all investments of the Schemes will be made in accordance with SEBI (Mutual Funds) Regulations, 1996, including Schedule VII thereof.

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 and also taking into consideration the current SEBI Regulations, the Fund may invest subscription money received from the investors in bank deposits, or money market instruments before finalisation of the allotment of Units. The 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.

L INDIAN DEBT MARKETS - PILLARS OF THE INDIAN ECONOMY

Std. Obv. 12

The Indian Debt Market today is one of the largest in Asia, is developing rapidly buoyed by a multitude of factors including new instruments, increased liquidity, deregulation of interest rates and improved settlement systems. It can be broadly divided into:

- The government securities market or the G-Sec market consisting of debt securities issued by the central government and state government. One of the ways in which the government raises resources to finance its Gross Fiscal Deficit is through Market Borrowings. The Market Borrowing amount is decided upon at the commencement of the fiscal year. The GOI decides the overall size of the Market Borrowing Programme in consultation with Reserve Bank of India. Within this overall size, the borrowing needs of the central government and state government are accommodated. Government Securities can be issued in the form of dated securities of both the central and state governments (known as State Development Loans) and Treasury Bills (used to finance the short term financing requirements of the government), through an auction process.

- The corporate bond/non-government securities market in India comprises bonds & debentures normally issued by various corporations such as Public/Private Sector Enterprises, Public/Private Sector Banks, All India Financial Institutions, Municipal Bodies, State level undertakings etc for their normal business activities. Corporate bonds are priced at a spread over the corresponding government security depending on the level of perceived risk. This is because these bonds are not sovereign and are serviced by the entity issuing them and a carry a risk of default on the part of the entity in fulfilling its interest or principal payment obligations. These securities can be fixed or floating rate instruments/deep discount bonds/PTCs or short term money market instruments (with a maturity of upto 1 year) such as certificates of deposit, commercial papers etc.

Institutional participants such as banks, primary dealers, mutual funds, insurance companies, retirement funds, corporates etc. are the major players in the debt market.

The risks associated with any investments are - credit risk, interest rate risk and liquidity risk. While corporate papers carry credit risk due to changing business conditions, government securities are perceived to have zero credit risk. Interest rate risk is present in all debt securities and depends on a variety of macroeconomic factors.

The price and yield on various debt instruments fluctuates from time to time depending upon the macro economic situation, inflation rate, overall liquidity position, exchange rates, maturity profile, credit risk etc.

Following table exhibits various debt instruments along with indicative yields as on February 28, 2014:

Instrument	**Yield Range (% per annum)**
CBLO	7.98
1 month T Bill	8.55
3 month T Bill	9.09
6 month T Bill	9.03
1 year T Bill	8.95
1 month CD	8.68
3 month CD	9.80
6 month CD	9.78
1 year CD	9.77
1 month CP	9.11
3 month CP	10.19
6 month CP	10.21
1 year CP	10.11
1 year AAA	9.90
2 year AAA	9.87
3 year AAA	9.83

Source: Bloomberg/Reuters

III UNITS & OFFER

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

A NEW FUND OFFER (NFO):

New Fund Offer Period This is the period during which a new scheme sells its units to the investors.	NFO For: Edelweiss Fixed Maturity Plan – Series ____ NFO opens on: NFO closes on: The New Fund Offer for all the Scheme(s) will commence within 6 Months from the date of isuance of letter from SEBI for launch of the Scheme. Each Scheme, when offered for subscription, would be open for such number of days (not exceeding 15 days) as may be decided by the Trustee/AMC. In case the NFO Opening / Closing Date is subsequently declared as a non Business Day, the following Business Day will be deemed to be the NFO Opening /Closing Date. The AMC / Trustee also reserve the right to close the Scheme(s) earlier by giving at least one day's notice. 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.
New Fund Offer Price: This is the price per unit that the investors have to pay to invest during the NFO.	During the New Fund Offer, the Units will be offered at a price of Rs. 10 per Unit (NFO Price).
Minimum Amount for Application in the NFO	The minimum application amount will be of Rs. 5,000/- and in multiples of Rs. 10/- thereafter.
Minimum Target Amount This is the minimum amount required to operate the Plan/Series and if this is not collected during the NFO period of the Plan/Series, then all the investors would be refunded the amount invested without any return. However, if AMC	The Fund seeks to collect a minimum subscription amount of Rs.20 Crore under each Series/Scheme.

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.	
Maximum Amount to be raised (if any) This is the maximum amount which can be collected during the NFO period, as decided by the AMC.	There will be no upper limit on the total amount that may be collected under the Scheme during the NFO Period. After the minimum subscription amount has been collected, allotment will be made to all valid applications.
Plans/Options/Facilities offered	The Scheme offers two Plans: 1. Regular Plan and 2. Direct Plan Direct Plan is offered only for investors who purchase/subscribe Units of the Scheme directly with the Fund and is not available for investors who route their investments through a Distributor. The portfolio of the Scheme under these Plans will be common. Each Plans offers the following Options: (a) Growth Option (b) Dividend Option Further, Dividend Option shall have Payout Facility only. **(a) Growth Option:** No Dividend will be declared under this Option. Income / profits received / earned on the Scheme's corpus would be accumulated by the Fund as capital accretion & will remain invested in the Scheme and will be reflected in the Net Asset Value (NAV). Unit holders who opt for this Option will not receive any dividend in normal circumstances. **(b) Dividend Option:** Under this Option, dividend will be declared subject to the availability of distributable surplus as computed in accordance with SEBI Regulations. **Dividend Payout Facility:** Dividends, if declared, will be paid (subject to deduction of dividend distribution tax and statutory levy, if any) to those Unit holders, whose names appear in the register of Unit holders on the notified record date. AMC reserves the right to

	change the record date from time to time. However, it must be distinctly understood that actual declaration of dividends and frequency thereof is at the discretion of Board of Trustees. There is no assurance or guarantee to Unit holders as to the rate of dividend distribution nor that the dividends will be declared regularly, though it is the intention of the Mutual Fund to make regular dividend distribution under the Dividend Option. On payments of dividends, the NAV will stand reduced by the amount of dividend paid and the dividend distribution tax, if applicable. The AMC reserves the right to introduce further Plans / Options / Facility as and when deemed fit.
Default Plan/Option:	The investors must clearly indicate their choice of Plan/Option in the relevant space provided for in the Application Form. In the absence of such clear instructions it will be assumed that the investor has opted for the Default Plan/Option & the Application will be processed accordingly. **Default Plan: Direct Plan** (between Regular & Direct) The application will be processed under the Direct Plan: • If the Investor indicates "Direct Plan" against the Scheme name and/or indicates "Direct" in the ARN column of the Application Form, • In case Distributor code is mentioned in the Application Form, but "Direct Plan" is indicated against the Scheme name, the Distributor code will be ignored, and • Where application is received for the Regular Plan without Distributor code or "Direct" mentioned in the ARN Column. If the above conditions are not met, the application will be processed under the Regular Plan. **Default Option:** If the investor does not clearly specify the choice of Option at the time of investing, the Units Scheme will be by default allotted under: i. Dividend Option – in case the duration of the Scheme is equal to or less than 12 months; and ii. Growth Option – in case the duration of the Scheme is more than 12 months. The AMC reserves the right to change the default Options as and when deemed fit.

Dividend Policy	The Trustee reserves the right to declare dividends under the Dividend Option of the Scheme depending on the availability of distributable profits under the Scheme. Dividends, if declared, will be paid (subject to deduction of tax at source, if any) to those Unit holders whose names appear in the Register of Unit holders on the record date. In case of Units held in dematerialized mode, the Depositories(NSDL/ CDSL) will give the list of demat account holders and the number of Units held by them in electronic form on the Record date to the Registrars and Transfer Agent of the Mutual Fund who shall be eligible to receive the dividends. Further, the Trustee at its sole discretion may also declare interim dividend. However, it must be distinctly understood that the actual declaration of dividend and the frequency thereof will inter-alia, depend on the availability of distributable profits as computed in accordance with SEBI (MF) Regulations and the decision of the Trustee in this regard shall be final. There is no assurance or guarantee to Unit holders as to the rate/quantum of dividend distribution nor that dividends will be paid regularly. On payment of dividends, the NAV will stand reduced by the amount of dividend and dividend tax/ statutory levy (if applicable) paid. The Trustee/ AMC reserves the right to change the record date from time to time. • **Dividend Distribution Procedure:** In accordance with SEBI Circular no. SEBI/ IMD/ Cir No. 1/64057/06 dated April 4, 2006, the procedure for Dividend Distribution would be as under: 1. Quantum of Dividend and Record Date shall be fixed by the Board of Trustees in their meeting, subject to availability of distributable surplus. 2. Within one calendar day of decision made by the Trustees, the AMC shall issue a notice to the public communicating the decision about dividend including the record date, 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. 3. Record date shall be the date that will be considered for the purpose of determining

	the eligibility of investors whose name appears on the register of Unit holders. Record date shall be five calendar days from the date of issue of notice. 4. The notice will, in font size 10, bold, categorically state that ‘pursuant to payment of dividend, the NAV of the Scheme would fall to the extent of payout and statutory levy (if applicable)’. 5. Before the issue of such notice, no communication indicating the probable date of dividend declaration in any manner whatsoever, will be issued by the Fund. The requirement of giving notice & the above laid procedure shall not be applicable for Dividend Option having frequency of up to one month. Investors should note that, the dividend warrants shall be dispatched within 30 days of the declaration of the dividend. • **Effect of Dividends:** When dividends are declared and paid under the Scheme, the net assets attributable to Unit holders in the Dividend Option will stand reduced by the dividend amount subject to dividend distribution tax and statutory levy if any. The NAV of the Unit holders in the Growth Option will remain unaffected by the payment of dividend. • **Mode of Payment of Dividends:** The Scheme proposes to pay dividend by Direct Credit or through ECS System or RTGS or NEFT or any other EFT means. RBI offers the facility of EFT for facilitating better customer service by direct credit of dividend amount to a Unit holder’s bank account through electronic credit which avoids loss of dividend in transit or fraudulent encashment. The Mutual Fund will endeavour to offer this facility for payment of dividend/repurchase proceeds to the Unit holders residing in any of the cities where such a Bank facility is available. If an investor has an account with a bank with which the Fund will tie up for direct credit, the dividend amount will be credited directly to the bank account, under intimation to the Unit holder by email/SMS/post. The Mutual Fund, on a best effort basis, and after scrutinizing the names of the

	banks where Unit holders have their accounts, will enable direct credit/RTGS/NEFT/ECS to the Unit holders' bank accounts. Please refer the SAI for the list of banks providing above facility. While the preferred mode of payment is through EFT route, the AMC is at the sole discretion to pay dividend by any other means (including at par cheques and demand drafts, where the EFT facility is not available in a particular city or Bank or as the Trusteeship Company or the AMC deems fit in the interest of investors.) All the dividend payments shall be in accordance and compliance with SEBI Regulations, as amended from time to time.
Allotment	Subject to the receipt of the specified minimum application amount by the Fund, investors will receive full allotment of Units applied for, provided that the applications are complete in all respect and are found to be in order. The AMC shall allot Units within 5 Business Days from the closure of the NFO period. Allotment to NRIs/FIIs will be subject to RBI approval, if required. Subject to the SEBI (MF) Regulations, the Trustee may reject any application received in case the application is found invalid/incomplete or for any other reason in the Trustee's sole discretion. Applicants under the Scheme will have an option to hold the Units either in physical form (i.e. account statement) or in dematerialized form. • **Dematerialization:** The Applicants intending to hold the Units in dematerialized mode will be required to have a beneficiary account with a Depository Participant of the NSDL/CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units during the NFO of the Scheme. The Units allotted will be credited to the DP account of the Unit holder as per the details provided in the application form. The statement of holding of the beneficiary account holders for units held in demat will be sent by the respective DP periodically.

	The details provided by investors in the application form should be same as the details registered with the DP. In case of any conflict, 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 Units will be allotted in physical mode provided the application is otherwise complete in all respect. Units held in demat form are freely transferable. If the Unit holder desires to hold the Units in a Dematerialized / Rematerialized form at a later date, the request for conversion of units held in Account Statement (non demat) form into Demat (electronic) form or vice versa should be submitted alongwith a Demat/Remat Request Form to their Depository Participants. However, the Trustee / AMC reserves the right to change the dematerialization/ rematerialization process in accordance with the procedural requirements laid down by the Depositories, viz. NSDL/ CDSL and/or in accordance with the provisions laid under the Depositories Act, 1996 and the Regulations thereunder. Normally no Unit certificates will be issued. However, if the applicant so desires, the AMC shall issue a non-transferable Unit certificate to the applicant within 30 Business Days of the receipt of request for the certificate. Unit certificate if issued must be duly discharged by the Unit holder(s) and surrendered alongwith the request for Redemption / Switch or any other transaction of Units covered therein. All Units will rank pari passu, among Units within the same Option in the Scheme concerned as to assets, earnings and the receipt of dividend distributions, if any, as may be declared by the Trustee. **Allotment Confirmation/Account Statement/Consolidated Account Statement** (for non-demat account holders): An Allotment Confirmation/Account Statement will be sent by way of SMS and/or email and/or ordinary post, to the Unit Holder within 5 Business Days from the closure of the NFO Period of the Scheme. The Account Statement shall be non-transferable. Despatch of Account Statements to NRIs/FIIs will be subject to RBI approval, if required. A Consolidated

	Account Statement (CAS) shall also be sent to the Unit holder in whose folio transactions have taken place during that month, on or before 10th of the succeeding month by mail/e-mail. In case of specific request received from investors, Mutual Fund will provide an account statement to the investors within 5 Business Days from the receipt of such request. The Mutual Fund reserves the right to recover from an investor any loss caused to the Scheme on account of dishonour of cheques issued by him/her/it for purchase of Units.
Refund	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 in a 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.
Who can invest 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.	The following persons are eligible and may apply for subscription to the Units of any of the Scheme(s) of Edelweiss Mutual Fund (subject, wherever relevant, to purchase of units of Mutual Funds being permitted and duly authorised under their respective constitutions, charter documents, corporate / other authorisations and relevant statutory provisions etc): 1. Resident adult Indian individuals either singly or jointly (not exceeding three), or on an Anyone or Survivor basis; 2. Karta of Hindu Undivided Family (HUF in the name of Karta);

	3. Partnership Firms in the name of any one of the partner(constituted under the Indian partnership law) & Limited Liability Partnerships (LLP); 4. Minors (Resident or NRI) through parent / legal guardian; 5. Schemes of Mutual Funds registered with SEBI, including schemes of Edelweiss Mutual Fund, subject to the conditions and limits prescribed by SEBI Regulations and the respective Scheme Information Documents; 6. Companies, Bodies Corporate, Public Sector Undertakings (PSU), Association of Persons (AOP) or bodies of individuals (BOI) and societies registered under the Societies Registration Act, 1860 (so long as the purchase of units is permitted under the respective constitutions); 7. Banks, including Scheduled Bank, Regional Rural Bank, Co-Operative Bank etc. & Financial Institutions; 8. Special Purpose Vehicles (SPV) approved by appropriate authority; 9. Religious and Charitable Trusts, Wakfs or endowments of private trusts and Private trusts (subject to receipt of necessary approvals as required & who are authorised to invest in Mutual Fund schemes under their trust deeds); 10. Non-Resident Indians (NRIs) / Persons of Indian origin residing abroad (POI) on repatriation or non repatriation basis; 11. Foreign Institutional Investors (FIIs) registered with SEBI on fully repatriation basis; 12. Provident / Pension / Gratuity and such other funds to the extent they are permitted to invest; 13. Army, Air Force, Navy and other para-military units and bodies created by such institutions; 14. Scientific and Industrial Research Organisations; 15. Multilateral Funding Agencies / Bodies Corporate incorporated outside India with the permission of Government of India / Reserve Bank of India; 16. Trustee, the AMC, their Shareholders or Sponsor, their associates, affiliates, group companies may subscribe to Units under the Scheme; 17. Any other category of individuals / institutions

/ body corporate etc., so long as wherever applicable they are in conformity with SEBI Regulations/other applicable Regulations/the constituent documents of the applicants.

Note:

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. No request for withdrawal of application will be allowed after the closure of New Fund Offer period.
3. 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 ultravires the relevant constitution. Subject to the Regulations, the Trustee may reject any application received in case the application is found invalid/ incomplete or for any other reason in the Trustee's sole discretion.
4. Non Resident Indians (NRIs) and Persons of Indian Origin (PIOs) residing abroad/ Overseas Citizens of India (OCI) / Foreign Institutional Investors (FIIs) have been granted a general permission by Reserve Bank of India under Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 for investing in / redeeming units of the mutual funds subject to conditions set out in the aforesaid regulations. If a person who is a resident Indian at the time of subscription becomes a resident outside India subsequently, he/she should intimate the Mutual Fund accordingly and the redemption will be processed as per the revised status of such investor.

   Further, 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.

	5. Investors desiring to invest / transact in the Scheme are required to comply with the KYC norms applicable from time to time. Under the KYC norms, Investors are required to provide prescribed documents for establishing their identity and address such as copy of the Passport / PAN Card / Memorandum and Articles of Association / bye-laws / Trust Deed / Partnership Deed/ Certificate of Registration along with the proof of authorization to invest, as applicable, to the KYC Registration Agency (KRA) registered with SEBI. The Fund / AMC / Trustees / other intermediaries will rely on the declarations/affirmations provided by the Investor(s) in the Application/ Transaction Form(s) and the documents furnished to the KRA that the Investor(s) is permitted/ authorised by the constitution document/ their Board of Directors etc. to make the investment / transact. Further, the Investor shall be liable to indemnify the Fund / AMC / Trustee / other intermediaries in case of any dispute regarding the eligibility, validity and authorization of the transactions and / or the applicant who has applied on behalf of the Investors. The Fund / AMC / Trustee reserves the right to call for such other information and documents as may be required by it in connection with the investments made by the investor. Investors are requested to view full details on eligibility /non-eligibility for investment in the Scheme mentioned in the 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. 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.

Who cannot invest?	The following persons/entities cannot invest in the Scheme: 1. Overseas Corporate Bodies pursuant to RBI A.P. (DIR Series) Circular No. 14 dated September 16, 2003. 2. Non-Resident Indians residing in the Financial Action Task Force (FATF) declared Non Compliant Countries or Territories (NCCTs) 3. United States Person (US Person) as defined under the extant laws of the United States of America and persons residing in Canada. 4. Qualified Foreign Investors (QFIs) 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 Trustee's sole discretion, subject to SEBI Regulations and other than prevailing statutory regulations, if any.
Where can you submit the filled up applications.	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 Collection Centres/Official Point of Acceptance/ISC of the AMC (please refer the back cover page of this Document) 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 +91-040-23433150 for others and investors outside India or mail at EMFHelp@edelweissfin.com The Investors can also purchase Units of the Scheme during NFO by placing an order with the members (stock brokers) of stock exchanges. Please refer to section "Special Products/facilities available during the NFO" herein below. Further, Investors may also apply through ASBA process during the NFO period of the Scheme by filling in the ASBA form and submitting the same to their respective banks, which in turn will block the amount in the account as per the authority contained in ASBA form, and undertake other tasks as per the procedure specified therein. Please refer to section "Special Products/facilities available during the NFO" herein below.

How to Apply	Investors are requested to refer to the SAI and Application form for instructions.
Special Products/facilities available during the NFO	**Facility to purchase Units of the Scheme through Applications Supported by Blocked Amount'("ASBA"):** Investors have an option to subscribe to units of the Scheme during the NFO period under the Applications Supported by Blocked Amount (ASBA) facility. 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 extend the same facility to all eligible investors subscribing to the NFO of the Scheme. Investors are requested to refer to SAI for further details on the ASBA facility. **Facility to purchase Units of the Scheme through Stock Exchange Infrastructure Facility:** During the NFO Period 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) and through BSE Stock Exchange Platform for Allotment and Repurchase of Mutual Funds (BSE StAR MF System) of BSE Limited. For more information on this facility, please refer to SAI. **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/plan of the existing schemes 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 respective Scheme. This option will be useful to Unit holders who wish to alter the allocation of their investment among the scheme 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.

	The switch will be effected by way of a redemption of units from the existing scheme/plan and a reinvestment of the redemption proceeds in the Scheme and accordingly, to be effective, the switch must comply with the redemption rules of the existing scheme/plan and the issue rules of this 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 existing scheme/plan will be based on the redemption price and the proceeds will be invested in the Scheme at Rs. 10/- per unit.	
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.	Unit holders can liquidate their investments either by transferring of Units through stock exchange where the Units of the Scheme are listed (BSE Limited) or redeeming/repurchasing Units at the time of maturity.	
Restrictions, if any, on the right to freely retain or dispose of units being offered.	The Units of the Scheme are not transferable except Units of the Scheme held in Demat mode. In view of the same, additions/ deletions of names will not be allowed under any folio of the Scheme. However such provisions will not be applicable in case a person (i.e. a transferee) becomes a holder of the Units by operation of law or upon enforcement of pledge, then the AMC shall, subject to production of such documents proceed to effect the transfer, if the intended transferee is otherwise eligible to hold the Units of the Scheme. For details please refer to paragraph on "Right to limit redemption, "Suspension of purchase and / or redemption of Units" & "Lien & pledge" under SAI.	
Bank Mandate and Multiple Bank account Registration	**Bank account Details:** In order to protect the interest of investors from fraudulent encashment of cheques, SEBI Regulations have made it mandatory for investors to mention in their application for purchase of Units, details of their bank account. Hence, at the time of subscription, all investors must provide details of their bank account viz. bank name, account number, branch address, and account type, in the application form. Application without these details will be treated as incomplete and rejected. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques and/or any delay/loss in transit. The investor is required to provide 'cancelled" original cheque or self certified copy of blank cheque or self certified bank statement or first page of bank pass book (bearing account number and the first unit holder name on the face of the	Std.Obv. 19

	cheque / bank pass book/ bank statement) at the time of registration of the investor's bank mandate and subsequent change in the investor's bank mandate. **Multiple Bank Account Registration:** The Mutual Fund offers a facility to register multiple bank accounts for pay-in & pay-out purposes and designate one of the registered bank account as "Default Bank Account". Individuals, HUFs, Sole Proprietor firms can register upto five bank accounts and non-individual investor can register upto ten bank accounts in a folio. This facility can be availed by filling up a designated "Form for Registering/ adding Multiple Bank Account" available at Investor Service Centers and on the website of the Fund. In case of new investor the bank account mentioned on the purchase application form, used for opening the folio, will be treated as default bank account till the investor gives a separate request to registering multiple bank accounts and change the default bank account to any of other registered bank account. Registered bank accounts may also be used for verification of pay-ins (i.e. receiving of subscription funds) to ensure that a third party payment is not used for mutual fund subscription. Default Bank Account will be used for all dividends and redemptions payouts unless investor specifies one of the existing registered bank account in the redemption request for receiving redemption proceeds. However, in case a Unit holder does not specify the default account the Mutual Fund reserves the right to designate any of the registered bank account as default bank account. Investor may note that, registering a new bank account will require a cooling period of ten days from the date of receipt of request. In the interim, in case of any dividend/redemption/ maturity pay-out, the same would be credited in the existing registered bank account.

B ONGOING OFFER DETAILS

Ongoing Offer Period This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.	Not applicable. Being a close ended Scheme, investors can subscribe to Units of the Scheme through the Mutual Fund/AMC only during the NFO period. However, once the Units are listed, an investor can buy/sell Units of the Scheme on a continuous basis on the BSE and/or any other Stock Exchange where the Units of the Scheme are listed, like any other publicly traded stock.
Ongoing price for subscription (purchase) /switch-in (from other schemes/plans of the mutual fund) by investors This is the price you need to pay for purchase /switch-in	The Units of the Scheme will not be available for subscriptions / switch-in after the closure of NFO Period. However the Units can be traded on the Stock Exchange post listing.
Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors. This is the price you will receive for redemptions/switch outs.	No redemption/repurchase of units shall be allowed prior to the Maturity Date of the Scheme. Investors wishing to exit may do so by selling their units through stock exchanges. The Scheme shall be fully redeemed on the Maturity Date/Final Redemption Date.
Cut off timing for subscriptions/ redemptions/ switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.	**For Purchases including switch-ins:** The Units of the Scheme will not be available for subscriptions / switch-in after the closure of NFO Period. **For Redemptions including switch-outs:** No redemption/repurchase of units shall be allowed prior to the Maturity Date of the scheme. Investors holding units in demat mode and wishing to exit may do so by selling their units through Stock Exchanges. The Scheme shall be fully redeemed on the Maturity date and redemption proceeds shall be dispatched within 10 Business Days, subject to availability of all relevant documents and details.
Where can the applications for purchase/redemption switches be submitted?	The Units will not be available for subscription/switch-in after the closure of the NFO period. Redemption/Switch-out is not permitted during the term of the Scheme. However, once the Units are listed, the Units can be sold by making such request in the prescribed form to the DP. Application for switch-out from the Scheme to any other scheme(s) of the Mutual Fund on the Maturity Date may be submitted at any of the Investor Service Center of the AMC. Alternatively, investor has the option for switching into Edelweiss Liquid Fund on maturity, by opting for the same in the Application Form at the time of NFO.
Minimum amount for purchase/redemption/switches	Not Applicable

Minimum balance to be maintained and consequences of non maintenance.	Not applicable.
Listing	The Units of each Scheme will be listed on the Capital Market Segment of BSE Limited within 5 Business Days of allotment of Units under NFO. The Mutual Fund may at its sole discretion list the Units under the Scheme on any other recognized Stock Exchange(s) at a later date. All regulatory procedures will be followed in this regard. An investor can buy/sell Units on a continuous basis on BSE and/or any other Stock Exchange(s) on which the Units are listed during the trading hours like any other publicly traded stock, until the date of issue of notice by the AMC on its website for fixing the record date for determining the Unit holders whose name(s) appear on the list of Beneficial Owners as per the Depository's (NSDL/CDSL) records for the purpose of redemption of Units on Maturity/Final Redemption Date. The trading of Units on BSE and/or any other Stock Exchange(s) on which the Units are listed will automatically get suspended from the date of issuance of the said notice and also no off-market trades shall be permitted by the Depositories. The price of the Units in the market will depend on demand and supply at that point of time. There is no minimum investment, although Units are purchased in round lots of 1. The Scheme will be de-listed after the tenure. The AMC/Trustee will initiate the delisting procedure prior to the date of maturity. The Unit holders will not be able to trade on the stock exchange once the Scheme is delisted.
Special Products available	None
Account Statements	I. **For investor who opt to hold the Units in Physical Form (Non-demat form):** ○ On receipt of valid application for subscription, an Allotment Confirmation will be sent specifying the number of units allotted by way of email and/or SMS to the Unit holder's registered e-mail address and/or mobile number within 5 Business Days from the close of the NFO Period of the Scheme. Unitholders who have not registered their email address/ mobile number with the Fund will receive an Account Statement giving details of the allotment. ○ The Units of the Scheme will not be available for

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	subscriptions / switch-in after the closure of NFO Period. ○ A Consolidated Account Statement (CAS) for each calendar month to the Unit holder(s) in whose folio(s) transaction(s) has/have taken place during the month on or before 10th of the succeeding month shall be sent by mail/email. ○ The Unit holder may request for a physical Account Statement by writing/calling the AMC/ISC/R&T. The Mutual Fund/ AMC shall despatch an Account Statement within 5 Business Days from the date of the receipt of request from the Unit holder. ○ In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/ Account Statement. ○ The transactions viz. purchase, redemption, switch, dividend payout, etc., carried out by the Unit holders shall be reflected in the CAS on the basis of Permanent Account Number (PAN). ○ The CAS shall not be received by the Unit holders for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN. ○ For folios not included in CAS (due to non availability of PAN), EAML shall issue Account Statement to such Unitholders on a monthly basis, pursuant to any financial transaction in the Folios, on or before tenth day of succeeding month by way of email to the registered email address and if the same is not available with EAML, a physical statement will be sent. ○ Unit holders who receive Account Statements by e-mail may download the documents after receiving the same from the Fund. Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Fund to enable the 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. **Half Yearly Consolidated Account Statement:** ○ A consolidated account statement detailing holding across all schemes at the end of every six months (i.e.

	September/March), on or before 10th day of succeeding month, to all such Unit holders in whose folios no transaction has taken place during that period shall be sent by mail/email. o The half yearly CAS will be sent by e-mail to the Unit holders whose e-mail address is registered with the Fund, unless a specific request is made to receive in physical. o Unit holders who receive account statements by e-mail may download the documents after receiving e-mail from the Fund. Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Fund to enable the 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. **II. For investors who opt to hold Units in Demat Form:** o Where the units are held in demat (electronic) mode, the investor will receive the holding statement directly from their depository participant (DP) at such a frequency as may be defined in the Depository Act or Regulations or on specific request.
Dividend	The dividend proceeds shall be dispatched to the Unit holders within 30 days of the date of declaration of the dividend, if any. In the event of failure of despatch of dividend within the stipulated 30 day period, the AMC shall be liable to pay interest @ 15% per annum to the Unit holders. AMC will endeavor to credit the dividend payouts directly to the designated Bank A/c of the Unit holders of the Scheme(s) through any of the available electronic mode (i.e. RTGS / NEFT / Direct Credit). AMC reserves the right to use any of the above modes of payment as deemed appropriate for all folios where the required information is available.
Redemption/Repurchase Proceeds	No redemption/repurchase of units shall be allowed prior to the maturity of the Scheme. Investors holding Units in demat mode and wishing to exit may do so through stock exchange mode. On maturity of the Scheme, the outstanding Units shall be redeemed and proceeds will be paid to such Unit holders, whose names appear in the Statement of Beneficiary Position as may be received from the Depositories on the record date or in the records of Unit holders maintained by Registrar and Transfer Agent with respect to Unit holders holding Units in physical form.

	As per SEBI Regulations, the Mutual Fund shall dispatch redemption proceeds within 10 business days of the Maturity date of the Scheme. In case the Units are held in the names of more than one Unit holder, the Redemption proceeds will be paid only to the first named holder. In case of the Units on which any lien or encumbrance is marked and such lien or encumbrance is subsisting on the date of maturity, the Unit holder will be required to procure a release of their lien/encumbrance pending which, the maturity proceeds will not be paid. The Unit holder shall not be entitled for any interest or compensation for any delayed or non-payment of the maturity proceeds till such time the Unit holder provides proof of the release of the lien/encumbrance to the satisfaction of the Mutual Fund. In case the Maturity Date falls on a non -business day or if the banks / stock exchanges / Depositories remain closed on account of strike or any other unforeseen reason on the Maturity Date, then the Scheme will mature and the Units will be redeemed on the next Business Day. AMC will endeavor to credit the redemptions payouts directly to the designated Bank A/c of the Unit holders of the Schemes through any of the available electronic mode (i.e. RTGS / NEFT / Direct Credit). AMC reserves the right to use any of the above modes of payment as deemed appropriate for all folios where the required information is available.
Delay in payment of redemption / repurchase proceeds	In case the payment of redemption proceeds are not made within 10 Business Days of the Maturity Date, interest will be paid @ 15% per annum or such other rate as may be prescribed by SEBI from time to time, from the 11th day onwards as may be prescribed by SEBI from time to time.
Scheme to Be Binding On Unit holders	The AMC may, from time to time, in consultation with the Board of Trustees, add to or otherwise vary or alter all or any of the features, investment options and terms of this Scheme after obtaining the prior approval of SEBI / other applicable regulatory authorities and / or the Unit holders where necessary, in accordance with the then prevalent Regulations and the same shall be binding on each Unit holder.
Mode of Payment	**(a) For Subscription:** Please refer to the section “How to Apply” under SAI for details. As an investor friendly measure, the AMC will prefer to receive subscription from investors by EFT means like RTGS, NEFT, Wire Transfer, Electronic Clearing System (ECS), etc as defined under EFT definition above. Unit holders having

	a bank account with certain banks, with which the Mutual Fund would have an arrangement from time to time, may avail the facility of Direct Debit to their account for subscription of the Units of the Scheme. The AMC may allow any other mode of payment for subscription, in the interest of investors. An investor can subscribe to the NFO through Applications Supported by Blocked Amount (ASBA) facility by applying for the Units offered under the Option(s)/Plan(s) of the Scheme(s) in the ASBA Application Form and for procedure. For details please refer SAI. **(b) Payment of redemption proceeds:** The Fund proposes to pay redemption proceeds in the following manner: **i) Direct credit of redemption proceeds to the bank account of Unit holders:** In case of Unit holders having a bank account with certain banks with whom the Mutual Fund would have an arrangement from time to time, the redemption proceeds shall be directly credited to their account. As per the directive issued by SEBI, it is mandatory for an investor to provide the bank account details in the application form. The Mutual Fund, on a best effort basis, and after scrutinizing the names of the banks where Unit holders have their accounts, will allow direct credit to the Unit holders' bank accounts. **ii) By way of cheque /Demand Draft**: In case of Unit holders having a bank account with banks with whom the Mutual Fund does not have an arrangement, the redemption proceeds will be paid by cheque and payments will be made in favour of the Unit holder (registered holder of the Units or, if there is more than one registered holder, only to the first registered holder) with bank account number furnished to the Mutual Fund. Redemption cheques will be sent to the Unit holder's address (or, if there is more than one holder on record, the address of the first-named Unit holder). All Redemption payments will be made in favour of the registered holder of the Units or, if there is more than one registered holder, only to the first registered holder. **iii)** Redemption proceeds can be paid by way of EFT / RTGS / NEFT / ECS / any other mode as per the instruction of the Unit holders. **iv)** While the preferred mode of payment is through Direct Credit or EFT route, the AMC reserves the right to send the redemption proceeds by any other means in the interest of investors if it deems fit. As per SEBI (MF) Regulations, the Mutual Fund shall

	dispatch Redemption proceeds within 10 Business Days of the date of redemption. A penal interest of 15% or such other rate as may be prescribed by SEBI from time to time, will be paid in case the Redemption proceeds are not made within 10 Business Days of the Redemption Date. However, under normal circumstances, the Mutual Fund would endeavor to credit the first / sole Unit holder's account with the Redemption proceeds within 3-4 Business Days from the date of Redemption. **For units held in demat form:** Unitholders should submit their valid redemption request to their Depository Participant (DP). The redemption proceeds will be credited to the bank account of the Unit holder as per the bank account details provided by the Depositories. **(c) In case of NRIs & FIIs:** In terms of Schedule 5 of Notification No.FEMA20/2000 issued in May 2000, the RBI has granted general permission to NRIs and FIIs to purchase, on a repatriation basis, Units of domestic Mutual Fund subject to conditions mentioned therein. Further, the general permission has also been granted to NRIs and FIIs to sell the Units to the Mutual Fund for repurchase or for the payment of maturity proceeds provided that the Units have been purchased in accordance with the conditions set out in the aforesaid notification. For the purpose of this Para, the term "Mutual Funds" has same meaning as in Clause (23 D) of Section 10 of the Income-Tax Act 1961. Any remittance or redemption proceeds to NRI/FIIs will be subject to the prevailing RBI /any other regulatory requirements in force from time to time. For further details, please refer the section on 'Mode of Payment' under SAI.
Transferability of Units	On listing, the Units of the Scheme held in dematerialized form would be transferable. Transfers should be only in favour of transferees who are eligible for holding Units under the Scheme. The AMC shall not be bound to recognize any other transfer. For effecting the transfer of Units held in electronic form, the Unit holders would be required to lodge delivery instructions for transfer of Units with the DP in the requisite form as may be required from time to time and the transfer will be effected in accordance with such rules/regulations as may be in force governing transfer of securities in dematerialized mode. If a person becomes a holder of the Units consequent to operation of law, or upon enforcement of a pledge, the Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place

	consequent to death, insolvency etc., the transferee's name will be recorded by the Fund subject to production of satisfactory evidence.

C PERIODIC DISCLOSURES & OTHER INFORMATION

Net Asset Value This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.	The AMC will calculate and disclose the first NAVs of the Scheme not later than 5 Business days from the date of allotment of Units under the NFO. Subsequently, the Fund shall calculate and disclose the NAV on daily basis and send the same for publication in at least two daily newspapers having circulation all over India. NAV shall also be communicated to Stock Exchanges where the units of the Scheme are listed. NAV can be viewed on the website of the Mutual Fund (www.edelweissmf.com) and on the website of Association of Mutual Funds in India- AMFI (www.amfiindia.com).Investors may also contact any of the Investor Service Centres(ISCs) of the Fund for the same. The Mutual Fund shall update the NAVs of the Scheme on every Business Day on AMFI's website (www.amfiindia.com) by 9 p.m. 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.	Std.Obv. 17a
Monthly Portfolio disclosure	The Fund/AMC will disclose the portfolio (along with ISIN) of the Scheme as on the last day of the month on its website www.edelweissmf.com on or before the tenth day of the succeeding month in a user-friendly and downloadable format.	
Half yearly Disclosures: Portfolio / Financial Results 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.	The AMC shall communicate the portfolio of the Scheme on a half-yearly basis to the Unit holders within one month from the close of each half year (i.e. 31st March and 30th September) either by sending a complete statement to all the Unit holders or by publishing the same by way of advertisement in one national English daily newspaper 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 located. The portfolio will also be displayed on the website of AMC and AMFI. The Fund/AMC shall within one month from the close of each half year, i.e. on 31 March and on 30 September, host a soft copy of its unaudited financial results on their website www.edelweissmf.com. 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.	

<table>
<tr><td>Annual Report</td><td colspan="4">As per SEBI Regulation, Scheme wise annual report or an abridged summary thereof shall be sent in the following manner:

▪ 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.

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.

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).</td></tr>
<tr><td>Associate Transactions</td><td colspan="4">Please refer to the Statement of Additional Information.</td></tr>
<tr><td rowspan="6">Taxation

The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.</td><td colspan="4"></td></tr>
<tr><td rowspan="2">Tax on Dividend Distributed</td><td>Resident Investors</td><td>Non resident investors</td><td>Mutual Fund</td></tr>
<tr><td>Nil</td><td>Nil</td><td>25% on income distributed to any person being an individual or HUF.
30% on income distributed to any other person.
The tax will be increased by Applicable surcharge (currently 10%). Additionally Education cess @ 2% and Secondary and higher education cess@ 1% shall be levied for all categories of Tax Payers.</td></tr>
<tr><td rowspan="3">Tax on Capital Gains:

<u>Long Term</u></td><td>Resident Individuals & HUF</td><td>FII's / Overseas financial Organisations</td><td>Mutual Fund</td></tr>
<tr><td>20% with Indexation or 10% without indexation

Maximum 30%</td><td>10% without indexation

30%</td><td>Not Applicable</td></tr>
</table>

	Short term Long Term Short term	**Partnership Firms** *20% with Indexation or 10% without indexation.* *30%*	**Non resident Indians** *20% or alternative tax calculation option u/s 112 of Income tax Act, if applicable.* *30%*	
	Long term Short term	**Indian Companies** *20% with Indexation or 10% without indexation* *30%*	**Foreign Companies** *20% with Indexation or 10% without indexation* *40%*	
	Note 1: The tax rate in case of capital gains tax would be increased by a surcharge of: (a) 5% in case of domestic corporate unit holders where the income exceeds Rs.1 crore but is less than Rs.10 crores and 10% where it exceeds Rs. 10 crores. (b) 2% in case of foreign corporate unit holders where the income exceeds Rs. 1 crore but is less than Rs.10 crores surcharge of 2% shall be levied and at the rate of 5% where it exceeds Rs. 10 crores. (c) In case of Individuals, Hindu Undivided Family, Local Authorities and Co-operative Societies at the rate of 10% where income exceeds Rs. 1 crore. Further, education cess @2% and Secondary and higher education cess@ 1% is applicable for all categories of Tax Payers. Note 2: Non Equity Oriented Fund will not attract securities transaction tax (STT). Note 3: In case if the Income is treated as Business Income, then the relevant Income Tax provisions would be applicable. **For further details on taxation please refer to the clause on Taxation in the SAI.**			
Investor services	Investors can enquire about NAVs, Unit Holdings, 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 – 500034. Tel: 040-23312454/40308000 or can also call us at our toll free number 1800 425 0090 (MTNL/BSNL) and non toll free number +91-040-23433150 for others and investors outside India. The Toll Free Number and the Non-Toll Free Number will be available between 9.00 am to 7.00 pm from Monday to Saturday.			

	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. 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. EAML 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 EAML 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 EAML officials. Investors can also address their queries/grievances to Mr. George Jose, Head – Investor Services at Edelweiss Mutual Fund, Edelweiss House, Off. C.S.T Road, Kalina, Mumbai - 400098 Contact Details: Tel. No. (022)40979900 Fax no. (022) 40979878 E-mail id: E-mail id: EMFHelp@edelweissfin.com

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.

$$\text{NAV} = \frac{\text{Market or Fair Value of the Scheme's Investments} + \text{Receivables} + \text{Accrued Income} + \text{Other Assets} - \text{Accrued Expenses} - \text{Payables} - \text{Other Liabilities}}{\text{Number of Units Outstanding}}$$

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 equal to or more than 5 i.e., if the NAV is 10.12345 it will be rounded off to 10.1235. NAVs of the Growth Option and Dividend Option will be different after the declaration of the first dividend.

IV. FEES AND EXPENSES

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

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, 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.

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 that the following expenses will be charged to the Scheme as permitted under Regulation 52 of SEBI Regulations. The expenses are estimated on a corpus size of Rs. 100 crores. For the actual current expenses being charged, the investor should refer to the website of the Mutual Fund www.edelweissfin.com.

Expense Head	**% of Daily Net Assets**
Investment Management and Advisory Fees	Upto 2.25%
Trustee fee	
Audit fees	
Custodian fees	
Registrar and Transfer Agents Fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and dividend redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 0.02% p.a.)	
Brokerage & transaction cost over and above 0.12 % and 0.05 % for cash and derivative market trades, respectively.	
Service tax on expenses other than investment and advisory fees	
Service tax on brokerage and transaction cost	
Other Expenses	
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)	**Upto 2.25%**
Additional expenses under regulation 52 (6A) (c)	Upto 0.20%
Additional expenses for gross new inflows from specified cities under Regulation 52 (6A) (b)	Upto 0.30%

These estimates have been made in good faith as per the information available to the AMC. 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. The figures in the table above are estimates and not actual. The AMC will charge the Scheme such actual expenses incurred, subject to the statutory limit prescribed in the Regulations.

Expenses under Regulation 52 (6):

The recurring expenses which will be charged to the Scheme (including the Investment Management and Advisory Fees) under Regulation 52(6) are as follows:

- On the first Rs. 100 crores of the daily net assets - 2.25%
- On the next Rs. 300 crores of the daily assets - 2.00%
- On the next Rs. 300 crores of the daily net assets – 1.75%
- On the balance of the assets - 1.50%

Additional Expenses under Regulation 52 (6A):

1. To improve the geographical reach of the Fund in smaller cities/towns as may be specified by SEBI from time to time, expenses not exceeding of 0.30 % p.a. of daily net assets, if the new inflows from such cities (i.e. beyond Top 15 cities*) are at least:
(i) 30 % of gross new inflows in the Scheme, or;
(ii) 15 % 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 (i) or (ii) 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.

2. Expenses not exceeding 0.20 % p.a. of daily net assets of the Scheme, towards different heads mentioned under Regulation 52(2) and Regulation 52(4) of SEBI Regulations .

3. Brokerage and transactions costs incurred for the purpose of execution of trades and are included in the cost of investments shall be charged to the Scheme in addition to the limits on total expenses prescribed under Regulation 52(6) and will not exceed 0.12% in case of cash market transactions and 0.05% in case of derivatives transactions.

As per SEBI Circular no. CIR/IMD/DF/24/2012 dated November 19, 2012, the brokerage and transaction cost incurred for the purpose of execution of trade may be capitalized to the extent of 0.12% for cash market transactions and 0.05% for derivatives transactions. Any payment towards brokerage and transaction cost, over and above the said 0.12% for cash market transactions and 0.05% in case of derivatives transactions may be charged to the scheme within the maximum limit of TER as prescribed under Regulation 52 (6) of the SEBI (MF) Regulations. Any expenditure in excess of the said prescribed limit shall be borne by the AMC/Trustees.

Service Tax:

In addition to the expenses under Regulation 52 (6) and (6A), AMC shall charge service tax as below:

1. Service tax on investment and advisory fees will be charged to the Scheme in addition to the maximum limit of TER as prescribed in Regulation 52 (6).
2. Service tax on other than investment and advisory fees, if any, will be borne by the Scheme within the maximum limit of TER as prescribed in Regulation 52 (6).
3. Service tax on brokerage and transaction cost paid for execution of trade, if any, shall be within the limit prescribed under Regulation 52.
4. Service tax on exit load, if any, shall be paid out of the exit load proceeds and exit load net of service tax, if any, shall be credited to the Scheme

Notes:

a. The Direct Plan and Options thereunder shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under Direct Plan of the Scheme.
b. Fungibility of Maximum Permissible expense: The maximum Total Expense Ratio (TER) that can be charged to the Scheme will be subject to such limits as prescribed under the SEBI (MF) Regulations. The said maximum TER shall either be apportioned under various expense heads as enumerated in the table above, without any sub limit or allocated to any of the said expense head(s) at the discretion of AMC. Also, the types of expenses charged shall be as per the SEBI (MF) Regulations
c. Investor Education and Awareness initiatives: As per Para F of the SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012, the AMC shall annually set apart at least 2 basis points p.a. (i.e. 0.02% p.a.) on daily net assets of the Scheme within the limits of total expenses prescribed under Regulation 52 of SEBI (MF) Regulations for investor education and awareness initiatives undertaken by the Fund

The AMC may incur expenses on behalf of the Scheme which will be reimbursed on actual basis to the AMC to the extent such expenses are permissible & are within the prescribed SEBI limit. Subject to the SEBI Regulations and this Document, expenses over and above the prescribed ceiling will be borne by the AMC / Trustee.

The current expense ratios will be updated on the AMC's website viz. www.edelweissmf.com within two working days mentioning the effective date of the change.

C. TRANSACTION CHARGES

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. The distributors have an option either to opt in or opt out of levying transaction charge based on type of the product. 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.

D. LOAD STRUCTURE

Std.Obv. 16

Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer the website of the AMC (www.edelweissmf.com) or call at toll free number 1800 425 0090 (MTNL/BSNL) and non toll free number 040-23433150 for others and investors outside India. Investors outside India can also contact their distributors.

APPLICABLE LOAD STRUCTURE: 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:

*Entry Load : NIL

**Exit Load: Since the Scheme will be listed on the Stock Exchange, no exit load will be charged.

***** Pursuant to SEBI Circular no. SEBI/IMD/CIR No. 4/ 168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor.

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.

**The Scheme being a closed-ended, Units under the Scheme cannot be redeemed directly with the Mutual Fund until the Maturity Date. Investors holding Units in demat mode and wishing to exit may do so through the Stock Exchanges where the Scheme is listed.

Bonus units and units issued on reinvestment of dividends shall not be subject to entry and exit load.

The AMC / Trustee Company reserve the right to revise the load structure from time to time. Such changes will become effective prospectively from the date such changes are incorporated.

Investors may note that the Trustee has the right to modify the existing load structure, subject to a maximum as prescribed under the SEBI (MF) Regulations.

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, in consultation with the Trusteeship Company, 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, the 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, 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, acknowledgement slips, 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 Memorandum already in stock.

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.Obv. 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. :
U.S. Securities Exchange Commission (SEC) on November 27, 2012 passed an order in the matter of Edelweiss Financial Services Ltd (EFSL) instituting administrative proceedings pursuant to Section 15(b) of the Securities Exchange Act of 1934, and imposing remedial sanctions and a Censure. EFSL had without admitting or denying the findings therein consented to the entry of this order and based on the advice of SEC, EFSL paid disgorgement amount to the United States Treasury. The proceedings arose out of EFSL and some of its subsidiaries soliciting and providing brokerage services to U.S. institutional investors without registering as a broker-dealer and for acting as a Book Running Lead Manager /Co lead manager in the private placement / initial public offering / further public offering of securities of Indian issuers.

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") (formerly Edelweiss Capital Limited), 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 February 26, 2014.
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.Obv. 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: _________