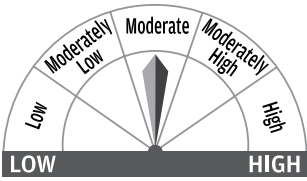


Edelweiss Banking and PSU Debt Fund

An open ended debt scheme predominantly investing in Debt Instruments of Banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds.

Key Information Memorandum (KIM) and Application Form

Continuous offer of Units of ₹ 10 per Unit at Net Asset Value (NAV) based prices, subject to applicable loads thereafter.

| This product is suitable for investors who are seeking*: | Riskometer |
|--|--|
| <ul style="list-style-type: none"> Income over short to medium term. Investment in Debt Securities and Money Market Instruments issued by Banks, PSUs and PFIs |  |
| * Investors should consult their financial advisers if in doubt about whether the product is suitable for them. | Investors understand that their principal will be at Moderate risk |

INVESTORS SHOULD NOTE THAT:

This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. For further details of the Scheme/Mutual, due diligence certificate by the AMC, Key Personnel, investors' rights & services, risk factors, penalties & pending litigations etc. investors should, before investment, refer to the Scheme Information Document and Statement or Additional Information available free of cost at any of the Investor Service Centers or distributors or from the website www.edelweissmf.com

The Scheme particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations 1996, as amended till date, and filed with Securities and Exchange Board of India (SEBI). The units being offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this KIM

This KIM is dated March 28, 2018.

NAME OF MUTUAL FUND

Edelweiss Mutual Fund
 801, 802 & 803, 8th Floor, Windsor,
 Off C.S.T. Road, Kalina,
 Santacruz (E), Mumbai 400 098
www.edelweissmf.com

TRUSTEE:

Edelweiss Trusteeship Company Limited
 (CIN: U67100MH2007PLC173779)
Registered Office: Edelweiss House,
 Off. C.S.T Road, Kalina, Mumbai 400 098
Corporate Office: 801, 802 & 803,
 8th Floor, Windsor, Off C.S.T. Road,
 Kalina, Santacruz (E), Mumbai 400098

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
 (CIN: U65991MH2007PLC173409)
Registered Office: Edelweiss House,
 Off. C.S.T Road, Kalina, Mumbai 400098
Corporate Office: 801, 802 & 803,
 8th Floor, Windsor, Off C.S.T. Road,
 Kalina, Santacruz (E), Mumbai 400098
www.edelweissmf.com

REGISTRAR:

Karvy Computershare Private Limited
 Unit - Edelweiss Mutual Fund
 Karvy Selenium Tower B, Plot No 31 & 32,
 Gachibowli, Financial District,
 Nanakramguda, Serilingampally,
 Hyderabad - 500 008,
 Tel: 040-67161500



TOLL FREE
1800 425 0090



NON TOLL FREE
+91-40-23001181



SMS
IQ to 5757590



WEBSITE
www.edelweissmf.com



EMAIL: INVESTORS
EMFHelp@edelweissfin.com



FOLLOW US:
@EdelweissAMC

Edelweiss Banking and PSU Debt Fund

Investment Objective

The investment objective of the Scheme is to generate returns commensurate with risks of investing in a portfolio of Debt Securities and Money Market Instruments issued by Banks, Public Sector Undertakings, Public Financial Institutions, entities majorly owned by Central and State Governments and Municipal Bonds.

However, there can be no assurance that the investment objective of the scheme will be realized.

Asset Allocation

Under normal circumstances, it is anticipated that the asset allocation shall be as follows:

| Asset Class Allocation | Indicative Allocations (% of Total Assets) | Risk Profile |
|---|--|---------------|
| Debt Securities and Money Market Instruments issued by Banks, Public Sector Undertakings, Public Financial Institutions, entities majorly owned by Central and State Governments and Municipal Bonds. | 80% - 100% | Low to Medium |
| Debt Securities and Money Market Instruments including Treasury Bills, CBLO, Central and State Governments Securities, Units of Debt & Liquid Mutual Fund. | 0% - 20% | Low |

Debt securities include government securities (G-Sec), debt issued by states (SDL & UDAY) & municipal corporations, debt issued by PSU, PFI, entities majorly owned by Central and State Governments and private entities, securitized debt, interest rate derivatives and other permissible debt securities.

Money market instruments include Commercial Papers, Commercial Bills, Treasury Bills, Collateralized Borrowing & Lending Obligations (CBLO), government securities having unexpired maturity up to one year, Call or Notice Money, Certificate of Deposits, Usance Bills, Repo (with approved government & Corporate Debt Securities as collateral), and any other like securities as specified by the RBI from time to time.

Further,

- Securitized debt will be up to 50% of net assets at the time of investment. The scheme shall not invest in foreign securitized debt.
- The Scheme can invest up to 50% of its net assets in foreign debt securities.
- The Scheme shall not engage in stock lending.
- The Scheme may take exposure into fixed income derivatives up to 50% for hedging and portfolio rebalancing purpose.
- The cumulative gross exposure through debt, derivative positions will not exceed 100% of the net assets of the Scheme. Cash, cash equivalent with residual maturity up to 91 days will be treated as not creating any exposure.
- Pending deployment of funds of the Scheme in securities in accordance with the terms of the investment objective, the AMC may place the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular SEBI/IMD/CIR No. 1/91171/07 dated April 16, 2007, SEBI/IMD/CIR No 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated April 16, 2007, October 26, 2007 and June 23, 2008, respectively and any other applicable guidelines.

Subject to the SEBI Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can 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 defensive considerations. In the event of deviations, rebalancing will be carried out within 30 (thirty) days from the date of the said deviation.

In case the rebalancing is not done within the specified period, justification for the same shall be provided to the Investment Committee and the reason for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action.

Risk Profile of the Scheme

Mutual Fund Units involve investment risks including the possible loss of principal. Please read the SID carefully for details on risk factors before investment. Scheme specific risk factors are summarized below.

As per SEBI circular no. SEBI/IMD/CIR No. 10/22701/03 dated 12 December 2003, and SEBI/IMD/CIR No. 1/42529/05 dated 14 June 2005 Scheme shall have a minimum of 20 (twenty) investors and no single investor shall account for more than 25% of the corpus of Scheme. However, if such requirement is not satisfied during the NFO of a Scheme, the Mutual Fund will endeavour to ensure that within a period of 3 (three) months from the start of an NFO, or by the end of the succeeding calendar quarter from the close of the NFO of a Scheme, whichever is earlier, the Scheme complies with these two conditions. In case a Scheme does not have a minimum of 20 (twenty) investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme shall be wound up and the Units would be redeemed at Applicable Net Asset Value ("NAV"). The two conditions mentioned above shall also be complied with within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI.

If there is a breach of the 25% limit by any investor over the calendar quarter, a rebalancing period of 1 (one) month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 (fifteen) days notice to redeem his exposure over the 25% limit. Failure on the part of the said investor to redeem his exposure over the 25% limit within the aforesaid 15 (fifteen) days would lead to automatic Redemption by the Mutual Fund at the Applicable NAV on the 15th day of the notice period without any Exit Load. The Mutual Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

RISK FACTORS

1) 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 a Scheme invests fluctuates, the value of a Unit Holder's investment in the Scheme may go up or down.
- Past performance of the Sponsor / AMC / Mutual Fund does not guarantee future performance of a Scheme.
- The name of the Scheme does not in any manner indicate either the quality of the Scheme or its future prospects and returns.
- The Sponsor is not responsible or liable for any loss resulting from the operations of a Scheme beyond the initial contribution of ₹ 1,00,000/- (One Lakh Rupees) made by it towards setting up the Mutual Fund.
- The present Scheme is not guaranteed or assured return scheme.
- Mutual funds, like Securities investments, are subject to market and other risks and there can be no guarantee against loss resulting from an investment in a Scheme nor can there be any assurance that a Scheme's objectives will be achieved or income will be generated.
- As with any investment in Securities, the NAV of the Units can go up or down depending on various factors and forces affecting the securities markets such as price and volume volatility, interest rates, currency exchange rates, changes in law / policies of the government, taxation laws and political, economic or other developments which may have an adverse bearing on individual Securities, a specific sector or all sectors.

2) Scheme Specific Risk Factors

a) Risks associated with investing in money market instruments

- Investments in money market instruments would involve a moderate credit risk i.e. risk of an issuer's inability to meet the interest and principal payments.
- Money market instruments may also be subject to price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of creditworthiness of the issuer of such instruments.
- Money market Securities, while fairly liquid, lacks a well-developed secondary market, which may restrict the selling ability of the Scheme and may lead to the Scheme incurring losses till the Security is finally sold.
- The NAV of the Units, to the extent that the corpus of the Scheme is invested in money market instruments, will be affected by the changes in the level of interest rates. When interest rates in the market rise, the value of a portfolio of money market instruments can be expected to decline.

b) Risks associated with investing in Bonds

Investing in Debt Securities:

- The NAV of the Scheme, to the extent invested in Debt Securities, will be affected by changes in the general level of interest rates. When interest rates decline, the value of a portfolio of Debt Securities and therefore the NAV of the Scheme can be expected to rise. Conversely, when interest rates rise, the value of a portfolio of Debt Securities and therefore the NAV of the Scheme can be expected to decline. The extent of fall or rise in the prices is a function of the coupon rate, days to maturity and the increase or decrease in the level of interest rates. The Fund Manager may review the above pattern of investments based on views on interest rates and asset liability management needs.
- Debt Securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the investment by the Scheme and may lead to the Scheme incurring losses until the security is sold.
- The AMC may, considering the overall level of risk of the portfolio, invest in lower rated Debt Securities offering higher yields.
- The liquidity of investments made by the Scheme may be restricted by trading volumes and settlement periods. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. In certain circumstances outlined in [Restrictions on Redemptions] There may be temporary periods when the monies of the Scheme are un-invested and no return is earned thereon. The inability of the Scheme to make intended Securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. By the same token, the inability to sell Debt Securities held in the Scheme's portfolio due to the absence of a well developed and liquid secondary market for Debt Securities could result, at times, in potential losses to the Scheme, should there be a subsequent decline in the value of the Debt Securities held in the Scheme's portfolio.
- The liquidity and valuation of the Scheme's investments due to its holdings of unlisted Debt Securities may be affected if they have to be sold prior to their target date of divestment.
- Debt Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to Debt Securities that are listed on the exchanges or offer other exit options to the investor, including a put option. Within the regulatory limits, the AMC may choose to invest in unlisted Debt Securities that offer attractive yields. This may however increase the risk of the portfolio.
- While Debt Securities that are listed on a stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. Money market Securities, while fairly liquid, lacks a well-developed secondary market, which may restrict the selling ability of a Scheme and may lead to the Scheme incurring losses till the Security is finally sold.
- Debt Securities, as well as money market securities, are subject to the risk of an issuer's inability to meet interest and principal payments on its debt obligations (credit risk). Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. the issuer will be unable to make timely principal and interest payments on the security). Because of this risk debentures are sold at a yield spread above those offered on treasury securities, which are sovereign obligations and generally considered to carry less credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default. These securities may also be subject to price volatility due to factors such as, amongst others, changes in interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer (market risk). The liquidity risk refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market. The AMC will endeavour to manage credit risk through in-house credit analysis. The Scheme may also, but are not obliged to, use various hedging products from time to time, as are available and permitted by SEBI, to attempt to reduce the impact of undue market volatility on the Scheme's portfolio. There is no guarantee that hedging techniques will achieve the desired result.
- The investments made by the Scheme are subject to reinvestment risk. This risk refers to the interest rate levels at which cash flows received from the Debt Securities in the Scheme are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed. The risk refers to the fall in the rate for reinvestment of interim cash flows.
- To the extent the Scheme's investments are in floating rate debt instruments or fixed debt instruments swapped for floating rate return, they will be affected by interest rate movement (basis risk) - coupon rates on floating rate securities are reset periodically in line with the benchmark index movement. Normally, the interest rate risk inherent in a floating rate instrument is limited compared to a fixed rate instrument. Changes in the prevailing level of interest rates will likely affect the value of the Scheme's holdings until the next reset date and thus the value of the Units of such Scheme. The value of Debt Securities held by the Scheme generally will vary inversely with changes in prevailing interest rates. The Scheme could be exposed to interest rate risk:
 - (i) due to the time gap in the resetting of the benchmark rates, and
 - (ii) to the extent the benchmark index fails to capture interest rate changes appropriately (spread risk): though the basis (i.e. benchmark) gets readjusted on a regular basis, the spread (i.e. markup) over benchmark remains constant. This can result in some volatility to the holding period return of floating rate instruments.
- **Settlement Risk (counterparty risk):** Specific floating rate assets may also be created by swapping a fixed return into a floating rate return. In such a swap, there is the risk that the counterparty (who will pay the floating rate return and receive the fixed rate return) may default;
- **Liquidity Risk:** The market for floating rate Securities is still in its evolutionary stage and therefore may render the market illiquid from time to time, in relation to such Securities that the Scheme is invested in.
- **Prepayment Risk:** The borrowers / issuer of security may prepay the receivables prior to their respective due dates. This may result in change in the yield and tenor for the Scheme.

- Different types of Securities in which the Scheme may invest as described in this SID carry different levels and types of risk. Accordingly, the Scheme's risk may increase or decrease depending upon its investment pattern. E.g. corporate bonds carry a higher amount of risk than Government of India ("GoI") Securities. Further even among corporate bonds, bonds which are rated AAA are comparatively less risky than bonds which are AA rated.

c) Risks Associated with Derivatives

- The Scheme may use derivatives in connection with its investment strategies. 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 abilities of the Fund Managers to identify such opportunities. Identification and execution of the strategies to be pursued by the Fund Managers uncertainty and decision of the Fund Managers may not always be profitable. No assurance can be given that the Fund Managers 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. Derivatives may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments and could result in the losses that significantly exceed the Scheme's original investment. Certain derivatives may give rise to a form of leverage. Due to the low margin deposits normally required in trading financial derivative instruments, an extremely high degree of leverage is typical for trading in financial derivative instruments. As a result, the Scheme may be more volatile than if the Scheme had not been leveraged because the leverage tends to exaggerate the effect of any increase or decrease in the value of the Scheme's portfolio. A relatively small price movement in a derivative contract may result in substantial losses to the investor.
- Derivatives are also subject to the risk that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index. The use of derivatives for hedging or risk management purposes or to increase income or gain may not be successful, resulting in losses to the Scheme and the cost of such strategies may reduce the Scheme's returns and increase the Scheme's potential for loss.
- The Scheme may invest in derivative products in accordance with and to the extent permitted under the SEBI Regulations. The use of derivatives requires an understanding of the underlying instruments and the derivatives themselves. The risk of investments in derivatives includes mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- Trading in derivatives carries a high degree of risk although they are traded at a relatively small amount of margin which provides the possibility of great profit or loss in comparison with the principal investment amount.
- The Scheme may find it difficult or impossible to execute derivative transactions in certain circumstances. For example, when there are insufficient bids or suspension of trading due to price limits or circuit breakers / filters, the Scheme may face a liquidity issue.
- The option buyer's risk is limited to the premium paid, while the risk of an option writer is unlimited. However, the gains of an option writer are limited to the premiums earned. All option positions will have underlying assets in case of the Scheme, all losses due to price-movement beyond the strike price will actually be an opportunity loss.
- The relevant stock exchange may impose restrictions on exercise of options and may also restrict the exercise of options at certain times in specified circumstances.
- The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price.
- Investments in index futures face the same risk as investments in a portfolio of shares or Securities representing an index. The extent of loss is the same as in the underlying shares or Securities.
- The Scheme bears a risk that the Fund Managers may not be able to correctly forecast future market trends or the value of assets, indexes or other financial or economic factors in establishing derivative positions for the Scheme.
- The risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and the potential high volatility of the futures markets.
- As and when the Scheme trades in derivative products, there are risk factors and issues concerning the use of derivatives that investors should understand. Derivatives require the maintenance of adequate controls to monitor such transactions and the embedded market risks that a derivative adds to the portfolio.
- Besides the price of the underlying asset, the volatility, tenor and interest rates affect the pricing of derivatives. Other risks in using derivatives include but are not limited to:
 - (a) **Credit Risk:** This occurs when a counter party defaults on a transaction before settlement and therefore, the Scheme is compelled to negotiate with another counter party at the then prevailing (possibly unfavorable) market price, in order to maintain the validity of the hedge.
 - (b) **Market Liquidity Risk:** This is where the derivatives cannot be sold at prices that reflect the underlying assets, rates and indices.
 - (c) **Model Risk:** This is the risk of mis-pricing or improper valuation of derivatives.
 - (d) **Basis Risk:** This is when the instrument used as a hedge does not match the movement in the instrument / underlying asset being hedged. The risks may be inter-related also; for e.g. interest rate movements can affect equity prices, which could influence specific issuer / industry assets.

d) Risks associated with investing in GoI Securities

• Market Liquidity Risk with fixed rate GoI Securities

Even though the GoI Securities market is more liquid compared to other debt instruments, on certain occasions, there could be difficulties in transacting in the market due to extreme volatility leading to constriction in market volumes. Also, the liquidity of the Scheme(s) may suffer in case the relevant guidelines issued by RBI undergo any adverse changes.

• Interest Rate Risk associated with GoI Securities

While GoI Securities carry minimal credit risk since they are issued by the Government of India, they do carry price risk depending upon the general level of interest rates prevailing from time to time. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates decline, the prices of fixed income securities increase. The extent of fall or rise in the prices is a function of the coupon rate, days to maturity and the increase or decrease in the level of interest rates. The price-risk is not unique to GoI Securities. It exists for all fixed income securities. Therefore, their prices tend to be influenced more by movement in interest rates in the financial system than by changes in the Government's Credit Rating. By contrast, in the case of corporate or institutional fixed income securities, such as bonds or debentures, prices are influenced by their respective credit standing as well as the general level of interest rates.

• Risks associated with floating rate GoI Securities

Floating rate securities issued by the Government of India (coupon linked to Treasury bill benchmark or an inflation linked bond) have the least sensitivity to interest rate movements compared to other securities. Some of these securities are already in issue. These securities can play an important role in minimizing interest rate risk in a portfolio.

- e) **Risk Associated with Securitized Debt:** Securitized debt may suffer credit losses in the event of the delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. As compared to the normal corporate or sovereign debt, securitized debt is normally exposed to a higher level of reinvestment risk. For further details please refer SAI.

Investment in Securitized Debt:

A securitization transaction involves true sale of cash generating assets & receivables by the originator (a bank, non-banking finance company, housing finance company, or a manufacturing/service company) to a Special Purpose Vehicle (SPV), typically set up in the form of a trust. Investors are issued rated Pass Through Certificates (PTCs), the proceeds of which are paid as consideration to the originator. In this manner, the originator, by transferring his cash generating asset(s) to an SPV, receives consideration from investors upfront. Investors get paid from the periodic distribution of cash generated by the underlying asset(s). Typically, the transaction is provided with some sort of credit enhancement (as stipulated by the rating agency for a target rating). This mechanism attempts to protect investors against potential delay in cash flows from assets as well as potential defaults by tranching risks by structuring cash flows in different forms.

Generally available asset classes for securitization in India are:

- Commercial vehicles
- Auto and two wheeler pools
- Mortgage pools (residential housing loans)
- Personal loans
- Corporate loans/receivables
- Commercial Mortgage-backed securities

Investment / Risk Mitigation Strategy:

1. Risk profile of securitized debt vis-à-vis risk appetite of the Scheme(s) :

The risk profile of securitized debt is generally slightly better than the risk profile of other debt securities at the same level of credit rating due to presence of credit-enhancing mechanism. Moreover, PTCs generally offer additional income (spread) over a debt security of similar rating and maturity, which enables the scheme to optimize its income without taking any additional credit risk. Securitised debt is generally less liquid, however, investment in securitized debt is made to maintain a diversified portfolio of debt securities that optimizes return without increasing the overall risk profile of the Scheme(s).

2. Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitised debt, etc:

The originator is an entity (like banks, non-banking finance companies, corporates etc), which has initially provided the loan & is also generally responsible for servicing the loans. The schemes will invest in securitised debt of originators with at least investment grade credit rating and established track record. A detailed evaluation of originator is done before the investment is made in securitised debt of any originator on various parameters given below:

Track record:

The investment in securitised debt is done based on the evaluation of the origination & underwriting process and capabilities of the originator, overview of corporate structure, group to which they belong, experience of the company in the business & longevity, processes, financial condition of the company, credit rating, past performance of similar pools by the originator, etc.

Willingness to pay through credit enhancement facilities etc:

Credit enhancement is provided by the originator, as indicated by rating agencies, so as to adequately cover delinquencies and defaults and acts as a risk mitigation measure. The size of the credit enhancement as indicated by rating agency depends on the originator's track record, past delinquencies, pattern of the portfolio & characteristics of the pool vis-a-vis of the portfolio, nature of the asset class.

Ability to pay:

The quality of the origination impacts the performance of the underlying asset & thus originators with strong systems and processes in place can eliminate poor quality assets. A robust risk management system of the originator and availability of MIS reports on timely basis, results in creation of strong asset portfolio.

Business Risk Assessment:

The business risk assessment of originator / underlying borrower also includes assessment wherein following factors are also considered:

- Outlook for the economy (domestic and global)
- Outlook for the industry
- Company specific factors

In addition, a detailed review and assessment of rating rationale is done along with interactions with the company as well as the rating agency. All investment in securitised debt is done after taking into account, the Critical Evaluation Parameters (for pool loan and single loan securitisation transactions) regarding the originator / underlying issuer as mentioned below:

- Default track record/ frequent alteration of redemption conditions / covenants
- High leverage ratios of the ultimate borrower (for singlesell downs) - both on a standalone basis as well on a consolidated level/ group level
- Higher proportion of reschedulement of underlying assets of the pool or loan, as the case may be
- Higher proportion of overdue assets of the pool or the underlying loan, as the case may be
- Poor reputation in market
- Insufficient track record of servicing of the pool or the loan, as the case may be.

3. Risk mitigation strategies for investments with each kind of originator:

Investments are based on assessment of following parameters, so as to mitigate risk associated with such investment:

- a. Credit quality, size and reach of the originator
- b. Nature of receivables/asset category i.e. cars, construction equipment, commercial vehicles, personal loans etc.
- c. Collection process, infrastructure and follow-up mechanism
- d. Quality of MIS
- e. Credit cum liquidity enhancement
- f. Credit appraisal norms of originator
- g. Asset Quality - portfolio delinquency levels
- h. Past performance of rated pools
- i. Pool Characteristics - seasoning, Loan-to-value ratios, geographic diversity etc.

4. The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments:

Diversification of underlying assets is achieved through a) prudent mix of asset categories - i.e. cars (new, used), commercial vehicles, construction equipment, unsecured loans to individuals or small & medium enterprises b) total number of contracts in a pool c) average ticket size of loans and d) geographical distribution.

Risk mitigation measures for less diversified investments in pools is accomplished through the size of credit enhancement, seasoning or loan to value ratios.

Illustrative framework, which will be applied while evaluating investment decision relating to a pool securitisation transaction:

| Characteristics | Mortgage Loan | Commercial Vehicle and Construction Equipment | Car | 2 wheelers | Micro Finance Pools | Personal Loans | Single Sell Downs | Others |
|---|---------------|---|------------------|-----------------|---------------------|----------------|-------------------|--------------|
| Approximate Average maturity (in Months) | NA | 12-60 months | 12-60 months | 8-40 months | NA | NA | Refer Note A | Refer Note B |
| Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche) | NA | 5% - 20% | 4- 15% | 4- 15% | NA | NA | | |
| Average Loan to Value Ratio | NA | 80-95% | 70-90% | 70-95% | NA | NA | | |
| Average seasoning of the Pool | NA | 3-8 months | 3-8 months | 2-5 months | NA | NA | | |
| Maximum single exposure range | NA | 3-7% | NA (Retail pool) | NA Retail Pool) | NA | NA | | |
| Average single exposure range % | NA | 1-5% | 0-1% | 0-1% | NA | NA | | |

NA - Not Applicable Information in the table above is based on current scenario and is subject to change depending upon the change in related factors.

Notes:

- A. In case of securitised debt with underlying being single loan, the investment limit applicable to the underlying borrower is considered.
- B. Other investment will be decided on a case to case basis. In case of asset backed pools (ABS), evaluation of the pool assets is done considering the following factors: (Refer the table above which illustrates the averages of parameters considered while selecting the pool)
 - Size of the loan
 - Average original maturity of the pool
 - Loan to Value Ratio
 - Average seasoning of the pool
 - Default rate distribution
 - Geographical Distribution
 - Credit enhancement facility
 - Liquid facility
 - Structure of the pool

5. Minimum retention period of the debt by originator prior to securitisation

The illustrative average seasoning of the debt by originator prior to securitisation is given above in table (Refer Point 4). Minimum retention period of the debt by originator prior to securitisation in the case of asset pools is in the form of seasoning of loans to various asset classes (cars, commercial vehicles, etc.) and generally varies from one month to six months depending on the nature of asset.

6. Minimum retention percentage by originator of debts to be securitised

While minimum retention percentage by originator is not prescribed, any amount retained by the originator through subordination is viewed positively at the time of making investment and generally varies from 5% to 10%.

7. The mechanism to tackle conflict of interest when the mutual fund invests in securitised debt of an originator and the originator in turn makes investments in that particular scheme of the fund

All proposals for investment in securitised debt are evaluated by the credit analyst based on several parameters such as nature of underlying asset category, pool characteristics, asset quality, credit rating of the securitisation transaction, and credit cum liquidity enhancement available. Investment in securitised debt in any scheme is made by the respective fund manager in line with the investment objective of that scheme.

8. The resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitised debt (in general)

Investment in securitised debt is monitored regularly with regards to its performance on various parameters such as collection efficiency, delinquencies, prepayments and utilization of credit enhancement. Information on these parameters is available through monthly reports from Pool Trustees and through information disseminated by the rating agencies. Monthly performance report is released by the credit analyst to the fund management team and the fund management team periodically reviews the same

f) 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.

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

h) Any other domestic equity and equity related instruments / 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 clause 1 and 1A, of Schedule VII to SEBI (Mutual Funds) Regulations, 1996.

i) Risk factors associated with investment in ADRs/GDRs and Foreign Securities:

Subject to necessary regulatory approvals and within the investment objectives of the Scheme, the Scheme may invest in overseas markets which carry risks related to fluctuations in the foreign exchange rates, the nature of the securities market of the country, repatriation of capital due to exchange controls and political circumstances. It is AMC's belief that investment in foreign securities offer new investment and portfolio diversification opportunities into multi-market and multicurrency products. However, such investments also entail additional risks. Such investment opportunities may be pursued by AMC provided they are considered appropriate in terms of the overall investment objectives of the Scheme. Since the Scheme may invest only partially in foreign securities, there may not be readily available and widely accepted benchmarks to measure performance of the Scheme.

Similar to domestic debt securities, investment in overseas debt instruments is subject to Market Risk, Credit Risk, Interest Rate risk and liquidity risk. In addition to those, investments in foreign debt securities may carry the following risk factors:

- To the extent that the assets of the Scheme will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in the value of certain foreign currencies relative to the Indian Rupee.
- Nature of the securities market of the country
- Uncertain political circumstances in the country in which the Scheme has foreign securities exposure leading to repatriation of capital and exchange controls

To manage risks associated with foreign currency and interest rate exposure, the Fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by the Regulations/RBI. Depending on the fund manager's view and the investment strategy undertaken, the Scheme may decide to cover the currency risk fully or partly or may even let it remain uncovered.

Currency Risk is a form of risk that arises from the change in price of one currency against another. The exchange risk associated with a foreign denominated instrument is a key element in foreign investment. This risk flows from differential monetary policy and growth in real productivity, which results in differential inflation rates. The risk arises because currencies may move in relation to each other.

RISK MITIGATION FACTORS

| Risk and Description specific to Debt securities | Risk Mitigants / Management Strategy |
|--|---|
| Market Risk | In a rising interest rates scenario the Fund Managers will endeavour to increase its investment in money market securities whereas if the interest rates are expected to fall the allocation to debt securities with longer maturity will be increased thereby mitigating risk to that extent. |
| Liquidity or Marketability Risk | Although the domestic debt markets are maturing rapidly with liquidity emerging in various debt segments through the introduction of new instruments and investors, Fund Managers will endeavour to allocate the assets of the Scheme between various money market and fixed income Securities with the objective of achieving optimal returns while maintaining liquidity. The actual percentage of investment in various money market and other fixed income Securities will be decided after considering the economic environment including interest rates and inflation, the performance of the corporate sector and general liquidity and other considerations in the economy and markets. |
| Credit Risk | With reference to the separate due diligence of the counter parties, in addition to the credit rating, the AMC takes into consideration the following parameters while investing: <ol style="list-style-type: none"> (i) The exposure to a counter party is based on the net worth of the counterparty. The Fund Managers would do a risk assessment of the issuer before making the investments. Further, continuous monitoring of the net worth of the issuer is done. The risk assessment by the Fund Managers includes the monitoring of the following: <ol style="list-style-type: none"> I. Capital Structure II. Debt Service coverage ratio III. Interest coverage IV. Profitability margin V. Current ratio (ii) The Fund Managers determine the sector to which the counter party relates. The Fund Managers assign risk weighing to sectors and shall not invest in sectors which carry a high credit risk. The risk weighing are based upon various factors like the nature of products / services of the sector, current state and future outlook for the sector, subsidies provided to the sector and government regulations for the sector. (iii) The Fund Managers shall also check the track record of the company in terms of its financials and default history to its creditors. (iv) The Fund Managers shall consider the track record of the sponsor / parent of the counterparty. It includes the financials of the sponsor / parent company and whether the parent / sponsor has defaulted in the past. (v) The Fund Managers can also have a call with the Management of the issuer as a part of its research of the issuer. (vi) The Fund Managers will also check for Credit Default Swaps spreads of the issuer in global market, if any available. |

Restrictions on Redemptions

After obtaining board approval the Trustee and the AMC may restrict redemptions in the Scheme when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:

- (a) Liquidity issues - when the market at large becomes illiquid affecting almost all securities rather than any issuer specific security.
- (b) Market failures, exchange closures - when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies.
- (c) Operational issues - when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (eg a black out).

In the event redemptions are restricted, such restriction may be imposed for a specific period of time not exceeding 10 working days in any 90 day period and the restriction on redemption shall not apply to redemption requests up to 2 lakh. Where redemption requests are above 2 lakh, the AMC shall redeem the first 2 lakh without such restriction and remaining part over and above 2 lakh shall be subject to such restriction.

As per SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2016/57 dated May 31, 2016 such restriction on redemption will be applicable to the Scheme with effect from July 1, 2016

In view of the above and as per investment objective, investment in the Scheme should be regarded as long term in nature. The Scheme is, therefore, only suitable for investors who can afford the risks involved.

Scheme Plans and Options

In terms of SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012, direct investments by investors, viz. where the investment is not routed through distributors but made directly by the investors, are required to have a separate plan (i.e. Direct Plan) and a separate NAV. Expenses such as distribution expenses, brokerage or commission payable to distributors will not be charged to the investment made via direct investment and hence the Direct Plan will have a lower expense ratio.

Based on the above, the Scheme offers a choice of two plans:

1. Direct Plan; and
2. Regular Plan

The Investment Portfolio shall be common for both the Plans.

Options Offered

Each Plan under the Scheme offers a choice of two options which are as follow:

- 1) Growth option
- 2) Dividend option

Under the Growth option no dividend will be declared.

Under the Dividend option, a dividend may be declared by the Trustee, at its discretion, from time to time (subject to the availability of distributable surplus as calculated in accordance with the SEBI Regulations).

The Dividend option offers:

- Payout option;
- Reinvestment option;
- Weekly reinvestment option;
- Fortnightly reinvestment option;
- Monthly reinvestment option; or
- Monthly payout option.

In case of weekly dividend reinvestment option, record date for the declaration of dividend shall be every Tuesday, in case of fortnightly dividend reinvestment option the record date shall be 14th and 28th of each month and in case of monthly dividend reinvestment or payout option, the record date shall be 25th of each month. In case the record dates fall on a non-Business Day, the subsequent Business Day shall be considered as the record date. There can be no assurance or guarantee to Unit Holders as to the rate of dividend distribution or that the dividends will be regularly declared, though it is the intention of the Mutual Fund to make regular dividend distribution under the Dividend option. Dividend distribution is subject to availability of distributable surplus.

The investors must clearly indicate the option (Growth or Dividend) in the relevant space provided for in the Application Form. In the absence of such instruction, it will be assumed that the investor has opted for the default option, which is the Growth option.

If the investor does not clearly specify at the time of investing, the choice of option under Dividend, it will be treated as a weekly dividend reinvestment option.

The Trustee may decide to distribute by way of dividend, the surplus by way of realised profit, dividends and interest, net of losses, expenses and taxes, if any, to Unit Holders in the Dividend option of the Scheme if such surplus is available and adequate for distribution in the opinion of the Trustee. The Trustee's decision with regard to availability and adequacy, rate, timing and frequency of distribution shall be final. The dividend will be due to only those Unit Holders whose names appear in the register of Unit Holders in the Dividend option of the Scheme on the record date which will be announced in advance in accordance with the SEBI Regulations.

If Unit holders have opted for Dividend Payout Option, if the dividend amount payable to such Unit holders (net of tax deducted at source, wherever applicable) is less than or equal to Rs 250, following treatment shall be applicable with effect from January 22, 2018:

- a) Where the option to payout dividend is available in electronic mode: The dividend amount shall be paid to the Unit holders. However, if the payment through electronic mode is unsuccessful, the AMC shall issue dividend warrant for such amount; and
- b) Where the option to payout dividend is not available in electronic mode: The dividend shall be mandatorily reinvested in the respective Scheme/Plan by issuing additional Units at the applicable ex-dividend NAV.

Applicable NAV

For Purchase:

- a. Where the application is received up to 3.00 pm on a Business Day with a local cheque or demand draft payable at par at the place where it is received, with amount less than ₹ 2 Lakhs (Two Lakh Rupees). - Closing NAV of the day of receipt of application;
- b. Where the application is received after 3.00 pm on a Business Day with a local cheque or demand draft payable at par at the place where it is received, with amount less than ₹ 2 Lakhs (Two Lakh Rupees). - Closing NAV of the next Business Day;
- c. Where the application is received with a local cheque or demand draft payable at par at the place where it is received, with amount equal to or more than ₹ 2 Lakhs (Two Lakh Rupees) irrespective of the time of receipt of application, the closing NAV of the day on which the funds are available for utilisation shall be applicable.

For applicability of NAV of the Scheme with an amount equal to or more than ₹ 2 Lakhs (Two Lakh Rupees) the following should be noted:

- a) For allotment of Units in respect of purchase in the Scheme, the following needs to be complied with:
 - i. Application is received before the applicable cut-off time.
 - ii. Funds for the entire amount of subscription / purchase as per the application are credited to the bank account of the Scheme before the cutoff time.
 - iii. The funds are available for utilization before the cut-off time without availing any credit facility whether intraday or otherwise, by the Scheme.
- b) For allotment of units in respect of switch-in to the Scheme from other schemes, the following needs to be complied with:
 - i. Application for switch-in is received before the applicable cut-off time.
 - ii. Funds for the entire amount of subscription / purchase as per the switch-in request are credited to the bank account of the Scheme before the cutoff time.
 - iii. The funds are available for utilization before the cut-off time without availing any credit facility whether intraday or otherwise, by the Scheme.

The above will be applicable only for cheques / demand drafts / payment instruments payable locally in the city in which a Designated Collection Centre is located. No outstation cheques will be accepted.

Note: For the avoidance of doubt, where applications are received for an amount of less than ₹ 2 Lakhs (Two Lakh Rupees) on a non-Business Day the closing NAV of the next Business Day shall be applicable.

For Redemption:

- a. Where the application is received up to 3.00 pm on a Business Day - Closing NAV of the day of receipt of application; and
- b. Where the application is received after 3.00 pm on a Business Day - Closing NAV of the next Business Day.

Note: In case of applications received on a Non-Business Day the closing NAV of the next Business Day shall be applicable.

Edelweiss Banking and PSU Debt Fund

For Switches:

Valid applications for 'Switch-out' shall be treated as applications for Redemption and valid applications for 'Switch-in' shall be treated as applications for Purchase, and the provisions of the cut-off time and the Applicable NAV mentioned above as applicable to purchase and redemption shall be applied respectively to the 'Switch-in' and 'Switch-out' applications.

Minimum Application / Redemption Amount of the Scheme

| | |
|--|---|
| Initial Application Amount | ₹ 5,000/- (Five Thousand Rupees) per application and in multiples of Re. 1/- (One Rupee) thereafter. |
| Initial Application Amount through SIP | 6 installments of ₹ 1000/- (One Thousand Rupees) each and in multiples of Re. 1/- (One Rupee) thereafter. |
| Additional Application Amount | ₹ 1,000/- (One Thousand Rupees) per application and in multiples of Re. 1/- (One Rupee) thereafter. |
| Amount / No. of Units for Redemption | ₹ 1,000/- (One Thousand Rupees) or 100 (One Hundred) Units or the account balance, whichever is lower. |

Despatch of Repurchase (Redemption) Request

The Mutual Fund will endeavour to despatch the Redemption proceeds within 3 (three) Business Days from the acceptance of the Redemption request, but not beyond 10 (ten) Business Days from the date of acceptance of the Redemption request.

Benchmark for performance comparison

CRISIL Short Term Bond Fund Index.

Dividend Policy

The Trustee may decide to distribute by way of dividend, the surplus by way of realized profit, dividends and interest, net of losses, expenses and taxes, if any, to Unit Holders in the dividend option of the Scheme if such surplus is available and adequate for distribution in the opinion of the Trustee. The Trustee's decision with regard to availability and adequacy, rate, timing and frequency of distribution shall be final. The dividend will be due to only those Unit Holders whose names appear in the register of Unit Holders in the Dividend option of the Scheme on the record date which will be announced in advance in accordance with the SEBI Regulations.

In the case of investors who have opted for the Dividend option: the AMC shall despatch to the relevant Unit Holders, the dividends within 30 (Thirty) days of the date of declaration of dividend. The dividend distribution procedure shall be in accordance with the SEBI Regulations.

Name of the Fund Manager(s) & Tenure of Managing the Fund

| Name of the Fund Manager | Tenure of managing the scheme |
|---------------------------------|-------------------------------|
| Fund Manager : Mr. Dhawal Dalal | Since November 28, 2016 |
| Fund Manager : Mr. Gautam Kaul | Since December 11, 2017 |

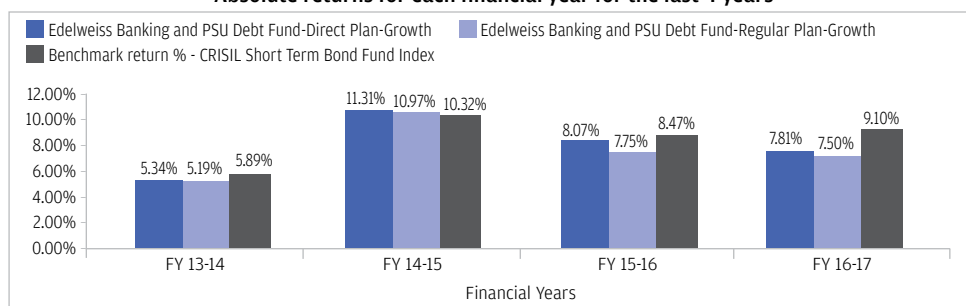
Name of the Trustee Company

Edelweiss Trusteeship Company Limited

Performance of the Scheme

| Edelweiss Banking and PSU Debt Fund | | Returns as on February 28, 2018 | | |
|-------------------------------------|--------------------------------|--|-------------------------------|--|
| Date | REGULAR PLAN - GROWTH OPTION : | | DIRECT PLAN - GROWTH OPTION : | |
| | Scheme Returns | CRISIL Short Term Bond Fund Index [#] | Scheme Returns | CRISIL Short Term Bond Fund Index [#] |
| ^Returns for the last 1 year | 5.61% | 5.67% | 5.91% | 5.67% |
| ^Returns for the last 3 years | 6.98% | 7.77% | 7.30% | 7.77% |
| ^Returns since inception | 8.18% | 8.68% | 8.49% | 8.68% |

Absolute returns for each financial year for the last 4 years



Allotment date: Regular Plan: 13 September, 2013 Direct Plan: 13 September, 2013

[#] Scheme Benchmark returns [^]CAGR Returns ^{**} Not Applicable

Note: Since inception returns have been calculated from the date of allotment.

Past performance may or may not be sustained in future.

Expenses of the Scheme

(i) Load Structure

1. Entry Load - Nil
2. Exit Load - Nil

A switch-out under Systematic Transfer Plan ("STP") or a withdrawal under Systematic Withdrawal Plan ("SWP") shall also attract an Exit Load like any Redemption.

There will be no Load for Units created as a result of dividend reinvestment and Units.

No Load shall be chargeable in case of switches made between different Scheme Options within the same Plan or for switches from Direct Plan to Regular Plan.

Exit Load (net of Goods and Service Tax) charged, if any, shall be credited to the Scheme.

For the most up to date information on Entry / Exit Loads, unit holders are advised to contact their ISCs or the AMC at its toll-free number (1800 425 0090) prior to any Application / Redemption.

Investors are requested to check the prevailing Load structure of the Scheme before investing. For details on Load, please refer to the SID.

Transaction charges in respect of applications routed through distributors

Applicable only for Regular Plan

In terms of SEBI circular no. i.e. CIR/IMD/DF/13/2011 & CIR/IMD/DF/21/2012 dated August 22, 2011 & September 13, 2012 respectively, as amended from time to time, transaction charge per Subscription of ₹ 10,000/- and above (Ten Thousand Rupees and above) shall be charged to the Investors and shall be payable to the distributors (who have not opted out of charging the transaction charge) in respect of the applications routed through the distributors relating to Purchases only (lump sum and SIP), subject to the following:

- **For Existing Investors:** ₹ 100/- (One Hundred Rupees) per Subscription of ₹ 10,000/- and above (Ten Thousand Rupees and above)
- **For New Investors:** ₹ 150/- (One Fifty Rupees) per Subscription of ₹ 10,000/- and above (Ten Thousand Rupees and above).
- Transaction charge for SIP shall be applicable only if the total commitment through SIP amounts to ₹ 10,000/- and above (Ten Thousand Rupees and above). In such cases the transaction charge would be recovered in maximum 4 (Four) installments.
- There shall be no transaction charge on Subscriptions below ₹ 10,000/- (Ten Thousand Rupees).
- There shall be no transaction charge on transactions other than Purchases/Subscriptions relating to new inflows.
- There shall be no transaction charge on direct investments.

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

The transaction charges as mentioned above for applications routed through distributors who have not opted out of the charging the transaction charge shall be deducted by the AMC from the Subscription amount of the unit holder and paid to the distributor; the balance amount shall be invested in the Scheme.

It is also clarified that as per SEBI circular no. SEBI/IMD/CIR No. 4/168230/09, dated June 30, 2009, upfront commission to distributors shall continue to be paid by the investor directly to the distributor by a separate cheque based on his assessment of various factors including the service rendered by the distributor.

Other expenses are as follows:

(ii) Annual Scheme Recurring Expenses

These are the fees and expenses for operating the Scheme. These expenses include an investment management and advisory fee charged by the AMC, the Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below:

The AMC has estimated that the following recurring expenses, as summarized below in the table will be charged to the Scheme as annual Scheme recurring expenses. 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 (per annum) |
|--|-----------------------------------|
| Investment Management & Advisory Fees | Upto 2.25% |
| Trustee Fees | |
| Audit Fees | |
| Custodian Fees | |
| Registrar & Transfer Agent Fees | |
| Marketing & Selling expense including 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 2 bps) | |
| Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp. | |
| Goods and Service Tax on expenses other than investment and advisory fees | |
| Goods and 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# | Upto 0.30% |

Note: Distribution expenses, commission, will not be charged in Direct Plan and no commission shall be paid from Direct Plan. At least 10% of the TER is charged towards distribution expenses / commission in the Regular Plan. The TER of the Direct Plan will be lower to the extent of the above mentioned distribution expenses / commission (at least 10%) which is charged in the Regular Plan.

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

Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment.

The AMC may charge investment management and advisory fees and other expenses upto 2.25% of the daily net assets. The AMC reserves the right to change the estimates, both inter se or in total, subject to prevailing SEBI Regulations.

^ The nature of expenses can be any permissible expenses including Investment Management & Advisory Fees.

The purpose of the above table is to assist in understanding the various costs and expenses that the Unit Holder in the Scheme will bear directly or indirectly.

The above estimates for recurring expenses for the Scheme are based on the corpus size of INR 1,000 million, and may change to the extent assets are lower or higher.

Edelweiss Banking and PSU Debt Fund

The AMC may incur actual expenses which may be more or less than those estimated above under any head and / or in total. The AMC will charge the Scheme such actual expenses incurred, subject to the statutory limit prescribed in the SEBI Regulations, as given below.

Maximum Recurring Expenses

| Daily net assets | As a % of daily net assets (per annum) | Additional Total Expense Ratio as per SEBI Regulations 52 (6A) (c) # | Additional Total Expense Ratio as per SEBI Regulations 52 (6A) (b) # |
|---|--|--|--|
| First ₹ 100 Crores | 2.25% | 0.20% | 0.30% |
| Next ₹ 300 Crores | 2.00% | 0.20% | 0.30% |
| Next ₹ 300 Crores | 1.75% | 0.20% | 0.30% |
| Balance of assets over and above ₹ 700 Crores | 1.50% | 0.20% | 0.30% |

In addition to the limits specified in Regulation 52 (6) of SEBI Regulations, the following costs or expenses may be charged to the Scheme under Regulation 52 (6A) of SEBI Regulations:

- I. The AMC may charge additional expenses, incurred towards different heads mentioned under regulations 52(2) and 52(4), not exceeding 0.20 per cent of daily net assets of the Scheme. However, such additional expenses will not be charged if exit load is not levied/ not applicable to the Scheme.
- II. Additional expenses may be charged up to 30 basis points on daily net assets of the Scheme as per Regulation 52 of SEBI Regulations, if the new inflows from beyond top 15 cities are at least (a) 30% of gross new inflows in the Scheme or (b) 15% of the average assets under management (year to date) of the Scheme, whichever is higher.

Provided that if inflows from such cities is less than the higher of (a) or (b) above, such additional expenses on daily net assets of the Scheme shall be charged on proportionate basis.

Provided further that expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from such cities.

Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the Scheme in case the said inflows are redeemed within a period of one year from the date of investment.

- III. Brokerage and transaction cost incurred for the purpose of execution of trade may be capitalized to the extent of 12bps and 5bps for cash market transactions and derivatives transactions respectively. Any payment towards brokerage and transaction cost, over and above the said 12 bps and 5bps for cash market transactions and derivatives transactions respectively may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under regulation 52 of the SEBI (Mutual Funds) Regulations, 1996. Any expenditure in excess of the said prescribed limit (including brokerage and transaction cost, if any) shall be borne by the AMC or by the trustee or sponsors. Brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions.

In addition to expenses under Regulation 52 (6) and (6A) of SEBI Regulations, AMC may charge Goods and Service Tax on Investment Management and Advisory Fees, expenses other than Investment Management and Advisory Fees and brokerage and transaction cost as below:

- a. Goods and Service Tax on Investment Management and Advisory Fees: AMC may charge Goods and Service Tax on Investment Management and Advisory Fees of the Scheme in addition to the maximum limit of TER as per the Regulation 52(6) and (6A) of SEBI Regulations.
- b. Goods and Service Tax on expenses other than Investment Management and Advisory Fees: AMC may charge Goods and Service Tax on expenses other than Investment Management and Advisory Fees of the Scheme, if any within the maximum limit of TER as per the Regulation under 52(6) and (6A) of SEBI Regulations.
- c. *Goods and Service Tax on brokerage and transaction cost: The Goods and Service Tax on brokerage and transaction costs which are incurred for the purpose of execution of trade, will be within the limit of prescribed under Regulation 52 of SEBI Regulations.

Any expenditure in excess of the SEBI regulatory limits shall be borne by the AMC or by the Trustee or the Sponsor.

Actual Expenses for the Financial Year 2016-17:

| Plan | Total Recurring expenses as a percentage of Daily / Weekly average net assets |
|--------------|---|
| Direct Plan | 0.28%~ |
| Regular Plan | 0.58%~ |

~ Excluding Goods and Service Tax.

Waiver of Load for Direct Applications

Not Applicable.

Tax treatment for the Investors (Unit Holders)

Investors are advised to refer to the details in the SAI and also independently refer to his / her tax advisor. For tax purposes please refer to the SID and the SAI for more details.

Daily Net Asset Value (“NAV”) Publication

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. Thereafter, the NAV of the Scheme shall be calculated for each Business Day and disclosed on the same Business Day by 9.00 p.m. The NAV of the Scheme shall be made available at all ISCs of the AMC on the same Business Day. The AMC will additionally publish the NAV for each Business Day in at least two daily newspapers having nationwide circulation on the next Business Day.

The AMC shall update the NAVs on the website of the Mutual Fund (www.edelweissfin.com) and that of the Association of Mutual Funds in India (“AMFI”) (www.amfiindia.com) by 9.00 p.m. on the same Business Day. In case of any delay, the reasons for such delay would be explained to AMFI and reported to SEBI. All delays beyond 9.00 p.m. on the same Business Day would be reported to AMFI and SEBI and the Mutual Fund shall issue a press release providing reasons and explaining when the Scheme would be able to publish the NAVs.

The AMC shall disclose full portfolio of the Scheme (along with the ISIN) as on the last day of the month, on its website, on or before the 10th (tenth) day of the succeeding month. Portfolio of the Scheme shall be published in 1 (one) national English daily newspaper having nation wide circulation and in a local daily newspaper in Mumbai before the expiry of one month from the close of each half year.

The NAV will be calculated in the manner as provided in this SID or as may be prescribed by the SEBI Regulations from time to time. The NAV will be computed up to three decimal places.

Edelweiss Banking and PSU Debt Fund

**For Investor Grievances
please contact**

Name and Address of Registrar & Transfer Agent

Karvy Computershare Private Limited
Unit - Edelweiss Mutual Fund
Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District,
Nanakramguda, Serilingampally, Hyderabad - 500 008,
Tel:040-67161500

Name and Address of AMC

Edelweiss Asset Management Limited
801, 802 & 803, 8th Floor, Windsor,
Off C.S.T. Road, Kalina, Santacruz (E),
Mumbai 400 098.

Unit Holders' Information

The AMC shall allot Units to applicants whose Application has been accepted and shall also send confirmations specifying the number of Units allotted to the applicant by way of email and / or SMS's to the applicant's registered email address and / or mobile number as soon as possible but no later than 5 (five) Business Days from the date of closure of the allotment and / or from the date of receipt of the specific request for account statement from the Unit Holders. For ongoing period, a CAS for each calendar month to the Unit Holder(s) in whose folio(s) Transaction(s) has / have taken place during that calendar month shall be sent on or before 10th of the succeeding calendar month. In case of any specific request for an account statement received from a Unit Holder, the account statement would be sent to the Unit Holder within 5 (five) Business Days from the receipt of such request.

For the purpose of sending a CAS, common investors across mutual funds shall be identified by their PAN / PEKRN.

Unit Holders whose folio(s) are not updated with PAN / PEKRN details shall not receive a CAS. Unit Holders are therefore requested to ensure that the folio(s) are updated with their PAN / PEKRN.

The statement of holding of the beneficiary account holder for Units held in dematerialized form will be sent by the respective Depository Participants periodically.

Further, the CAS detailing holdings across all schemes of all mutual funds at the end of every 6 (Six) calendar months (i.e. September / March), shall be sent by mail/e-mail on or before the 10th day of succeeding calendar month, to all such Unit Holders in whose folios no transaction has taken place during that period. The half yearly CAS will be sent by e-mail to the Unit Holders whose e-mail address is available, unless a specific request is made to receive the same in physical form.

The AMC shall disclose full portfolio of the Scheme (along with the ISIN) as on the last day of the month, on its website, on or before the 10th (tenth) day of the succeeding month. Portfolio of the Scheme shall be published in 1 (one) national English daily newspaper having nation wide circulation and in a local daily newspaper in Mumbai before the expiry of one month from the close of each half year. An Annual Report of a Scheme will be prepared as at the end of each financial year (March 31) and copies of the report or an abridged summary thereof will be mailed to all Unit Holders.

For all the details on any of the sections please refer to the Scheme Information Document.

All existing and new non-individual Investors shall provide 'Ultimate Beneficial Ownership (UBO) details at the time of creation of new folio / account or while making additional purchase transactions, including switch transactions.

- Investors should mandatorily provide additional KYC information such as Income details, occupation, Net worth etc as mentioned in the application / supplementary KYC, FATCA & CRS - self certification form (individual & Non-individual).
- KYC Circular/FATCA information should be provided in the supplementary KYC FATCA & CRS - self certification form (individual & Non-individual) at the time of creation of new folio / account. The Application Form(s) are available at the Investor Service Centers of Edelweiss Asset Management Limited (AMC) and on the AMC website.
- For account opened between July 1, 2014 and October 31, 2015 and certain accounts opened till June 30, 2014, the AMC shall reach out to the investors to seek the requisite information / declaration which have to be submitted by investors on or before the date mentioned in the letter. In case the information is not received from the investors on or before such date, the account shall be treated as reportable account.
- For "KYC-On Hold" cases, investors need to submit missing information or update pending KYC related information with the Fund / Registrar and Transfer Agent / KYC Registration Agency to enable the Fund / AMC to process valid purchase / additional purchase / switch transactions request in the Schemes of the Fund received on or after the effective date. However, the investors enrolled under Systematic Investment Plan (SIP), Systematic Transfer Plan (STP), Dividend Sweep Facility etc. registered till October 31, 2015 will continue to be processed. This is applicable for new as well as existing investors.
- Automatic Exchange of Information ("AEOI") / Common Reporting Standard ("CRS") The Organization for Economic Co-operation and Development (OECD) has developed the Standard for Automatic Exchange of Financial Account Information in Tax Matters whereby jurisdictions that have entered into bilateral or multilateral AEOI agreements will share information on investors resident in these jurisdictions. The scope and application of information reporting and exchange pursuant to AEOI / CRS may vary depending on each local jurisdiction's implementation of AEOI / CRS.
- As of 16 December 2015, 77 countries have signed the multilateral agreement including Australia, British Virgin Islands, and Cayman Islands, People's Republic of China, India, Japan, Korea and United Kingdom.
- A prospective investor should seek advice on the effects with respect to the implementation of the AEOI / CRS from its own tax advisor based on its particular circumstances.

AMC reserves the right to reject the application in case the applicant / investor fails to submit information and / or documentation as mentioned above.

Scheme's Portfolio Holdings

Top 10 holdings by issuer as on February 28, 2018

| Issuer | Market Value (₹ in Crs) | % of Corpus |
|--|----------------------------|-------------|
| National Bk for Agriculture & Rural Dev. | 35.15 | 12.09% |
| Rural Electrification Corporation Ltd. | 34.69 | 11.94% |
| Indian Railway Finance Corporation Ltd. | 34.47 | 11.86% |
| Clearing Corporation of India Ltd. | 29.08 | 10.00% |
| IndusInd Bank Ltd. | 24.93 | 8.58% |
| National Highways Authority of India | 19.50 | 6.71% |
| Power Finance Corporation Ltd. | 18.80 | 6.47% |
| Yes Bank Ltd. | 18.68 | 6.43% |
| Dewan Housing Finance Corporation Ltd. | 17.12 | 5.89% |
| Axis Bank Ltd. | 13.95 | 4.80% |

Edelweiss Banking and PSU Debt Fund

Fund Allocation towards various sector as on February 28, 2018

| Sector | Market Value (₹ in Crs) | % of Corpus |
|------------------------------|----------------------------|-------------|
| Public Financial Institution | 155.65 | 53.55% |
| Banks | 64.40 | 22.16% |
| Others | 29.08 | 10.00% |
| Housing Finance | 21.18 | 7.29% |
| Other Receivables | 10.12 | 3.48% |
| NBFC | 5.13 | 1.76% |
| Power - Transmission | 5.09 | 1.75% |

Note : Others includes cash and cash equivalents and investments in CBLO's.

Portfolio Turnover Ratio as on February 28, 2018: N.A

Website link to obtain scheme's latest monthly portfolio holding - link of our website www.edelweissmf.com.

Comparison of certain fundamental features between this Scheme and our existing Income / Debt Schemes of Edelweiss Mutual Fund

| Name of Existing Scheme | Investment Objective | Asset Allocation Pattern | Investment Strategy | Differentiation | Benchmark | Average AUM (in crs.) for the month of February 28, 2018 | No. of Folios as on February 28, 2018 |
|------------------------------------|---|--|--|--|-----------------------------------|--|---------------------------------------|
| Edelweiss Liquid Fund | The investment objective of the scheme is to provide reasonable returns, commensurate with low risk while providing a high level of liquidity through a portfolio of money market and debt securities. However, there can be no assurance that the investment objective of the Scheme will be realised. | Money market instruments (including cash and reverse repo and debt instruments with maturity upto 91 days) up to 100%; Securitised debt instruments with maturity up to 91 days upto 30%.. | The domestic debt markets are maturing rapidly with liquidity emerging in various debt segments through the introduction of new instruments and investors. The objective will be to allocate the assets of the Scheme between various money market and fixed income Securities with the objective of providing liquidity and achieving optimal returns. | An open ended liquid scheme aiming at low risk while providing high level of liquidity. Edelweiss Liquid Fund holds a portfolio which has a average maturity of not more than 91 days. | CRISIL Liquid Fund Index | 2,208.59 | 4679 |
| Edelweiss Low Duration Fund | The investment objective of the Scheme is to generate returns commensurate with risks of investing in a low duration portfolio of money market instruments, debt securities, InvITS, REITS and other permissible securities. However, there can be no assurance that the investment objective of the scheme will be realized. | Debt Securities and Money Market Instruments including Securitised Debt & Interest Rate Derivatives : 0%-100% Units of InvITS/REITS: 0%-10% | The Investment Manager of the Scheme will aim to adopt a Top-Down approach to investing. This approach involves analyzing macro-economic parameters affecting the bond market and sentiment of market participants. Some of these parameters include the government's economic and fiscal policies, stance of the monetary policy by the RBI, inflation and its trajectory in the near-term, Current Account Deficit, FII flows, INR's absolute and relative performance, RBI's foreign exchange management policy, banking system liquidity, credit cycle, demand-supply dynamics, health of the corporate sector, liquidity conditions in major economies, stance of monetary policies in the major economies, interest rate cycle in the major economies, etc. A careful analysis of these parameters may help the Investment Manager to form a view on the future direction of interest rates and credit spreads. Based on this, the Investment Manager will seek to create a portfolio of fixed income securities from the universe of approved credits which is likely to generate optimal risk-adjusted returns for investors over the medium-term. Once created, the Investment Manager will monitor the portfolio of fixed income securities on periodic basis and rebalance, if required, to ensure that the Scheme is positioned to benefit from the Investment Manager's views on interest rates. The Investment Manager will seek to evaluate the credit risk of each instrument by analyzing key factors such as outlook for the sector, reputation and track record of the management, careful analysis of recent financial, operating and credit metrics, news flows as well as external rating opinions. This will help the Investment Manager in gaining a perspective on the credit spreads and exposures. | An open ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 months and 12 months | CRISIL Liquid Fund Index | 144.39 | 1484 |
| Edelweiss Dynamic Bond Fund | The investment objective of the Scheme is to generate optimal returns while maintaining liquidity through active management of the portfolio by investing in debt and money market instruments. However, there can be no assurance that the investment objective of the Scheme will be realised. | Money market and Debt instruments with maturity / average maturity / interest rate reset not greater than one year 10-100%; Debt instruments including government securities and corporate Debt 0-90%. | The domestic debt markets are maturing rapidly with liquidity emerging in various debt segments through the introduction of new instruments and investors. The objective will be to allocate the assets of the Scheme between various money market and fixed income Securities with the objective of providing liquidity and achieving optimal returns. | An open ended dynamic debt scheme investing across duration | CRISIL Composite Bond Fund Index | 178.96 | 557 |
| Edelweiss Short Term Fund | The investment objective of the Scheme is to generate returns commensurate with risks of investing in a short duration portfolio of money market instruments, debt securities, InvITS, REITS and other permissible securities. However, there can be no assurance that the investment objective of the scheme will be realised. | Debt Securities and Money Market Instruments, including Securitised Debt & Interest Rate Derivatives: 0%-100% Units of InvITS/REITS: 0%-10% | The Investment Manager of the Scheme will aim to adopt a Top-Down approach to investing. This approach involves analyzing macro-economic parameters affecting the bond market and sentiment of market participants. Some of these parameters include the government's economic and fiscal policies, stance of the monetary policy by the RBI, inflation and its trajectory in the near-term, Current Account Deficit, FII flows, INR's absolute and relative performance, RBI's foreign exchange management policy, banking system liquidity, credit cycle, demand-supply dynamics, health of the corporate sector, liquidity conditions in major economies, stance of monetary policies in the major economies, interest rate cycle in the major economies, etc. A careful analysis of these parameters may help the Investment Manager to form a view on the future direction of interest rates and credit spreads. Based on this, the Investment Manager will seek to create a portfolio of fixed income securities from the universe of approved credits which is likely to generate optimal risk-adjusted returns for investors over the medium-term. Once created, the Investment Manager will monitor the portfolio of fixed income securities on periodic basis and rebalance, if required, to ensure that the Scheme is positioned to benefit from the Investment Manager's views on interest rates. The Investment Manager will seek to evaluate the credit risk of each instrument by analyzing key factors such as outlook for the sector, reputation and track record of the management, careful analysis of recent financial, operating and credit metrics, news flows as well as external rating opinions. This will help the Investment Manager in gaining a perspective on the credit spreads and exposures. | An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year and 3 years | CRISIL Short-Term Bond Fund Index | 29.30 | 517 |

| Name of Existing Scheme | Investment Objective | Asset Allocation Pattern | Investment Strategy | Differentiation | Benchmark | Average AUM (in crs.) for the month of February 28, 2018 | No. of Folios as on February 28, 2018 |
|---|---|---|--|---|-----------------------------------|--|---------------------------------------|
| Edelweiss Banking and PSU Debt Fund | The investment objective of the Scheme is to generate returns commensurate with risks of investing in a portfolio of Debt Securities and Money Market Instruments issued by Banks, Public Sector Undertakings, Public Financial Institutions, entities majorly owned by Central and State Governments and Municipal Bonds. However, there can be no assurance that the investment objective of the scheme will be realized. | Debt Securities and Money Market Instruments issued by Banks, Public Sector Undertakings, Public Financial Institutions, entities majorly owned by Central and State Governments and Municipal Bonds: 80% - 100% Debt Securities and Money Market Instruments including Treasury Bills, CBLO, Central and State Governments Securities, Units of Debt & Liquid Mutual Fund: 0% - 20% | The Investment Manager of the Scheme will aim to adopt a Top-Down approach to investing. This approach involves analyzing macro-economic parameters affecting the bond market and sentiment of market participants. Some of these parameters include the government's economic and fiscal policies, stance of the monetary policy by the RBI, inflation and its trajectory in the near-term, Current Account Deficit, FII flows, INR's absolute and relative performance, RBI's foreign exchange management policy, banking system liquidity, credit cycle, demand-supply dynamics, health of the corporate sector, liquidity conditions in major economies, stance of monetary policies in the major economies, interest rate cycle in the major economies, etc. A careful analysis of these parameters may help the Investment Manager to form a view on the future direction of interest rates and credit spreads. Based on this, the Investment Manager will seek to create a portfolio of fixed income securities from the universe of approved credits which is likely to generate optimal risk-adjusted returns for investors over the medium-term. Once created, the Investment Manager will monitor the portfolio of fixed income securities on periodic basis and rebalance, if required, to ensure that the Scheme is positioned to benefit from the Investment Manager's views on interest rates. The Investment Manager will seek to evaluate the credit risk of each instrument by analyzing key factors such as outlook for the sector, reputation and track record of the management, careful analysis of recent financial, operating and credit metrics, news flows as well as external rating opinions. This will help the Investment Manager in gaining a perspective on the credit spreads and exposures. | An open ended debt scheme predominantly investing in Debt Instruments of Banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds | CRISIL Short Term Bond Fund Index | 290.64 | 260 |
| Edelweiss Government Securities Fund | The investment objective of the Scheme is to generate income through investment in Securities of various maturities issued and/or created by the Central Government and State Governments of India. However, there can be no assurance that the investment objectives of the Scheme will be realized. | Government of India dated Securities / State Government dated Securities/Government of India Treasury Bills / Cash Management Bills of Government of India.- 80% - 100%CBLO, cash and cash equivalents and repo/ reverse repo in Central Government or State Government Securities. Units of Liquid scheme & units of schemes primarily investing in Government Securities. Debt derivatives# 0% - 20%. | The investment strategy of the Scheme is to provide income from its investment in a basket of sovereign Securities issued by the Central and/or State Government including treasury bills, across various maturities, through proactive duration management. Income may be generated through the receipt of coupon payments, the amortization of the discount on debt instruments or the purchase and sale of securities in the underlying portfolio. | An open ended debt scheme investing in government securities across maturity | CRISIL Gilt Index | 376.67 | 334 |
| Edelweiss Corporate Bond Fund | The investment objective of the Scheme is to generate returns commensurate with risks of investing in a portfolio comprising of AA+ and above rated Corporate Bonds across the maturity spectrum. However, there can be no assurance that the investment objectives of the Scheme will be realized. | Corporate bonds with credit rating of AA+ and above: 80%-100%, Other Debt and Money Market instruments: 0%-20%, Units of InvITs/REITs: 0%-10% | The Investment Manager of the Scheme will aim to adopt a Top-Down approach to investing. This approach involves analyzing macro-economic parameters affecting the bond market and sentiment of market participants. Some of these parameters include the government's economic and fiscal policies, stance of the monetary policy by the RBI, inflation and its trajectory in the near-term, Current Account Deficit, FII flows, INR's absolute and relative performance, RBI's foreign exchange management policy, banking system liquidity, credit cycle, demand-supply dynamics, health of the corporate sector, liquidity conditions in major economies, stance of monetary policies in the major economies, interest rate cycle in the major economies, etc. A careful analysis of these parameters may help the Investment Manager to form a view on the future direction of interest rates and credit spreads. Based on this, the Investment Manager will seek to create a portfolio of fixed income securities from the universe of approved credits which is likely to generate optimal risk-adjusted returns for investors over the medium-term. Once created, the Investment Manager will monitor the portfolio of fixed income securities on periodic basis and rebalance, if required, to ensure that the Scheme is positioned to benefit from the Investment Manager's views on interest rates. The Investment Manager will seek to evaluate the credit risk of each instrument by analyzing key factors such as outlook for the sector, reputation and track record of the management, careful analysis of recent financial, operating and credit metrics, news flows as well as external rating opinions. This will help the Investment Manager in gaining a perspective on the credit spreads and exposures. | An open-ended debt scheme predominantly investing in AA+ and above rated corporate bonds | CRISIL Short Term Bond Fund Index | 312.51 | 418 |

EDELWEISS BANKING AND PSU DEBT FUND

| | | |
|---------------------|-------------------------------|--------------|
| REGULAR PLAN | GROWTH | INF843K01FK1 |
| | DIVIDEND REINVESTMENT | INF843K01FM7 |
| | DIVIDEND PAYOUT | INF843K01FL9 |
| | MONTHLY DIVIDEND REINVESTMENT | INF843K01FP0 |
| | MONTHLY DIVIDEND PAYOUT | INF843K01FQ8 |
| | FORTNIGHTLY DIVIDEND PAYOUT | INF843K01FO3 |
| | WEEKLY DIVIDEND PAYOUT | INF843K01FN5 |
| | BONUS | INF843K01FR6 |

| | | |
|--------------------|-------------------------------|--------------|
| DIRECT PLAN | GROWTH | INF843K01FC8 |
| | DIVIDEND REINVESTMENT | INF843K01FE4 |
| | DIVIDEND PAYOUT | INF843K01FD6 |
| | MONTHLY DIVIDEND REINVESTMENT | INF843K01FH7 |
| | MONTHLY DIVIDEND PAYOUT | INF843K01FI5 |
| | FORTNIGHTLY DIVIDEND PAYOUT | INF843K01FG9 |
| | WEEKLY DIVIDEND PAYOUT | INF843K01FF1 |
| | BONUS | INF843K01FJ3 |

APPLICATION FORM

Please read Product Labeling available on the Front Inside Cover Page and instructions before filling this form (all points marked * are mandatory)

Sponsor: Edelweiss Financial Services Limited | **Trustee Company:** Edelweiss Trusteeship Company Limited | **Investment Manager:** Edelweiss Asset Management Limited
Edelweiss Mutual Fund, 801, 802 & 803, 8th Floor, Windsor, Off C.S.T. Road, Kalina, Santacruz (E), Mumbai 400098, Maharashtra.

| 1 DISTRIBUTOR INFORMATION | | | | | | |
|---------------------------|-----------------|-----------------|---------------------------|--------|----------------------------|-----------------|
| Name & Distributor Code | Sub-Broker Code | Sub-Broker Code | Employee Unique | E-Code | RIA CODE | APPLICATION NO. |
| | ARN | INTERNAL CODE | IDENTIFICATION NO. (EUIN) | | ONLY FOR DIRECT INVESTMENT | |

*Investors should mention the EUIN of the person who has advised the investor. If left blank, the fund will assume following declaration by the investor "I/We hereby confirm that the EUIN box has been intentionally left blank by me/us as this transaction is executed without any interaction or advice by the employee/relationship manager/sales person of the above distributor/sub broker or notwithstanding the advice of in-appropriateness, if any, provided by the employee/relationship manager/sales person of the distributor/sub broker".

Upfront commission shall be paid directly by the investor to the AMFI registered Distributors based on the investors' assessment of various factors including the service rendered by the distributor. For Direct investments, please mention 'Direct' in the column 'Name & Distributor Code'

| SIGNATURE (s) | | |
|------------------------|------------------|-----------------|
| SOLE / FIRST APPLICANT | SECOND APPLICANT | THIRD APPLICANT |

All sections to be filled in English and in BLOCK LETTERS. Use this form if you are making a one time investment. For SIP investment use the separate SIP Form. All columns marked * are mandatory.

MAKE YOUR SELECTION BEFORE FILLING FORM (PLEASE ✓) INVEST NOW ZERO BALANCE FOLIO (Refer Instruction No.XII)

| 2 TRANSACTION CHARGES (PLEASE ✓) (Default option Existing Investor) (Refer Instruction No.XIII) | |
|---|--|
| <input type="checkbox"/> I am a First Time Investor in Mutual Funds | <input type="checkbox"/> I am an Existing Investor in Mutual Funds |

In case the subscription amount is ₹10,000/- or more and your Distributor has opted to receive Transaction Charges, ₹150 (for first time mutual fund investor) or ₹100/- (for investor other than first time mutual fund investor) will be deducted from the subscription amount and paid to the distributor. Units will be issued against the balance amount invested.

| 3 EXISTING UNIT HOLDER INFORMATION / EXISTING ZERO BALANCE FOLIO NO. (If you have existing folio, please fill in section 2 and proceed to section 8.) | |
|---|-------------------------|
| FOLIO NO. | NAME OF FIRST APPLICANT |
| | |

| 4 MANDATORY* PAN# / PEKR# Know Your Customer (KYC) | |
|--|--|
| 1ST APPLICANT/GUARDIAN | P A N N U M B E R YES (Please submit proof) YES (Please submit KYC Application form) |
| CKYC Key Identification Number (Refer Instruction no. XVIII) | |
| Aadhaar No. (UID No.) (Refer Instruction no. XIX) | |

| 5 APPLICANT INFORMATION TO BE FILLED IN BLOCK LETTERS* APPLICANTS FROM CANADA WILL NOT BE ACCEPTED (Refer Instruction No.II) | |
|--|-----------------------------|
| NAME OF SOLE /1ST APPLICANT | Mr. Ms. M/s. |
| DATE OF BIRTH (DOB) | DATE OF INCORPORATION (DOI) |
| GUARDIAN (s) NAME (In case if minor / Parent / Legal Guardian) | |
| RELATIONSHIP WITH MINOR / DESIGNATION | CONTACT |
| MAILING ADDRESS OF SOLE / 1ST APPLICANT (P.O.BOX alone may not be sufficient) Overseas Investor must provide Indian Address | |
| CITY | STATE |
| COUNTRY | PIN MOBILE |
| EMAIL | |
| RESI. | OFF. FAX |

| MANDATORY PROOF OF DATE OF BIRTH FOR MINORS (ANY ONE) & Relationship Proof | |
|--|--|
| <input type="checkbox"/> BIRTH CERTIFICATE | <input type="checkbox"/> MARKSHEET (HSC/ICSE/CBSE) <input type="checkbox"/> SCHOOL LEAVING CERTIFICATE <input type="checkbox"/> PASSPORT <input type="checkbox"/> OTHERS _____ |

| OVERSEAS APPLICANT DETAILS | |
|--|---|
| ADDRESS (Mandatory for NRI/FII applicant*) | |
| COUNTRY | ZIP CODE For NRI applicants <input type="checkbox"/> Indian <input type="checkbox"/> Overseas |

| E-MAIL COMMUNICATION [Please ✓] | |
|--|--|
| I/We wish to receive the following document via email in lieu of physical document(s) Account Statement / Newsletter / Annual Report / Other Statutory Information : | <input type="checkbox"/> YES <input type="checkbox"/> NO |

Email ID & Mobile No. are essential to enable us to communicate with you better

Received from: Mr. / Ms. / M/s _____ an application for allotment
Scheme _____ Plan _____ Option _____
vide Cheque No _____ Dated ____/____/____ Amount (₹) _____ Drawn on
Bank and Branch _____

Application No: _____

Collection Center's Stamp & Receipt Date and Time

Please note: All purchases are subject to realization of cheques and as per applicable load structure (please refer Scheme Information Document)

INSTRUCTIONS TO INVESTORS FOR FILLING UP THE COMMON APPLICATION FORM

I. GENERAL INSTRUCTIONS

1. Please read the Key Information Memorandum, Scheme Information Document (SID) and Statement of Additional Information (SAI) containing the terms of offer carefully before investing. In the SID your attention is particularly drawn to the risk factors of investing in the Scheme and also the sections "Who can't invest" and "Important note on Anti Money Laundering, KYC & investor protection".
2. Applications from residents of Canada will not be accepted.
3. All applicants are deemed to have accepted the terms subject to which the offer is being made and bind themselves to the terms upon signing the Application Form and tendering the payment.
4. Application Form should be filled legibly in ENGLISH in BLOCK letters using Black or Dark Blue ink. Incomplete application forms are liable to be rejected. Please refer to the checklist at the end of the application form to ensure that the requisite details and documents have been provided in order to avoid unnecessary delays and / or rejection of your application.
5. Please strike out any section that is not applicable. Correction/Cancellation on any of the mandatory information should be countersigned by the investor.

II. APPLICANT INFORMATION

1. Name should be given in full without any abbreviations. Preferably write exactly as it appears in your Bank Account or as it appears in the incorporation document as the case may be.
2. Name, Date of birth of the Minor, Name of Parent/Legal Guardian and relationship with minor is mandatory for investment on behalf of Minor applicant.
3. Name of the Contact Person, email and Telephone No. should be mentioned in case of investments by Company, Body Corporate, Trust, Society, FII and other non-individual applicants.
4. The signature should be in English or in any of the Indian languages. Thumb Impressions must be attested by a magistrate or a notary public or a special executive magistrate under his/her official seal. Application by minor should be signed by the guardian. In case of H.U.F., the Karta should sign on behalf of the H.U.F.
5. The designated Investor Service Center/ Collection Center will affix time stamp/manual stamp and return the acknowledgement slip from the application form, to acknowledge receipt of the Application. No separate receipt will be issued for the application money.
6. Please fill in all the fields to prevent rejection of your Application Form. Please refer to the checklist provided at the end of the Application Form to ensure that the necessary details and attachments are made available. The application complete in all respects along with the cheque/ fund transfer instructions must be submitted to the nearest designated Investor Service Center/Collection Center. Applications which are incomplete, invalid in any respect or not accompanied by cheque or fund transfer instructions for the amount payable are liable to be rejected.
7. Investors must write the Application Form number / Folio number on the reverse of the cheques accompanying the Application Form.
8. Direct application - Investors are requested to mention the correct distributor Code in the Application Form. In case, the investor is directly applying, then they should clearly mention "DIRECT" in the column mentioned Name and Distributor Code, in all such cases where applications are not routed through any distributor/agent/broker. In cases where unit holder uses a pre-printed Broker Code, unit holder should cancel the ARN No/ Broker Code, write 'DIRECT' in the said column and it should also be counter signed by the First unit holder.
9. In case of NRI investment, complete postal address should be stated. P.O. Box address alone is not sufficient. NRIs/ FIIs should necessarily state their overseas address failing which application may be rejected. In addition, Indian address should be stated for correspondence.
10. Investment through constituted Attorney should necessarily be signed by the constituted Power of Attorney holder.
11. Some additional details are required for validating your identity for certain transactions / Communications. Hence please fill the parent's name in case of first applicant and date of birth of all unit holders.
12. Please provide email ID & Mobile Number, this will help us send investment / product related communication and resolve any queries more promptly.
13. In the event the application has more than one investor and the mode of holding is not specified in the application form, the default option for holding would be considered to be "anyone or survivor". However, in all such cases, communications, proceeds of all dividend/redemption will be paid to the first named holder.

III. EMAIL COMMUNICATION

Account Statement will be sent to Unit holders by Post /Courier for NFO/1st time investment in any of the Scheme. Subsequent Account Statements/Newsletters / Annual Reports / Other statutory information (as permitted under SEBI (Mutual Funds) Regulations, 1996) will be sent to each Unit holder by e-mail. Investors are requested to provide their e-mail address for the same and this will also help us resolve your queries more promptly. Unitholders who have provided email id will be sent all communications/reports as mentioned above by email only and no physical communications will be sent. Any change in the e-mail address should be communicated to nearest designated Investor Services. EMF/Registrars are not responsible for e-mail not reaching the investor and for all consequences thereof. Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the AMC will arrange for the same through physical mode on receipt of request for the same. It is deemed that the Unitholder is aware of all security risks including possible third party interception of the documents and contents of the documents becoming known to third parties.

IV. BANK ACCOUNT DETAILS

It is mandatory to attach cancelled original cheque / self certified copy of blank cheque / self certified Bank Statement / first page of the Bank Pass book (bearing account number and first unit holder name on the face of the cheque/ Bank Pass Book/ Bank Statement) is required as an incremental additional document in case of: a. Registration of the investor's Bank Mandate at the time of investment b. Subsequent change in the investor's Bank Mandate. SEBI Regulations have made it mandatory for investors to mention the Bank Name & address of branch and bank Account Number in their Investment application form in order to protect the interest of investors from fraudulent encashment of cheques. For registering multiple bank account please fill separate Form for Registering/ Adding Multiple Bank Accounts. Individuals / HUF can register upto 5 bank accounts and Non Individuals upto 10 bank accounts. For further information please refer SAI.

V. PAN DETAILS

It is mandatory for all investors to quote their Permanent Account Number (PAN) (except MICRO SIP Investments) and submit certified copy of the PAN card issued by the Income Tax

Department, irrespective of the amount of investment, while making an application for Purchase of Units. In case of joint holding, PAN details of all holders should be submitted. In case the application is on behalf of minor, PAN details of the Guardian must be submitted. Investors residing in the state of Sikkim are exempt from the mandatory requirement of PAN proof submission; however sufficient documentary evidence shall have to be submitted for verifying that they are residents of the State of Sikkim. Applications without the aforesaid details are liable to be rejected without any reference to the investors.

Investment through Systematic Investment Plans (SIPs) upto ₹50,000/- (aggregate of installments in a rolling 12 months period or in a financial year i.e. April – March) per year per investor shall be exempt from the requirement of PAN. In case of PAN Exempt cases PAN Exempt KYC Reference Number (PEKRN) is Mandatory.

VI. INVESTMENT DETAILS

Investors should indicate the Option for which the application is made. In case Investors wish to opt for both the Options, separate Application form will have to be filled. In case applications are received where option/ sub-option for investment is not selected the default option/ Sub option as prescribed in SID will be applicable. Investors have the option to sweep their dividend in any other Open-ended Scheme of the Fund at the applicable NAV based prices, irrespective of minimum application amount and eligibility requirements of the scheme in which such dividend is being invested. If the scheme name on the application form and on the payment instrument are different, the application will be processed and units allotted at applicable NAV of the scheme mentioned in the application / transaction slip duly signed by investor(s).

VII. MODE OF PAYMENT

1. As per AMFI best practice guidelines on 'Risk mitigation process against third party cheques in mutual fund subscriptions', Edelweiss Mutual Fund shall not accept applications for subscriptions with third party payment instruments with effect from November 15, 2010. For further information please refer SAI.
2. Investors may make payment by cheque payable locally in the city where the application form is submitted at AMC/Karvy ISC's or electronic mode such as RTGS/NEFT directly to Mutual Fund Collection account
3. The cheque should be drawn on any bank which is situated at and is a member/sub member of the bankers clearing house. Cheque drawn on the bank not participating in the clearing house will not be accepted.
4. Payment through Stock invest, outstation cheques and cash will not be accepted.
5. The cheque should be drawn in favor of 'Edelweiss _____ (Scheme name)' and should be crossed 'Account Payee Only'.
6. Returned cheques will not be presented again for collection and the accompanying application will be rejected.
7. Single cheque for investments in multiple Schemes and multiple cheques for investments in Single Scheme will not be accepted.
8. If the dividend amount under Dividend payout option is less than or equal to ₹ 250/-, the same will be reinvested. (Except in case of Edelweiss Long Term Equity Fund (Tax Savings) and Edelweiss Tax Advantage Fund)
9. In case of investment through electronic mode (RTGS/ Transfer Letter), you are requested to contact the nearest AMC/ Karvy ISC for the Bank Account Number to which the purchase/additional purchase amount is to be credited.
10. NRI / FII's
Repatriation basis: - Payments by NRIs/FIIs may be made by way of cheques drawn on non-resident external accounts payable at par and payable at the cities where the Investor Service Centers are located.
Non-Repatriation basis:- NRIs investing on a non repatriable basis may do so by issuing cheques drawn on Non-Resident Ordinary (NRO) account payable at the cities where the Investor Service Centers are located.
11. In case of payment through electronic mode (RTGS/NEFT or Transfer Letter), need to provide the bank acknowledgement copy along with purchase application.

VIII. PAYMENT OF REDEMPTION /DIVIDEND

Investors are requested to provide the following details along with the mandatory requirement of bank account details (bank, branch address, account type and account no.) in the application form for electronic fund transfer (EFT) of dividend / redemption amount to the unit holders bank account. AMC will automatically extend this facility to all unit holders in case the bank account as communicated by the unit holder is with any of the bank providing EFT facility.

a. The 11 digit IFSC (Indian Financial System) Code b. The 9-digit MICR (Magnetic Ink Character Recognition) number appearing next to the cheque number in the cheque leaf (Please attach copy of the cancelled cheque for verification) Based on the above information AMC will enable secure transfer of your redemption and dividend payouts via the various electronic mode of transfers (RTGS / NEFT / Direct Credit mode that are available in the banking system).

This facility of EFT is safe and fast and eliminates the potential risk of loss of instruments in transit through physical mode. The Mutual Fund, however, reserves the right to issue a cheque / demand draft to unit holders residing at locations where this facility is not available. "If the remittance is delayed or not affected for reasons of incomplete or incorrect information, AMC cannot be held responsible". For validation of IFSC/MICR code, investor to attach the cancelled cheque/copy of cheque (PSU banks account holders to provide the front page of pass book along with cheque copy). If these documents are not provided the fund will not be responsible consequent delay in receipt of payment. Fund is also not responsible for bankers delay.

IX. NOMINATION DETAILS

Applicants applying for Units singly/jointly can make a nomination at the time of initial investment or during subsequent investments.

1. The nomination can be made only by individuals applying for /holding units on their own singly or jointly. Non-individuals including society, trust (other than a religious or charitable trust), body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. W.e.f. April 1, 2011, nomination is not allowed in a folio held on behalf of a minor. All holders will have to sign request for nomination or cancellation of nomination, even if the mode of holding is not joint. Nomination cannot be signed by Power of Attorney (PoA) holders.
2. A minor can be nominated and in that event, the name and address of the guardian of the minor nominee shall be provided by the Unit Holder. Nomination can also be made in favor of the Central Government, State Government, a local authority, any person designated by virtue of his office or a religious or charitable trust.
3. A Non-Resident Indian can be a Nominee subject to the exchange control regulations in force, from time to time.
4. Nomination in respect of the units stands rescinded upon the redemption/ transfer/ transmission of units.
5. Transmission of units in favour of a Nominee shall be a valid discharge by the Asset

INSTRUCTIONS TO INVESTORS FOR FILLING UP THE COMMON APPLICATION FORM

Management Company (AMC) against the legal heir.

- The cancellation of nomination can be made only by those individuals who hold units on their own behalf singly or jointly and who made the original nomination. On cancellation of the nomination, the nomination shall stand rescinded and the AMC/ Fund/ Trustees shall not be under any obligation to transmit the units in favour of the Nominee.
- Nomination shall maintained at the folio / account level and shall be applicable for all schemes in the folio / account.

8. A Nominee cannot be a resident of Canada

X. PREVENTION OF MONEY LAUNDERING AND KNOW YOUR CUSTOMER (KYC)

According to SEBI Guidelines under 'The Prevention of Money Laundering Act, 2002', Mutual Funds are required to follow enhanced know your customer (KYC) norms. Further, SEBI has also notified SEBI (KYC Registration Agency) Regulations, 2011 on December 23, 2011 with a view to bring uniformity in KYC requirements for the securities market and to develop a mechanism for centralization of the KYC records. Accordingly the following procedures shall apply:

- SEBI has introduced a common KYC Application Form for all the SEBI registered intermediaries viz. Mutual Funds, Portfolio Managers, Depository Participants, Stock Brokers, Venture Capital Funds, Collective Investment Schemes, etc. New Investors are therefore requested to use the common KYC Application Form and carry out the KYC process including IPV with any SEBI registered intermediaries including mutual funds. The KYC Application Forms are also available on our website www.edelweissmf.com.
- The Fund shall perform the initial KYC of its new investors and may undertake enhanced KYC measures commensurate with the risk profile of its investors in line with the aforementioned circulars/circulars issued by SEBI in this regard from time to time. The Fund shall upload the details of the investors on the system of the KYC Registration Agency ("KRA"). The Registrar & Transfer Agent of the Fund viz. Karvy Computershare Private Limited ("Karvy") may also undertake the KYC of the investors on behalf of the Fund. On receipt of the KYC documents from the Fund, the KRA shall send a letter to the investor within SEBI stipulated timelines, confirming the details thereof.
- Once the investor has done KYC with a SEBI registered intermediary, the investor need not undergo the same process again with another intermediary but can submit the letter/acknowledgment issued by the KRA.
- It is mandatory for intermediaries including mutual funds to carry out IPV of its new investors. The IPV carried out by any SEBI registered intermediary can be relied upon by the Fund. Edelweiss Asset Management Limited and NISM/AMFI certified distributors who are Know Your Distributor (KYD) compliant are authorized to undertake the IPV for mutual fund investors. Further, in case of any applications received directly (i.e. without being routed through the distributors) from the investors, the Fund may rely upon the IPV (on the KYC Application Form) performed by the scheduled commercial banks.
- Existing KYC compliant investors of the Fund can continue to invest as per the current practice. However, existing investors are also urged to comply with the new KYC requirements including IPV as mandated by SEBI.
- Application Form not accompanied by KYC Application Form or letter/acknowledgment issued by KRA may be rejected by the Fund. The KYC compliance status will be validated with the records of the KRA. AMC reserves the right to call for any additional information from the investors/applicant/reject applications/subsequent application in order to fulfill the requirements of PMLA norms prescribed by SEBI/PMLA Regulation from time to time.

XI. PURCHASE/REDEMPTION OF UNITS THROUGH STOCK EXCHANGE INFRASTRUCTURE

Investors can purchase and redeem units of the following schemes on Mutual Fund Services System (MFSS) of the National Stock Exchange of India Ltd. (NSE) and on the BSE Stock Exchange Platform for Allotment and Repurchase of Mutual Funds (BSE StAR MF System) of Bombay Stock Exchange Ltd. (BSE):

- Edelweiss Arbitrage Fund
- Edelweiss Balanced Advantage Fund
- Edelweiss Large Cap Fund
- Edelweiss Long Term Equity Fund (Tax Savings)
- Edelweiss Multi - Asset Allocation Fund
- Edelweiss Large & Mid Cap Fund
- Edelweiss Equity Savings Fund
- Edelweiss Mid Cap Fund
- Edelweiss Multi-Cap Fund
- Edelweiss Tax Advantage Fund
- Edelweiss Government Securities Fund
- Edelweiss Banking and PSU Debt Fund
- Edelweiss Liquid Fund
- Edelweiss Short Term Fund
- Edelweiss Dynamic Bond Fund
- Edelweiss Corporate Bond Fund
- Edelweiss Low Duration Fund
- Edelweiss Asean Equity Offshore Fund
- Edelweiss Europe Dynamic Equity Offshore Fund
- Edelweiss Greater China Equity Offshore Fund
- Edelweiss US Value Equity Offshore Fund
- Edelweiss Emerging Markets Opportunities Equity Offshore Fund

Please refer Scheme Information Document(s) of the Scheme(s) for further details.

XII. INVESTMENTS UNDER THE ZERO BALANCE FOLIO

For Investments under the zero balance folio, signatures on the transaction slip would be required as per the mode of holding.

XIII. TRANSACTION CHARGE IN RESPECT OF APPLICATIONS ROUTED THROUGH DISTRIBUTORS/ BROKERS:

In terms of SEBI circular no. CIR/IMD/DF/13/2011 dated August 22, 2011, as amended from time to time, Transaction Charge per subscription of ₹10,000/- and above shall be charged to the investors w.e.f. November 1, 2011 and paid to the distributors/ brokers (who have opted in for transaction charges) in respect of applications relating to new subscriptions only (lumpsum and SIP), subject to the following:

- For existing mutual fund investors: ₹100/- per subscription of ₹10,000/- and above;
- For the first time mutual fund investors: ₹150/- per subscription of ₹10,000/- and above;
- In case of SIPs, transaction charge shall be applicable only if the total commitment through SIP amounts to ₹10,000/- and above. In such cases the transaction charge would be recovered in 4 installments, starting from the 2nd to 5th instalment.
- There shall be no transaction charge on subscription of below ₹10,000/-.
- There shall be no transaction charge on transactions other than purchases/ subscriptions relating to new inflows.
- There shall be no transaction charge on direct investments.
- There shall be no transaction charge on subscriptions carried out through the Stock Exchange Platform.

In accordance with SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, distributors shall also have an option either to opt in or opt out of levying transaction charge based on type of the product.

The Transaction Charge as mentioned above shall be deducted by the AMC from the subscription amount of the unitholder and paid to the distributor and the balance shall be invested.

- Investors already holding a folio in Edelweiss Mutual Fund can provide their existing Folio Number and Name of applicant(s) corresponding to the said folio. It is the responsibility of the Investor to ensure correctness of such details provided. The personal details and Bank Account details as registered in the existing folio number as provided would apply to the said investment and the registered details would prevail over any conflicting information furnished in this form. Edelweiss Asset Management Limited reserves the right to assign any of the existing Folio Number of the investor against multiple applications and / or subsequent purchases under this new application form lodged, with identical mode of holding and address

and such other criterions and integrity checks as may be determined by the Edelweiss Asset Management Limited from time to time.

XV. Employee Unique Identification Number (EUIIN):

SEBI has made it compulsory for every employee/ relationship manager/ sales person of the distributor of Mutual Fund products to quote the EUIIN obtained by him/her from AMFI in the Application Form. EUIIN, particularly in advisory transactions, would assist in addressing any instance of mis-selling even if the employee/relationship manager/sales person later leaves the employment of the distributor. Individual ARN holders including senior citizens distributing Mutual Fund products are also required to obtain and quote EUIIN in the Application Form. Hence, if your investments are routed through a distributor please ensure that the EUIIN is correctly filled up in the Application Form.

However, if your distributor has not given you any advice pertaining to the investment, the EUIIN box may be left blank. In this case, you are required to provide a duly signed declaration to this effect. Distributors are advised to ensure that the sub broker affixes his/her ARN code in the column separately provided in addition to the current practice of affixing the internal code issued by the main ARN holder and the EUIIN of the Sales Person (if any) in the EUIIN space.

XVI. BENEFICIAL OWNERSHIP DETAILS:

Under the Prevention of Money Laundering Act, 2005 ("PMLA"), all intermediaries including mutual funds are required to obtain sufficient information from their clients in order to identify and verify the persons who beneficially own or control the account. SEBI circular dated January 24, 2013 on identification of Beneficial Ownership has prescribed a uniform approach to be followed for determination of beneficial owners. A 'Beneficial owner' is defined as a natural person/s who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted, which includes persons who exercise ultimate effective control over a legal person or arrangement.

All categories of investors except individuals, company listed on a stock exchange or majority owned subsidiary of such company, are requested to provide details about beneficial ownership in the Application Forms for all their investments. The Fund reserves the right to reject applications/restrict further investments or seek additional information from investors who have not provided the requisite information on beneficial ownership. In the event of change in beneficial ownership, investors are requested to immediately update the details with the Fund/Registrar.

XVII. FATCA DETAILS:

The Foreign Account Tax Compliance Act is a United States (US) federal law, aimed at prevention of tax evasion by US Citizens and Residents ("US Persons") through use of offshore accounts. The FATCA provisions were included in the HIRE Act enacted by the US legislature. FATCA is designed to increase compliance by US taxpayers and is intended to bolster efforts to prevent tax evasion by the US taxpayers with offshore investments.

As per SEBI circular no. CIR/MIRSD/2/2014 dated June 30, 2014, the Government of India and the US have reached an agreement in substance on the terms of an Inter-Governmental Agreement ("IGA") to implement the FATCA provisions, which have become globally applicable from July 1, 2014. FATCA requires enhancement of due diligence processes by the Foreign Financial Institutions ("FFI") so as to enable identification of US reportable accounts.

The Fund/ Edelweiss Asset Management Limited ("the AMC") are likely to be classified as a FFI under the FATCA provisions, in which case the Fund/ the AMC would be required, from time to time, to (i) undertake necessary due diligence process by collecting information/ documentary evidence of the US/non US status of the investors; (ii) disclose/report information as far as may be legally permitted about the holdings/investment returns pertaining to reportable accounts to the US Internal Revenue Service and/or such Indian authorities as may be specified under FATCA or other applicable laws and (iii) carry out such other activities as prescribed under the FATCA provisions, as amended from time to time.

FATCA due diligence will have to be directed at each investor/unit holder (including joint investors) and on being identified as a reportable person/specified US person, all the folios will be reported. Further, in case of folio with joint investors, the entire account value of investment portfolio will be attributable under each such reportable person. Investors/Unit holders would therefore be required to furnish such information to the Fund/AMC, from time to time, in order to comply with the reporting requirements stated in the IGA and or circulars/guidelines issued by SEBI/AMFI in this regard.

The impact of FATCA is relevant not only at the point of on-boarding of the investors but also throughout the life cycle of the investor account / folio with the Fund. Hence investor(s) should immediately intimate the Fund/AMC, in case of any change in the FATCA related information provided by them at the time of initial subscription.

The Fund/AMC reserves the right to reject any application or compulsorily redeem the units held directly or beneficially in case the applicant/investor fails to furnish the relevant information and/or documentation or is found to be holding units in contravention of the FATCA provisions.

Investors are advised to consult their tax advisors to understand the FATCA requirements and its implications in relation to their investment.

XVIII. Central KYC Records Registry (CKYCR):

The Government of India vide their Notification dated November 26, 2015 authorised the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) to act as and to perform the functions of the Central KYC Records Registry under the said rules, including receiving, storing, safeguarding and retrieving the KYC records under the Prevention of Money Laundering Act, 2002. SEBI required all the market intermediaries to update/upload KYC details of the new customer/investors (not KYC-KRA compliant) on CERSAI's online platform. CERSAI is a centralized repository of KYC records of customers/investors in the financial sector with uniform KYC norms and inter-usability of the KYC records across the sector with an objective to reduce the burden of producing KYC documents and getting those verified every time when the customer/investors creates a new relationship with a financial entity. Central KYC (CKYCR) will store all the customer/investor information at one central server that is accessible to all the financial institutions. After opening a KYC account under the CKYCR, customer/investor will get a 14-digit identification number ("KYC Number") and that the same may be quoted by the investor wanting to invest in mutual funds. Further, the Mutual Fund/AMC is required to check whether the PAN of the investor has been updated in CKYCR. In case the PAN has not been updated, the Mutual Fund/AMC shall collect a self certified copy of the investor's PAN card and update/upload the same in CKYCR. In case the investor uses the old KRA KYC form for updating of any KYC information, such investor shall be required to provide additional/missing information only by using the supplementary CKYCR form or fill the new "CKYCR form".

XIX. Updation of Aadhaar:

In accordance with the amendment to Prevention of Money Laundering Act (PMLA) Rules, 2017 dated June 1, 2017, Mutual Funds are mandated to obtain Aadhaar Number ("Aadhaar") from their investors and link the same to his/her/their respective folios. As per the new rules linking of Aadhaar with Mutual Fund investments is mandatory, for all the Unit holders. Failing which, the folios may be made inoperative.

Accordingly, the investors are requested to note the following:

- Every individual applicant shall submit the Aadhaar number.
- Non-individual applicants, Aadhaar number(s) issued to managers, officers or employees holding an attorney to transact shall be submitted.
- The applicants intending to hold units allotted in dematerialized mode, shall update the Aadhaar details in their Demat Accounts held with depository participants.
- The purpose of collection/usage of Aadhaar including demographic information is to comply with applicable laws / rules / regulations and provision of the said data is mandatory as per applicable laws / rules / regulations. Post obtaining Aadhaar, Edelweiss AMC/Fund/RTA shall authenticate the same in accordance with the Aadhaar Act, 2016. Edelweiss AMC/Fund/RTA shall receive investor's demographic information which shall be used only to comply with applicable laws / rules / regulations.

Submission of Aadhaar details does not warrant linking of Aadhaar in the investor Folios. The request for Aadhaar updation will be subject to:

- Aadhaar details provided is correct;
- Investor name & Date of Birth to be mentioned should be identical to that appearing in Aadhaar.
- Investor details matching with details available with UIDAI;
- Authentication with UIDAI database & other required validations is successful.
- Aadhaar will be updated in ALL his / her / their folio(s) held with the Fund.

