

Scheme features

Scheme Type

An Open Ended Equity scheme

Benchmark

CRISIL MIP Blended Index

Date of Allotment

20th August 2009

Entry Load

Nil¹

¹In terms of SEBI circular no. SEBI/IMD/CIR No. 4/ 168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor effective August 1, 2009. 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.

Exit Load

Under normal circumstances as well as under Expiry Day Trigger Facility:

- If the Units are redeemed/switced-out on or before 180 days from the date of allotment: 1%
- If the Units are redeemed/switced-out on or before 180 days but on or before 365 days from the date of allotment: 0.50%
- If the Units are redeemed/switced-out after 365 days from the date of allotment: Nil

Total Expense Ratio²

1.45%

Options

Growth and Dividend Facilities (Under Dividend Option)

Reinvestment, payout & Sweep Facility

(Default Facility - Dividend Reinvestment)

Default Option

Growth

Minimum Investment

Minimum of Rs. 5,000/- and in multiples of

Re.1/- thereafter.

Minimum Additional Investment Amount

Minimum of Rs. 1,000/- and in multiples of

Re.1/- thereafter.

Minimum Redemption Amount

- Minimum of 50 units & in multiples of 1 unit thereafter or Rs. 500 & in multiples of Re. 1/- thereafter.

- For demat transactions, minimum redemption would be mandatorily 50 units.

- In case of the investors/ units holders having available balance less than Rs. 500/- or less than 50 units in their respective folio on the day of submission of valid redemption request, for the respective plan, the minimum redemption limit would be the available balance.

Ratios

Standard deviation	4.99%
Sharpe ratio	5.55
Portfolio beta	0.31
R squared	0.73

Risk Free rate considered for the above = 7.90% pa. (10 years G sec bond)

Please note: Standard deviation and Sharpe ratio are Annualized.

Potfolio Turnover Ratio ^ 11.63 times

^ Lower of sales or purchase dividend by average AUM for last rolling 12 months.

Co-Fund Managers

Mr. Paul Parampreet - Experience: 5 years Managing the fund since: February 4,2010

Mr. Gavrav Khandelwal - Experience: Overall 6 years Managing the fund since : June 29,2010

AUM as on September 30, 2010

Rs. 41.02 (in Cr.)

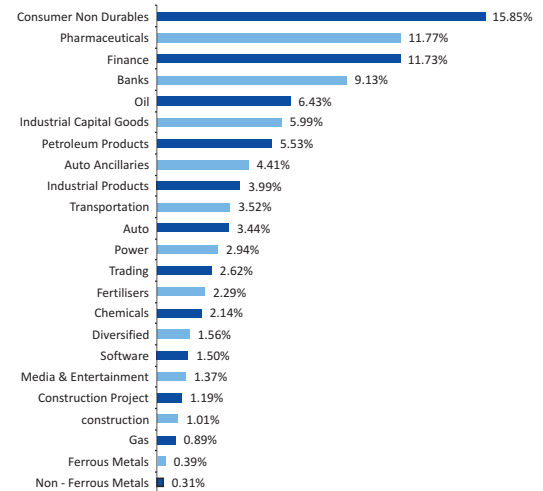
Investment Objective

The primary objective of the scheme will be to generate absolute returns with low volatility over a longer tenure of time. The scheme will invest in arbitrage opportunities, equity derivative strategies, pure equity investments and the balance in debt and money market instruments. The Scheme proposes to allocate assets to both equity and debt markets based upon the market view. However there is no assurance that the investment objective of the scheme will be realized.

Portfolio

Name of Instrument	Industry	% to Net Assets
EQUITY & EQUITY RELATED		
Listed / awaiting listing on the stock exchanges		
		66.80
Cairn India	Oil	3.84
Areva T&D India	Industrial Capital Goods	2.41
Balaji Distilleries	Consumer Non Durables	2.38
Titan Industries	Consumer Non Durables	1.95
Asian Paints	Consumer Non Durables	1.80
Shriram Transport Finance Co.	Finance	1.52
LIC Housing Finance	Finance	1.39
Coromandel International	Fertilisers	1.37
Microsec Financial #	Finance	1.35
Jet Airways (India)	Transportation	1.34
Mahindra & Mahindra Financial Services	Finance	1.32
Bosch	Auto Ancillaries	1.31
Oriental Bank of Commerce	Banks	1.31
UCO Bank	Banks	1.30
Opto Circuits (India)	Pharmaceuticals	1.29
Godrej Industries	Chemicals	1.28
Bharat Forge	Industrial Products	1.24
Emami	Consumer Non Durables	1.24
Central Bank of India	Banks	1.23
Cummins India	Industrial Products	1.14
Sun Pharmaceuticals Industries	Pharmaceuticals	1.13
Adani Enterprises	Trading	1.01
Lupin	Pharmaceuticals	1.01
Cadila Healthcare	Pharmaceuticals	0.98
Hindustan Unilever	Diversified	0.93
GlanSmithKline Pharmaceuticals	Pharmaceuticals	0.87
Bharat Petroleum Corpn.	Petroleum Products	0.92
NTPC	Power	0.89
Indian Oil Corporation	Petroleum Products	0.89
Dabur India	Consumer Non Durables	0.87
Torrent Power	Power	0.86
Cipla	Pharmaceuticals	0.85
Dr. Reddy's Laboratories	Pharmaceuticals	0.84
Hindustan Petroleum Corporation	Petroleum Products	0.83
Sun TV Network	Media & Entertainment	0.82
Bharat Electronics	Industrial Capital Goods	0.80
United Breweries	Consumer Non Durables	0.76
Container Corporation of India	Transportation	0.76
Canara Bank	Banks	0.73
Volta	Construction Project	0.71
Power Finance Corporation	Finance	0.71
Exide Industries	Auto Ancillaries	0.71
Castrol India	Petroleum Products	0.67
Bajaj Auto	Auto	0.66
Andhra Bank	Banks	0.65
Ashok Leyland	Auto	0.63
Bhambhani Sumi Systems	Auto Ancillaries	0.61
Godrej Properties	construction	0.60
MMTC	Trading	0.55
Mahindra & Mahindra	Auto	0.54
GOC India	Gas	0.53
Wipro	Software	0.53
Rural Electrification Corporation	Finance	0.49
Tata Consultancy Services	Software	0.37
Crompton Greaves	Industrial Capital Goods	0.37
Pioneer Distilleries	Consumer Non Durables	0.24
JSW Steel	Ferrous Metals	0.23
Bank of Baroda	Banks	0.22
Infrastructure Development Finance Company	Finance	0.22
Tata Motors	Auto	0.22
ITC	Consumer Non Durables	0.21
Hindustan Zinc	Non - Ferrous Metals	0.19
Total		59.67
Listed / awaiting listing on the stock exchanges: Reversed Positions		
IDBI Bank Oct 2010 (Expiry 28-Oct-2010)	Banks	(0.37)
IDBI Bank	Banks	(0.37)
Steel Authority of India Oct 2010 (Expiry 28-Oct-2010)	Ferrous Metals	(0.81)
Steel Authority of India	Ferrous Metals	(0.80)
Essar Oil Oct 2010 (Expiry 28-Oct-2010)	Petroleum Products	(0.89)
Essar Oil	Petroleum Products	(0.88)
Kingfisher Airlines Oct 2010 (Expiry 28-Oct-2010)	Transportation	(0.95)
Kingfisher Airlines	Transportation	(0.94)
Praj Industries Oct 2010 (Expiry 28-Oct-2010)	Industrial Capital Goods	(1.09)
Praj Industries	Industrial Capital Goods	(1.08)
Hindustan Petroleum Corporation Oct 2010 (Expiry 30-Sep-10)	Petroleum Products	(1.37)
Hindustan Petroleum Corporation	Petroleum Products	(1.36)
Videocon Industries Oct 2010 (Expiry 28-Oct-2010)	Consumer Durables	(1.74)
Videocon Industries	Consumer Durables	(1.72)
United Spirits ³ Oct 2010(Expiry 28-Oct-2010)	Consumer Non Durables	(2.80)
DERIVATIVES		
NIFTY 5800 Put Oct 2010 (Expiry 28-Oct-2010)	Index Option	0.09
NIFTY Index Future Oct 2010 (Expiry 28-Oct-2010)	Index Future	(5.81)
OTHERS		
Cash & Cash Equivalents		33.20
Fixed Deposit		
HDFC Bank (Maturity 03-Dec-10)	Unrated	1.22
Citibank N.A. (Maturity 14-Mar-11)	Unrated	1.22
Citibank N.A. (Maturity 23-Mar-11)	Unrated	0.61
Citibank N.A. (Maturity 22-Mar-11)	Unrated	0.61
CBLO / Reverse Repo Investments		4.89
Net Receivable/Payable		24.65
Grand Total		100.00
Notes:		
Total Exposure to illiquid securities is 0.00% of the portfolio; i.e. Rs.0.00 lakhs		
#Pending Listing on Stock Exchange		
Fixed Deposit placed under margin : Rs. 150 (in Lakhs)		
Total Exposure to derivative instruments (excluding reversed positions) as on 30/09/2010 : Rs. 242.2(in Lakhs)		
@The short future positions are taken as hedge against pending corporate actions		
³ Current year to date ratio to average AUM. AMC reserves the right to change the expense ratio within the limits prescribed in the Scheme Information Document.		

Asset Allocation



NAV as on September 30, 2010

Rs. Per Unit

Growth Option	11.45
Dividend Option	11.45

Performance as on September 30, 2010

Plan/ Option Name	Returns (In %)		
	6 Months	1 Year	*Since Inception
Growth***	9.15	13.25	12.94
CRISIL MIP Blended Index	4.44	7.54	9.12

Source: www.mutualfundsindia.com

Past performance may or may not be sustained in future.

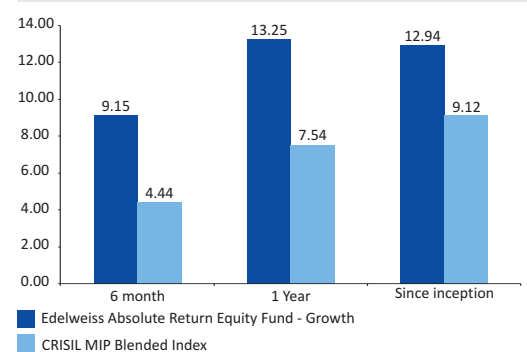
The above information is not necessarily indicative of future results and may not necessarily provide a basis for comparison with other investments.

*Inception Date is August 20, 2009

***Performance of the dividend option for the investor would be net of the dividend distribution tax, as applicable.

#Returns less than one year are absolute and returns equal to or greater than one year are compounded annualized (CAGR).

Fund Performances VS Benchmark Index



Risk Factors: Edelweiss Absolute Return Equity Fund is only the name of the scheme and does not in any manner indicate either the quality of the scheme, its future prospects and return. All Mutual Fund and securities investments are subject to market risk and there can be no assurance that the schemes' objectives will be achieved. As with any investment in securities, the NAV of the Units issued under the Scheme can go up or down depending on the factors and forces affecting the capital markets. Past performance of the Sponsor and their Affiliates/AMC/Mutual Fund & its Scheme(s) does not indicate the future performance of the Scheme and may not necessarily provide a basis for comparison with other investments. Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal and uncertainty of dividend distribution. As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down. Investors are not being offered any guaranteed / assured returns under any scheme of Edelweiss Mutual Fund. **Statutory Details:** Edelweiss Mutual Fund is set up as a Trust under the Indian Trusts Act, 1882 by Edelweiss Capital Limited. **Sponsor:** Edelweiss Capital Limited (ECL)(liability restricted to initial contribution of Rs. 1 Lac). **Trustee:** Edelweiss Trusteeship Company Limited (ETCL), a Company registered under the Companies Act, 1956 **Investment Manager:** Edelweiss Asset Management Limited (EAML), a Company registered under the Companies Act, 1956. Copy of the Statement of Additional Information (SAI) / Scheme Information Document (SID) and Key Information Memorandum (KIM) can be obtained from any of our Investor Services Centers as well as from our website www.edelweissmf.com. **Mutual Fund investments are subject to market risks. Please read the Statement of Additional Information (SAI) & Scheme Information Document (SID) of the respective schemes carefully before investing.**