

Edelweiss ABSOLUTE RETURN EQUITY fund



As on August 31, 2010

Scheme Features

Scheme Type

An Open Ended Equity Scheme

Benchmark

CRISIL MIP Blended Index

Date of Allotment

20th August 2009

Entry Load

Nil[§]

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

Total Expense Ratio^{**}

1.25%

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. 1000/- 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 4.52%
Sharpe ratio 3.60
Portfolio beta 0.21
R squared 0.49

Risk Free Rate considered for the above = 7.93% pa. (10 year G sec bond)

Please note: Standard deviation and Sharpe ratio are Annualized.

Portfolio Turnover Ratio [^] 3.34 times

[^] Lower of sales or purchase divided by average AUM for last rolling 12 months.

C0-Fund Managers

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

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

AUM as on August 31st, 2010

Rs. 35.59 (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.

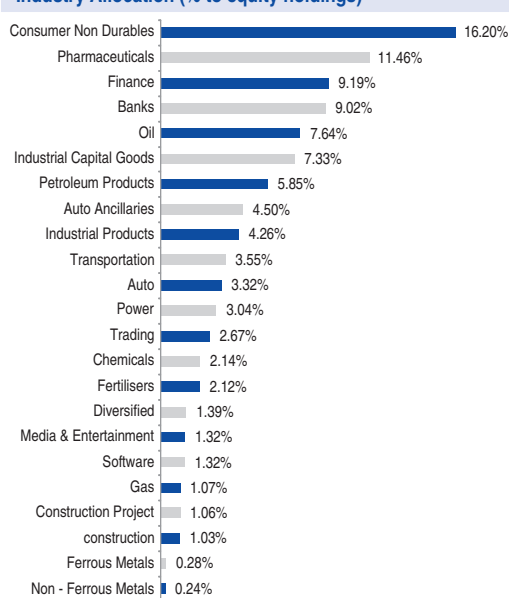
The Scheme proposes to allocate assets to both equity and debt markets based upon the market view. However there is no assurance that the investment objective of the scheme will be realized.

Portfolio

Name of Instrument	Industry	% of Net Assets
Equity & Equity Related Instrument Listed / awaiting listing on the stock exchanges		
69.31		
Cairn India	Oil	4.30
Areva T&D India	Industrial Capital Goods	3.05
Hindustan Petroleum Corporation	Petroleum Products	0.87
Balaji Distilleries	Consumer Non Durables	2.40
Asian Paints	Consumer Non Durables	1.95
Titan Industries	Consumer Non Durables	1.81
Shriram Transport Finance Co.	Finance	1.46
UCO Bank	Banks	1.31
Bosch	Auto Ancillaries	1.29
Opto Circuits (India)	Pharmaceuticals	1.25
Emami	Consumer Non Durables	1.24
Jet Airways (India)	Transportation	1.23
Bharat Forge	Industrial Products	1.23
Oriental Bank of Commerce	Finance	1.22
Mahindra & Mahindra Financial Services	Finance	1.22
Godrej Industries	Chemicals	1.21
Coromandel International	Fertilisers	1.19
LIC Housing Finance	Finance	1.17
Cummins India	Industrial Products	1.16
Central Bank of India	Banks	1.16
Adani Enterprises	Trading	0.99
Sun Pharmaceuticals Industries	Pharmaceuticals	0.98
Lupin	Pharmaceuticals	0.94
Bharat Petroleum Corpn.	Petroleum Products	0.93
Torrent Power	Power	0.91
Cadila Healthcare	Pharmaceuticals	0.91
Indian Oil Corporation	Petroleum Products	0.87
Dabur India	Consumer Non Durables	0.83
Dr. Reddy's Laboratories	Pharmaceuticals	0.81
NTPC	Power	0.80
Cipla	Pharmaceuticals	0.80
Hindustan Unilever	Diversified	0.78
Bharat Electronics	Industrial Capital Goods	0.76
GlaxoSmithKline Pharmaceuticals	Pharmaceuticals	0.76
Container Corporation of India	Transportation	0.76
Sun TV Network	Media & Entertainment	0.74
United Breweries	Consumer Non Durables	0.74
Power Finance Corporation	Finance	0.71
Exide Industries	Auto Ancillaries	0.64
Ashok Leyland	Auto	0.63
Canara Bank	Banks	0.63
Castrol India	Petroleum Products	0.63
Bajaj Auto	Auto	0.63
BOC India	Gas	0.60
Motherhood Sumi Systems	Auto Ancillaries	0.60
Andhra Bank	Banks	0.60
Volta	Construction Project	0.60
Godrej Properties	construction	0.58
MMTC	Trading	0.58
Mahindra & Mahindra	Auto	0.46
Rural Electrification Corporation	Finance	0.45
Wipro	Software	0.44
Crompton Greaves	Industrial Capital Goods	0.31
Tata Consultancy Services	Software	0.30
Bank of Baroda	Banks	0.16
JSW Steel	Ferrous Metals	0.16
Tata Motors	Auto	0.15
Infrastructure Development Finance Company	Finance	0.15
ITC	Consumer Non Durables	0.15
Hindustan Zinc	Non - Ferrous Metals	0.13
Listed / awaiting listing on the stock exchanges: Reversed Positions		
IDBI Bank	Banks	0.34
IDBI Bank Sep 2010 (Expiry 30-Sep-10)	Banks	(0.34)
The Federal Bank	Banks	0.48
The Federal Bank Sep 2010 (Expiry 30-Sep-10)	Banks	(0.47)
Zee Entertainment Enterprises	Media & Entertainment	0.81
Zee Entertainment Enterprises Sep 2010 (Expiry 30-Sep-10)	Media & Entertainment	(0.81)
Steel Authority of India Sep 2010 (Expiry 30-Sep-10)	Ferrous Metals	0.84
Kingfisher Airlines	Ferrous Metals	(0.84)
Kingfisher Airlines Sep 2010 (Expiry 30-Sep-10)	Transportation	0.87
Essar Oil Sep 2010 (Expiry 30-Sep-10)	Transportation	(0.87)
Piramal Healthcare	Petroleum Products	0.97
Piramal Healthcare Sep 2010 (Expiry 30-Sep-10)	Petroleum Products	(0.97)
Hindustan Petroleum Corporation	Pharmaceuticals	1.12
Hindustan Petroleum Corporation Sep 2010 (Expiry 30-Sep-10)	Pharmaceuticals	(1.13)
Reliance Industries	Petroleum Products	1.53
Reliance Industries Sep 2010 (Expiry 30-Sep-10)	Petroleum Products	(1.60)
Videocon Industries	Petroleum Products	1.81
Videocon Industries Sep 2010 (Expiry 30-Sep-10)	Petroleum Products	(1.82)
UltraTech Cement	Consumer Durables	1.87
UltraTech Cement Sep 2010 (Expiry 30-Sep-10)	Consumer Durables	(1.89)
United Spirits Sep 2010* (Expiry 30-Sep-10)	Cement	2.35
DERIVATIVES	Cement	(2.36)
NIFTY 5400 Put Sep 2010 (Expiry 30-Sep-10)	Consumer Non Durables	(2.94)
NIFTY 4900 Put Sep 2010 (Expiry 30-Sep-10)	Index Option	0.22
NIFTY Index Future Sep 2010 (Expiry 30-Sep-10)	Index Option	0.01
Cairn India 360 Call Sep 2010 (Expiry 30-Sep-10)	Index Future	(14.27)
Cairn India 360 Call Sep 2010 (Expiry 30-Sep-10)	Oil	0.00
Cairn India 360 Call Sep 2010 (Expiry 30-Sep-10)	Oil	0.00
MONEY MARKET INSTRUMENT		
Certificate of Deposit^{**}		
ICICI Bank (Maturity 22-Oct-10)	A1+	12.49
Cash & Cash Equivalents		
Fixed Deposit		
HDFC Bank (Maturity 08-Sep-10)	Unrated	2.78
HDFC Bank (Maturity 19-Sep-10)	Unrated	1.43
HDFC Bank (Maturity 28-Sep-10)	Unrated	1.40
CBLO / Reverse Repo Investments		
Net Receivable/Payable		
		2.73
		9.85
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. 200 (in Lakhs)		
Total Exposure to derivative instruments (excluding reversed positions) as on 31/08/2010 : Rs. 516.47 (in Lakhs)		
@ The short future positions are taken as hedge against pending corporate actions		
** Not Traded / Thinly Traded in accordance with SEBI Regulations/Guidelines		

[^] 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.

Industry Allocation (% to equity holdings)



NAV as on 31st August, 2010

In Rs. Per Unit

Growth Option	11.12
Dividend Option	11.12

Performance as on 31st August, 2010

Plan/ Option Name	Returns (In %)		
	6 Months	1 Year	*Since Inception
Growth***	9.34	11.09	10.86
CRISIL MIP Blended Index	3.89	7.40	7.61

Source: www.mutualfundsindia.com

Past performance may or may not be sustained in future.

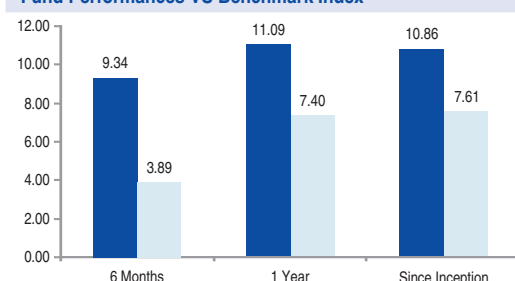
The above information is not necessarily indicative of future results and may not necessarily provide a basis for comparison with other investments.

*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



■ Edelweiss Absolute Return Equity Fund - Growth
■ CRISIL MIP Blended 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 of 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.**