

Edelweiss ABSOLUTE RETURN EQUITY fund



As on June 30, 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

- Upto 30 days - 1%
- Above 30 days - Nil

Total Expense Ratio (Current)**

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 (Annualized) 3.56%

Sharpe ratio 1.55

Portfolio beta 0.79

R squared 0.60

Risk Free Rate considered for the above = 8.09% pa. (10 year G sec bond)

Since the scheme has been launched in August 2009 and has been in existence for less than 1 year, the Portfolio Turnover ratio has not been computed for this month

CO-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 June 30th, 2010

Rs. 22.66 (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 exchange | | 84.22 |
| Areva T&D India | Industrial Capital Goods | 6.80 |
| HSBC InvestDirect (India) | Finance | 5.97 |
| ABB | Industrial Capital Goods | 3.23 |
| Bajaj Auto | Auto | 2.26 |
| Cadila Healthcare | Pharmaceuticals | 2.24 |
| Lupin | Pharmaceuticals | 2.14 |
| Shriram Transport Finance Co. | Finance | 1.96 |
| Bharat Petroleum Corpn. | Petroleum Products | 1.44 |
| Dr. Reddy's Laboratories | Pharmaceuticals | 1.39 |
| Dabur India | Consumer Non Durables | 1.38 |
| ITC | Consumer Non Durables | 1.37 |
| Hindustan Unilever | Diversified | 1.33 |
| GlaxoSmithKline Pharmaceuticals | Pharmaceuticals | 1.30 |
| Asian Paints | Consumer Non Durables | 1.28 |
| Bosch | Auto Ancillaries | 1.27 |
| GAIL (India) | Gas | 1.27 |
| Zee Entertainment Enterprises | Media & Entertainment | 1.25 |
| Cipla | Pharmaceuticals | 1.21 |
| Container Corporation of India | Transportation | 1.19 |
| NTPC | Power | 1.13 |
| Bharat Electronics | Industrial Capital Goods | 1.12 |
| Niphasis | Software | 1.00 |
| Emami | Consumer Non Durables | 0.96 |
| Castrol India | Petroleum Products | 0.93 |
| GlaxoSmithKline Consumer Healthcare | Consumer Non Durables | 0.90 |
| Pdillite Industries | Chemicals | 0.88 |
| Godrej Consumer Products | Consumer Non Durables | 0.87 |
| United Breweries | Consumer Non Durables | 0.86 |
| Gillette India | Consumer Non Durables | 0.86 |
| Hero Honda Motors | Auto | 0.84 |
| Jain Irrigation Systems | Industrial Products | 0.84 |
| Cairn India | Oil | 0.82 |
| LIC Housing Finance | Finance | 0.82 |
| Mundra Port and Special Economic Zone | Transportation | 0.81 |
| Torrent Pharmaceuticals | Pharmaceuticals | 0.80 |
| Engineers India | Engineering | 0.80 |
| Axis Bank | Banks | 0.80 |
| JSW Energy | Power | 0.80 |
| Procter & Gamble Hygiene and Health Care | Consumer Non Durables | 0.79 |
| Jindal Saw | Ferrous Metals | 0.78 |
| Bank of Baroda | Banks | 0.78 |
| Unitech | Construction | 0.77 |
| Corporation Bank | Banks | 0.76 |
| Tata Motors | Auto | 0.76 |
| Adani Enterprises | Trading | 0.75 |
| Piramal Healthcare | Pharmaceuticals | 0.72 |
| Sesa Goa | Minerals / Mining | 0.69 |
| BOC India | Gas | 0.69 |
| Fortis Healthcare | Healthcare Services | 0.69 |
| JSW Steel | Ferrous Metals | 0.68 |
| Standard Chartered PLC | Banks | 0.68 |
| Listed / awaiting listing on the stock exchanges: Reversed Positions | | |
| IBBI Bank Jul 2010 (Expiry 29-Jul-10) | Banks | (0.52) |
| IBBI Bank | Banks | 0.53 |
| Jindal Steel & Power Jul 2010 (Expiry 29-Jul-10) | Ferrous Metals | (0.97) |
| Jindal Steel & Power | Ferrous Metals | 0.96 |
| Kingfisher Airlines Jul 2010 (Expiry 29-Jul-10) | Transportation | (1.15) |
| Kingfisher Airlines | Transportation | 1.14 |
| UltraTech Cement Jul 2010 (Expiry 29-Jul-10)* | Cement | (1.26) |
| UltraTech Cement | Cement | 0.01 |
| Samruddhi Cement† | Cement | 1.22 |
| Zee Entertainment Enterprises Jul 2010 (Expiry 29-Jul-10) | Media & Entertainment | (1.35) |
| Zee Entertainment Enterprises | Media & Entertainment | 1.35 |
| Tata Steel Jul 2010 (Expiry 29-Jul-10) | Ferrous Metals | (1.48) |
| Tata Steel | Ferrous Metals | 1.50 |
| Essar Oil Jul 2010 (Expiry 29-Jul-10) | Petroleum Products | (1.76) |
| Essar Oil | Petroleum Products | 1.74 |
| Videocon Industries Jul 2010 (Expiry 29-Jul-10) | Consumer Durables | (2.47) |
| Videocon Industries | Consumer Durables | 2.45 |
| The Bank of Rajasthan | Banks | 2.62 |
| ICICI Bank Jul 2010 (Expiry 29-Jul-10)* | Banks | (2.77) |
| Balaji Distilleries† | Consumer Non Durables | 4.04 |
| United Spirits Jul 2010 (Expiry 29-Jul-10)* | Consumer Non Durables | (4.22) |
| DERIVATIVES | | |
| NIFTY 4800 Put Jul 2010 (Expiry 29-Jul-10) | Index Option | 0.06 |
| NIFTY Index Future Jul 2010 (Expiry 29-Jul-10) | Index Future | (6.10) |
| Other | | 15.78 |
| Cash & Cash Equivalents | | |
| Fixed Deposit | | |
| HDFC Bank (Maturity 08-Sep-10) | | 4.37 |
| HDFC Bank (Maturity 19-Sep-10) | | 2.25 |
| HDFC Bank (Maturity 28-Sep-10) | | 2.21 |
| CBLO / Reverse Repo Investments | | 5.57 |
| Net Receivable/Payable | | 1.39 |
| 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)

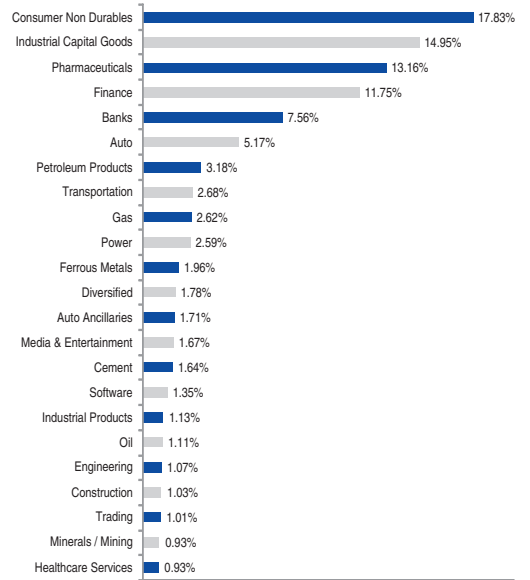
Total Exposure to derivative instruments (excluding reversed positions) as on 30/06/2010 : Rs. (139.68) (in Lakhs)

‡ (139.68) (in Lakhs)

@ The short future positions are taken as hedge against pending corporate actions.

**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 30th June, 2010

In Rs. Per Unit

| | |
|-----------------|-------|
| Growth Option | 10.83 |
| Dividend Option | 10.83 |

Performance as on 30th June, 2010

| Scheme Name | Returns (In %) | |
|---|----------------|------------------|
| | 6 Months | *Since Inception |
| Edelweiss Absolute Return Equity Fund - Growth*** | 6.91 | 8.30 |
| CRISIL MIP Blended Index | 2.99 | 7.29 |

Source: www.mutualfundsindia.com

Past performance may or may not be sustained in future.

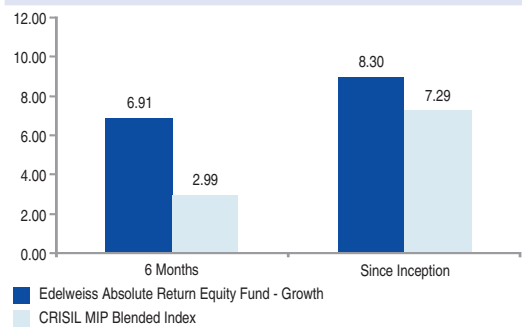
The above information is not necessarily indicative of future results and may not necessarily provide a basis for comparison with other investments.

*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 shown above are absolute returns as the Scheme has not completed one year of existence.

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. 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.**