

# Edelweiss ABSOLUTE RETURN EQUITY fund



As on July 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<sup>§</sup>

<sup>§</sup>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 (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)	3.19%
Sharpe ratio	0.00
Portfolio beta	0.06
R squared	0.17

Risk Free Rate considered for the above = 7.80% 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

### 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 July 31st, 2010

Rs. 29.21 (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
<b>Equity &amp; Equity Related Instrument Listed / awaiting listing on the stock exchange</b>		<b>71.80</b>
Areva T&D India	Industrial Capital Goods	5.24
ABB - Open Offer	Industrial Capital Goods	3.04
Balaji Distilleries	Consumer Non Durables	2.92
ABB	Industrial Capital Goods	2.72
The Bank of Rajasthan	Banks	2.07
Shriram Transport Finance Co.	Finance	1.97
Cadila Healthcare	Pharmaceuticals	1.89
Lupin	Pharmaceuticals	1.79
Samruddhi Cement	Cement	1.78
Adani Enterprises	Trading	1.54
Asian Paints	Consumer Non Durables	1.27
Bharat Petroleum Corpn.	Petroleum Products	1.22
Bosch	Auto Ancillaries	1.17
Dr. Reddy's Laboratories	Pharmaceuticals	1.14
Dabur India	Consumer Non Durables	1.13
Hindustan Unilever	Diversified	1.09
United Breweries	Consumer Non Durables	1.08
Container Corporation of India	Transportation	1.06
GlaxoSmithKline Pharmaceuticals	Pharmaceuticals	1.05
GAIL (India)	Gas	1.04
Bharat Electronics	Industrial Capital Goods	1.03
Cipla	Pharmaceuticals	1.02
NTPC	Power	0.99
Emami	Consumer Non Durables	0.99
Bajaj Auto	Auto	0.96
Castrol India	Petroleum Products	0.86
Jain Irrigation Systems	Industrial Products	0.85
Indian Oil Corporation	Petroleum Products	0.84
Hindustan Petroleum Corporation	Petroleum Products	0.83
Colgate Palmolive (India)	Consumer Non Durables	0.83
LIC Housing Finance	Finance	0.82
Sun Pharmaceuticals Industries	Pharmaceuticals	0.82
Pidilite Industries	Chemicals	0.81
Calm India	Oil	0.80
Gillette India	Consumer Non Durables	0.78
GlaxoSmithKline Consumer Healthcare	Consumer Non Durables	0.77
Godrej Consumer Products	Consumer Non Durables	0.76
Axis Bank	Banks	0.76
Procter & Gamble Hygiene and Health Care	Consumer Non Durables	0.74
Unitech	Construction	0.73
Bank of Baroda	Banks	0.73
Corporation Bank	Banks	0.73
Tata Motors	Auto	0.72
BCC India	Gas	0.68
JSW Steel	Ferrous Metals	0.63
Sesa Goa	Minerals / Mining	0.62

### Listed / awaiting listing on the stock exchanges: Reversed Positions

ABB Aug 2010 (Expiry 26-Aug-10)	Industrial Capital Goods	(0.28)
ABB	Industrial Capital Goods	0.28
IDBI Bank Aug 2010 (Expiry 26-Aug-10)	Banks	(0.41)
IDBI Bank	Banks	0.41
GAIL (India) Aug 2010 (Expiry 26-Aug-10)	Gas	(0.60)
GAIL (India)	Gas	0.60
Jindal Steel & Power Aug 2010 (Expiry 26-Aug-10)	Ferrous Metals	(0.75)
Jindal Steel & Power	Ferrous Metals	0.75
Kingfisher Airlines Aug 2010 (Expiry 26-Aug-10)	Transportation	(0.95)
Kingfisher Airlines	Transportation	0.94
Zee Entertainment Enterprises Aug 2010 (Expiry 26-Aug-10)	Media & Entertainment	(1.02)
Zee Entertainment Enterprises	Media & Entertainment	1.01
Steel Authority of India Aug 2010 (Expiry 26-Aug-10)	Ferrous Metals	(1.12)
Steel Authority of India	Ferrous Metals	1.12
Tata Motors Aug 2010 (Expiry 26-Aug-10)	Auto	(1.15)
Tata Motors	Auto	1.16
Essar Oil Aug 2010 (Expiry 26-Aug-10)	Petroleum Products	(1.24)
Essar Oil	Petroleum Products	1.23
Hindustan Petroleum Corporation Aug 2010 (Expiry 26-Aug-10)	Petroleum Products	(1.64)
Hindustan Petroleum Corporation	Petroleum Products	1.63
Reliance Industries Aug 2010 (Expiry 26-Aug-10)	Petroleum Products	(1.74)
Reliance Industries	Petroleum Products	1.73
Maruti Suzuki India Aug 2010 (Expiry 26-Aug-10)	Auto	(1.75)
Maruti Suzuki India	Auto	1.74
Ultra Tech Cement Aug 2010 (Expiry 26-Aug-10)@	Cement	(1.82)
Videocon Industries Aug 2010 (Expiry 26-Aug-10)	Consumer Durables	(1.89)
Videocon Industries	Consumer Durables	1.88
ICICI Bank Aug 2010 (Expiry 26-Aug-10)@	Banks	(2.23)
United Spirits Aug 2010 (Expiry 26-Aug-10)@	Consumer Non Durables	(3.46)

### DERIVATIVES

NIFTY 4900 Put Aug 2010 (Expiry 26-Aug-10)

NIFTY Index Future Aug 2010 (Expiry 26-Aug-10)

Cash & Cash Equivalents

Fixed Deposit

Unrated 3.39

Unrated 1.75

Unrated 1.71

CBLO / Reverse Repo Investments 9.43

Net Receivable/Payable 11.92

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

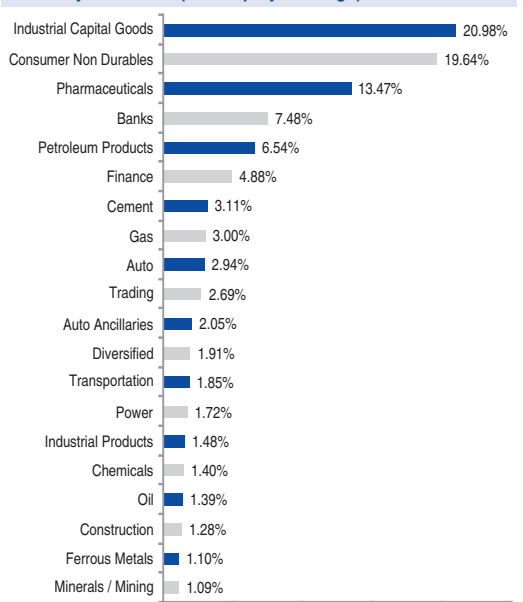
Fixed Deposit placed under margin : Rs. 200 (in Lakhs)

Total Exposure to derivative instruments (excluding reversed positions) as on 31/07/2010

: Rs. (411.83) (in Lakhs)

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

## Industry Allocation (% to equity holdings)



## NAV as on 30th July, 2010

	In Rs. Per Unit
Growth Option	10.90
Dividend Option	10.90

## Performance as on 30th July, 2010

Plan/ Option Name	Returns (In %)	
	6 Months	*Since Inception
Growth***	8.35	9.00
CRISIL MIP Blended Index	3.64	7.47

Source: www.mutualfundsindia.com

### Past performance may or may not be sustained in future.

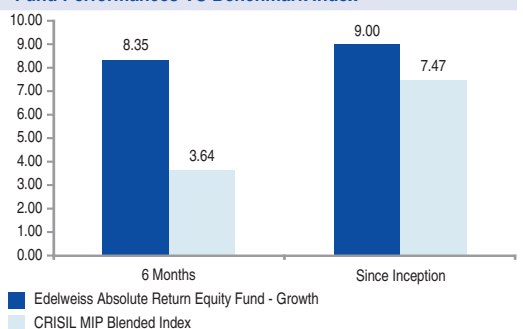
The above information is not necessarily indicative of future results and may not necessarily provide a basis for comparison with other investments.

\*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 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.**