

Edelweiss Absolute Return Equity fund



As on 31st January, 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 Rs. 1000/- and in multiples of Re. 1/- thereafter

Ratios

Standard deviation (Annualized)	5.93%
Sharpe ratio	-0.78
Portfolio beta	0.82
R squared	0.77

Risk Free Rate considered for the above = 7.75% pa. (10 year G sec bond)

Since the scheme has been launched on Aug 09 and the performance history is available only for a very short period Portfolio Turnover have not been computed for this month.

Fund Manager

Mr. Tarbir Shahpuri

Experience : 5 years

Managing the fund since inception

AUM as on January 31st, 2010

Rs. 15.14 (in Cr.)

Investment Objective

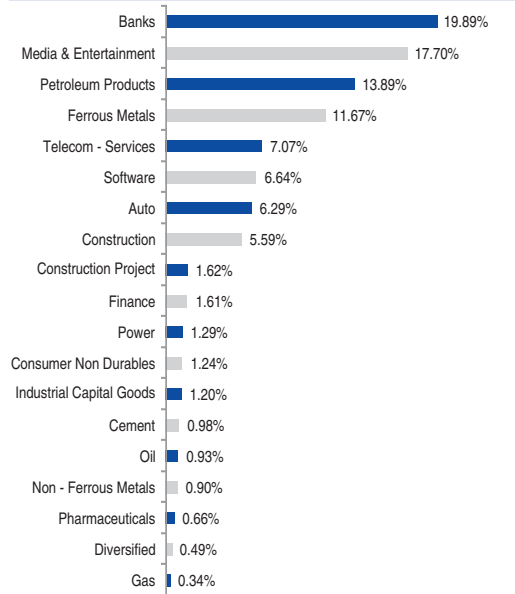
The primary objective of the scheme will be to generate absolute returns with low volatility over a longer tenure of time. The scheme will invest in arbitrage opportunities, equity derivative strategies, pure equity investments and the balance in debt and money market instruments. The Scheme proposes 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	Sector	% of Net Assets
Equity & Equity Related Instruments		
Listed / awaiting listing on the stock exchanges		
ICICI Bank	Banks	2.51
Idea Cellular	Telecom - Services	2.27
Tata Steel	Ferrous Metals	2.17
Punjab National Bank	Banks	2.01
Indian Oil Corporation	Petroleum Products	1.96
Tata Motors	Auto	1.95
Housing Development and Infrastructure	Construction	1.92
JSW Steel	Ferrous Metals	1.90
Canara Bank	Banks	1.89
Hindustan Petroleum Corporation	Petroleum Products	1.82
Reliance Industries	Petroleum Products	1.32
Infinite Computer Solutions (India) #	Software	1.15
Infosys Technologies	Software	0.85
Larsen & Toubro	Construction Project	0.60
ITC	Consumer Non Durables	0.46
Housing Development Finance Corporation	Finance	0.43
HDFC Bank	Banks	0.40
State Bank of India	Banks	0.38
Bharat Heavy Electricals	Industrial Capital Goods	0.27
Bharti Airtel	Telecom - Services	0.27
Tata Consultancy Services	Software	0.27
Oil & Natural Gas Corpn	Oil	0.26
Sterlite Industries (India)	Non - Ferrous Metals	0.22
Hindustan Unilever	Diversified	0.18
Axis Bank	Banks	0.18
Jindal Steel & Power	Ferrous Metals	0.17
Tata Power Co.	Power	0.15
Mahindra & Mahindra	Auto	0.15
Wipro	Software	0.14
NTPC	Power	0.13
Maruti Suzuki India	Auto	0.13
Grasim Industries	Cement	0.13
GAIL (India)	Gas	0.13
Hindalco Industries	Non - Ferrous Metals	0.12
Cipla	Pharmaceuticals	0.11
Jaiprakash Associates	Cement	0.11
Reliance Infrastructure	Power	0.10
Infrastructure Development Finance Company	Finance	0.10
Hero Honda Motors	Auto	0.10
Steel Authority of India	Ferrous Metals	0.09
DLF	Construction	0.09
Reliance Communications	Telecom - Services	0.08
Calm India	Oil	0.08
Sun Pharmaceuticals Industries	Pharmaceuticals	0.08
Siemens	Industrial Capital Goods	0.07
Unitech	Construction	0.07
Reliance Capital	Finance	0.07
ACC	Cement	0.07
Ambuja Cement	Cement	0.06
ABB	Industrial Capital Goods	0.06
HCL Technologies	Software	0.06
Bharat Petroleum Corpn.	Petroleum Products	0.05
Ranbaxy Laboratories	Pharmaceuticals	0.05
Power Grid Corporation of India	Power	0.05
Reliance Power	Power	0.04
Suzlon Energy	Industrial Capital Goods	0.04
Listed / awaiting listing on the stock exchanges: Reversed Positions		
IDBI Bank Feb 2010	Banks	(0.77)
IDBI Bank	Banks	0.77
India Infoline Feb 2010	Finance	(1.18)
India Infoline	Finance	1.17
Reliance Natural Resources Feb 2010	Gas	(1.52)
Reliance Natural Resources	Gas	1.52
Jaiprakash Associates Feb 2010	Cement	(1.54)
Jaiprakash Associates	Cement	1.54
Kingfisher Airlines Feb 2010	Transportation	(1.84)
Kingfisher Airlines	Transportation	1.83
Essar Oil Feb 2010	Petroleum Products	(2.57)
Essar Oil	Petroleum Products	2.56
Reliance Industries Feb 2010	Petroleum Products	(4.15)
Reliance Industries	Petroleum Products	4.15
Zee Entertainment Enterprises Feb 2010	Media & Entertainment	(6.04)
Zee News	Media & Entertainment	6.56
Indiabulls Real Estate Feb 2010	Construction	(6.96)
Indiabulls Real Estate	Construction	6.92
K.S. Oils Feb 2010	Consumer Non Durables	(8.29)
K.S. Oils	Consumer Non Durables	8.30
DERIVATIVES		
NIFTY Index Future Feb 2010	Index Future	(20.29)
Others		
Fixed Deposit		
IDBI Bank	Unrated	6.61
HDFC Bank	Unrated	6.54
HDFC Bank	Unrated	3.37
HDFC Bank	Unrated	3.30
IDBI Bank	Unrated	2.97
CBLO / Reverse Repo Investments		
Net Receivable/Payable		
Grand Total		
100.00		
Notes:		
Total Exposure to derivative instruments (excluding reversed positions) as on 31/01/2010: Rs. -307.17 (Rs. in Lakhs)		
Fixed Deposit placed under margin : Rs. 200 (Rs. in Lakhs)		
#Pending Listing on Stock Exchange		

**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.

Sector Classification (% to equity holdings)



NAV as on 29th January, 2010

	In Rs. Per Unit
Growth Option	10.06
Dividend Option	10.06

Performance as on 29th January, 2010

Scheme Name	NAV (29-Jan-10)	Absolute Returns (In %)		
		1 Month	3 Months	*Since Inception
Edelweiss Absolute Return Equity Fund - Growth***	10.06	-0.6910	1.6161	0.6000
CRISIL MIP Blended Index		-0.4587	2.0922	3.6973

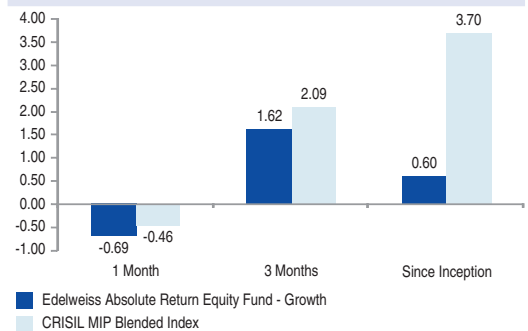
Source: www.mutualfundsindia.com

Past performance may or may not be sustained in future.

*Inception Date August 20, 2009

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

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. 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 Trust 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.**