

Edelweiss Asset Management Limited - Investment Manager: Edelweiss Mutual Fund

Edelweiss House, 6th Floor, Off C.S.T Road, Kalina, Mumbai – 400098.

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NOTICE CUM ADDENDUM TO THE STATEMENT OF ADDITIONAL INFORMATION (SAI), SCHEME INFORMATION DOCUMENT (SID) AND KEY INFORMATION MEMORANDUM (KIM) OF ALL SCHEMES OF EDELWEISS MUTUAL FUND (“the Fund”)

REVISION IN KNOW YOUR CUSTOMER (KYC) PROCEDURE

Pursuant to SEBI Circular No. MIRSD/ Cir-26/ 2011 dated December 23, 2011, SEBI (KYC Registration Agency) Regulations, 2011 and SEBI Circular No. MIRSD/SE/Cir-21/2011 dated October 5, 2011, regarding uniformity in the Know Your Customer (KYC) process in the securities market, development of a mechanism for centralization of the KYC records to avoid duplication of KYC Process across the intermediaries in the securities market and requirement of In-Person Verification (“IPV”) of investors, following changes to SAI/SID/KIM of the Schemes of the Fund have been carried out with effect from January 1, 2012:

1. SEBI has introduced a common KYC Application Form for all the SEBI registered intermediaries viz. Mutual Funds, Portfolio Managers, Depository Participants, Stock Brokers, Venture Capital Funds, Collective Investment Schemes, etc. New Investors are therefore requested to use the common KYC Application Form and carry out the KYC process including IPV with any SEBI registered intermediaries including mutual funds. The KYC Application Forms are also available on our website www.edelweissmf.com.
2. The Fund shall perform the initial KYC of its new investors and may undertake enhanced KYC measures commensurate with the risk profile of its investors in line with the aforementioned circulars/circulars issued by SEBI in this regard from time to time. The Fund shall upload the details of the investors on the system of the KYC Registration Agency (“KRA”). The Registrar & Transfer Agent of the Fund viz. Karvy Computershare Private Limited (“Karvy”) may also undertake the KYC of the investors on behalf of the Fund. On receipt of the KYC documents from the Fund, the KRA shall send a letter to the investor within SEBI stipulated timelines, confirming the details thereof.
3. Once the investor has done KYC with a SEBI registered intermediary, the investor need not undergo the same process again with another intermediary but can submit the letter/acknowledgment issued by the KRA.
4. It is mandatory for intermediaries including mutual funds to carry out IPV of its new investors. The IPV carried out by any SEBI registered intermediary can be relied upon by the Fund. Edelweiss Asset Management Limited and NISM/AMFI certified distributors who are Know Your Distributor (KYD) compliant are authorized to undertake the IPV for mutual fund investors. Further, in case of any applications received directly (i.e. without being routed through the distributors) from the investors, the Fund may rely upon the IPV (on the KYC Application Form) performed by the scheduled commercial banks.
5. Existing KYC compliant investors of the Fund can continue to invest as per the current practice. However, existing investors are also urged to comply with the new KYC requirements including IPV as mandated by SEBI.
6. Application Form not accompanied by KYC Application Form or letter/acknowledgment issued by KRA may be rejected by the Fund. The KYC compliance status will be validated with the records of the KRA.

Investors/Unit holders are requested to contact any of the Investor Service Centres (ISCs) of the Fund for further details.

All other terms and conditions of the SAI/SID/KIM of the Schemes of the Fund will remain unchanged.

This addendum forms an integral part of the SAI/SID/KIM of the Schemes of Edelweiss Mutual Fund, as amended from time to time.

For **Edelweiss Asset Management Limited**
(Investment Manager to Edelweiss Mutual Fund)

Sd/-
Vikaas M Sachdeva
Chief Executive Officer

Place: Mumbai
Date: January 2, 2012

Risk Factors: All Mutual Fund and securities investments are subject to market risk and there can be no assurance that the Scheme's 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. The names of the Schemes do not in any manner indicate either the quality of the Scheme(s) or their future prospects and returns. 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 fluctuate, the value of your investment in the Scheme may go up or down. The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of ₹1,00,000/- made by it towards setting up Edelweiss Mutual Fund. 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 Financial Services Limited. **Sponsor:** Edelweiss Financial Services Limited (formerly Edelweiss Capital Limited) (liability restricted to initial contribution of ₹1,00,000). **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 Statement of Additional Information (SAI) / Scheme Information Document (SID) and Key Information Memorandum (KIM) can be obtained from any of our Investor Service Centers as well as from our website www.edelweissmf.com.

Mutual Fund investments are subject to market risks. Please read all scheme related documents carefully before investing.