

NOTICE CUM ADDENDUM TO THE SCHEME INFORMATION DOCUMENT AND KEY INFORMATION MEMORANDUM OF EDELWEISS DYNAMIC EQUITY ADVANTAGE FUND

Notice is hereby given to the Unit holders of Edelweiss Dynamic Equity Advantage Fund, an open-ended equity scheme ("the Scheme") that Edelweiss Trusteeship Company Limited, the Trustee to Edelweiss Mutual Fund ("the Fund"), has approved the following change to the key provisions of the Scheme to be effective from September 8, 2017 ("Effective Date"):

Particulars	Existing Provisions	Proposed Provisions																																
Scheme Objective	The primary objective of the Scheme is to generate absolute returns with low volatility over a longer tenure of time. The Scheme will accordingly invest in arbitrage opportunities and debt and money market instruments on the one hand and in pure equity investments and equity derivative strategies on the other. However there is no assurance that the investment objective of the Scheme will be realized.	The primary objective of the Scheme is to generate capital appreciation with relatively lower volatility over a longer tenure of time. The Scheme will accordingly invest in equities, arbitrage opportunities and derivative strategies on the one hand and debt and money market instruments on the other. The Scheme may also invest in Infrastructure Investment Trusts and Real Estate Investment Trusts. However there is no assurance that the investment objective of the Scheme will be realized.																																
Asset Allocation Pattern	<table border="1"> <thead> <tr> <th rowspan="2">Instruments</th> <th colspan="2">Indicative allocation (% of total assets)</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Min.</th> <th>Max.</th> </tr> </thead> <tbody> <tr> <td>Equity, Equity related instruments</td> <td>65</td> <td>100</td> <td>Medium to High</td> </tr> <tr> <td>Debt and Money Market Instruments</td> <td>0</td> <td>35</td> <td>Low to Medium</td> </tr> </tbody> </table> <ul style="list-style-type: none"> The investments in securitised papers including Pass through Certificates (PTCs) may be made upto 35% of the net assets of the Scheme. The Scheme can also take derivative exposure upto 100 % of the net assets of the Scheme. The cumulative gross exposure through equity, debt and derivative positions will not exceed 100% of the net assets of the Scheme. However, cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. The total exposure related to option premium paid will not exceed 20% of the net assets of the Scheme. The Scheme may enter into plain vanilla interest rate swaps for hedging purposes. Exposure to a single counterparty in such transactions will not exceed 10% of the net assets of the Scheme. The Scheme may engage in Stock Lending. Not more than 25% of the net assets of the Scheme can generally be deployed in stock lending and not more than 5% of the net assets of the Scheme will be deployed in Stock lending to any single counterparty. The Scheme may invest in Foreign Securities upto 35% of the Permissible Investments of net assets of the Scheme. 	Instruments	Indicative allocation (% of total assets)		Risk Profile	Min.	Max.	Equity, Equity related instruments	65	100	Medium to High	Debt and Money Market Instruments	0	35	Low to Medium	<table border="1"> <thead> <tr> <th rowspan="2">Instruments</th> <th colspan="2">Indicative allocation (% of total assets)</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Min.</th> <th>Max.</th> </tr> </thead> <tbody> <tr> <td>Equity, Equity related instruments*</td> <td>65</td> <td>100</td> <td>Medium to High</td> </tr> <tr> <td>Units of InvITs/REITs</td> <td>0</td> <td>10</td> <td>Medium to High</td> </tr> <tr> <td>Debt and Money Market Instruments</td> <td>0</td> <td>35</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>*The Scheme can take derivative exposure up to 50% of the net assets of the Scheme. Further, depending on the market conditions and discretion of the Fund Manager the Scheme can bring down the Net Equity exposure up to a minimum of 30% of the portfolio value. Net Equity exposure means exposure to equity shares alone without a corresponding equity derivative exposure.</p> <ul style="list-style-type: none"> The investments in securitised papers including Pass through Certificates (PTCs) may be made upto 35% of the net assets of the Scheme. The Scheme may invest in units of Infrastructure Investment Trusts and Real Estate Investment Trusts. Not more than 10% of the net assets of the Scheme will be invested in InvITs and REITs and not more than 5% of the net assets of the Scheme will be invested in InvITs and REITs of any single issuer. The cumulative gross exposure through equity, debt, derivative positions, REITs and InvITs will not exceed 100% of the net assets of the Scheme. However, cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. The total exposure related to option premium paid will not exceed 20% of the net assets of the Scheme. The Scheme may enter into plain vanilla interest rate swaps for hedging purposes. Exposure to a single counterparty in such transactions will not exceed 10% of the net assets of the Scheme. The Scheme may engage in Stock Lending. Not more than 20% of the net assets of the Scheme can generally be deployed in stock lending and not more than 5% of the net assets of the Scheme will be deployed in Stock lending to any single counterparty. The Scheme may invest in Foreign Securities upto 35% of the Permissible Investments of net assets of the Scheme. 	Instruments	Indicative allocation (% of total assets)		Risk Profile	Min.	Max.	Equity, Equity related instruments*	65	100	Medium to High	Units of InvITs/REITs	0	10	Medium to High	Debt and Money Market Instruments	0	35	Low to Medium
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Investment Strategy & Approach	The Scheme will deploy Absolute Return Strategy to achieve the Scheme's investment objective. The Scheme will accordingly invest in arbitrage opportunities and in debt and money market instruments on the one hand and in pure equity investments and equity derivative strategies on the other, taking care that, as far as possible, the equity oriented nature of the Scheme remains intact. The Fund Manager will deploy a combination of strategies to achieve the investment objective of the Scheme. Depending on the market conditions, investments will be made in arbitrage opportunities and in debt and money market instruments and the residual will be a combination of special situations, other derivative strategies and use of quantitative models.	The Scheme aims to dynamically manage equity exposure in the portfolio by actively deploying various equity derivative strategies. The Scheme will accordingly invest in equities, arbitrage opportunities and derivative strategies on the one hand and debt and money market instruments on the other. Depending upon the market condition, the Fund Manager at his discretion can bring down net equity exposure up to 30% of the portfolio value to protect downside risk in the portfolio during falling markets. This however will ensure that the Scheme maintains its equity oriented nature as far as possible at all points in time. Net Equity Exposure means exposure to long only equity shares after considering the corresponding equity derivative exposure. The extent of long only equity exposure would be guided by an in-house proprietary quantitative model, from time to time. The balance will be invested in debt and money market securities. The Fund Manager will deploy a combination of strategies to achieve the investment objective of the Scheme.																																

Risk	Risk Factors Associated with investment in Equity & Equity related instruments:	Risk Factors Associated with investment in Equity & Equity related instruments:
	The value of the Scheme's investments may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, etc. Settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. The Scheme may face Liquidity Risk or Execution Risk or Redemption Risk or the risk of NAV going below par. Further, using Quantitative Analysis Strategy may also result into Market Risk, Modelling Error risk etc. At times, taking benefit of investing in Special Situation may involve certain risk like the promoter may choose not to accept the discovered prices or the Regulatory hurdles may delay any specific corporate action. For details, please refer SAI. The Scheme may lose the Status of Equity oriented Scheme to maintain the Investment objective of the Scheme i.e. absolute returns with low volatility over a longer tenure of time. In order to ensure absolute returns with low volatility over a longer tenure of time, the Scheme may have to invest at a given point of time, substantial portion of its portfolio in Debt & Money Market instruments. Such investments will have tax effect on the investment at the time of redemption. Investors are requested to consult their Tax Advisors before investing.	The value of the Scheme's investments may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, etc. Settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. The Scheme may face Liquidity Risk or Execution Risk or Redemption Risk or the risk of NAV going below par. Further, using Quantitative Analysis Strategy may also result into Market Risk, Modelling Error risk etc. At times, taking benefit of investing in Special Situation may involve certain risk like the promoter may choose not to accept the discovered prices or the Regulatory hurdles may delay any specific corporate action. For details, please refer SAI Risk Factors Associated with Investments in REITs and InvITs: • Market Risk: REITs and InvITs are volatile and prone to price fluctuations on a daily basis owing to market movements. Investors may note that AMC/Fund Manager's investment decisions may not always be profitable, as actual market movements may be at variance with the anticipated trends. The NAV of the Scheme is vulnerable to movements in the prices of securities invested by the scheme, due to various market related factors like changes in the general market conditions, factors and forces affecting capital market, level of interest rates, trading volumes, settlement periods and transfer procedures. • Liquidity Risk: As the liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk. • Reinvestment Risk: Investments in REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns. The above are some of the common risks associated with investments in REITs & InvITs. There can be no assurance that a Scheme's investment objectives will be achieved, or that there will be no loss of capital. Investment results may vary substantially on a monthly, quarterly or annual basis.
Where will the Scheme Invest?	In relation to investments in Infrastructure Investment Trusts and Real Estate Investment Trusts: NIL	In relation to investments in Infrastructure Investment Trusts and Real Estate Investment Trusts: In accordance with SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2017/17 dated February 28, 2017 and amendments thereto from time to time, the Scheme may invest in units of Investment Trusts and Real Estate Investment Trusts within the stipulated investment limits.
Investment Restriction	In relation to investments in Infrastructure Investment Trusts and Real Estate Investment Trusts: NIL	The Scheme may invest in the units of InvITs and REITs subject to the following: (a) The Fund under all its schemes shall own not more than 10% of units issued by a single issuer of REITs and InvITs; and (b) The Scheme shall not invest: i. more than 10% of its net assets in the units of REITs and InvITs; and ii. more than 5% of its net assets in the units of REITs and InvITs issued by a single issuer.

The Securities and Exchange Board of India has vide its letter no. SEBI/HO/IMD/DF3/OW/P/2017/17695/1 dated July 28, 2017 conveyed it's no objection to the aforesaid change in fundamental attributes of the Scheme.

In accordance with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996 and SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2017/17 dated February 28, 2017, of the changes enumerated above, changes such as Investment Objective, Asset Allocation etc. constitute a change in fundamental attributes of the Scheme. Accordingly, Unit holders under the Scheme as on August 8, 2017 who do not agree with the proposed changes are hereby given an option to exit, i.e. **either redeem their investments (fully or partially) or switch their investments to any other schemes of Edelweiss Mutual Fund, within a period of 30 days starting from August 9, 2017 till September 7, 2017 (both days inclusive and upto 3.00 pm on September 7, 2017) at Applicable NAV, without payment of any exit load.** The Exit Option can be exercised during the Exit Option Period by submitting a valid redemption/switch-out request at any Official Point of Acceptance of the Fund or the Registrar and Transfer Agents of the Fund viz. Karvy Computershare Private Limited on or before September 7, 2017 (upto 3.00 p.m. on September 7, 2017). For list of Official Points of Acceptance, please visit our website. A separate written communication is being sent to the existing Unit holders in this regard. In case any existing Unit holder has not received an Exit Option Letter, they are advised to contact any of our Investor Service Centres.

Unit holders who do not exercise the exit option by 3.00 pm on September 7, 2017 would be deemed to have consented to the proposed modification. It may also be noted that no action is required in case Unit holders are in agreement with the aforesaid changes, which shall be deemed as consent being given by them for the proposed changes. **Kindly note that an offer to exit is merely optional and is not compulsory.**

All the valid applications for redemptions/switch-outs received under the Scheme shall be processed at Applicable NAV of the day of receipt of such redemption/switch request, without payment of any exit load, provided the same is received during the exit period mentioned above. Unit holders who have pledged or encumbered their units will not have the option to exit unless they procure a release of their pledges/encumbrances prior to the submission of redemption/switch requests.

Unit holders should ensure that their change in address or bank details are updated in records of Edelweiss Mutual Fund as required by them, prior to exercising the exit option for redemption of units. Unit holders holding Units in dematerialized form may approach their Depository Participant for such changes. In case units have been frozen/locked pursuant to an order of a government authority or a court, such exit option can be executed only after the freeze/lock order is vacated/revoked within the period specified above. The redemption proceeds shall be dispatched within 10 (ten) business days of receipt of valid redemption request to those Unit holders who choose to exercise their exit option.

Redemption/switch-out of units from the Scheme, during the exit period, may entail capital gain/loss in the hands of the Unit holder. Similarly, in case of NRI investors, TDS shall be deducted in accordance with the applicable Tax laws, upon exercise of exit option and the same would be required to be borne by such investor only. In view of individual nature of tax implications, Unit holders are advised to consult their tax advisors.

The updated SID & KIM of the Scheme containing the revised provisions shall be made available with our Investor Service Centres and also displayed on the website after the Effective Date.

For any further assistance/clarification, Unit holders may contact us on 1-800-425-0090 (Toll free – BSNL/MTNL lines only) or 040-23001181 (non MTNL/BSNL lines and mobile phone users) or alternatively, email us at emfhelp@edelweissfn.com or visit our website www.edelweissmf.com

This addendum shall form an integral part of the Scheme Information Document and Key Information Memorandum of the Scheme, as amended from time to time. All other features and terms and conditions of the Scheme shall remain unchanged.

For Edelweiss Asset Management Limited
(Investment Manager to Edelweiss Mutual Fund)
Sd/-
Radhika Gupta
Chief Executive Officer

Place: Mumbai
Date: August 3, 2017

For more information please contact:
Edelweiss Asset Management Limited (Investment Manager to Edelweiss Mutual Fund)
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Tel No:- 022 4097 9900 / 4097 9821, Toll Free No. 1800 425 0090 (MTNL/BSNL), Non Toll Free No. 91 40 23001181, Fax: 022 40979878,
Website: www.edelweissmf.com

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.