

Investment Strategy

- * The Scheme seeks to track the Nifty PSU Bond Plus SDL Apr 2026 50:50 Index subject to tracking errors.
- * The Scheme will invest in AAA rated PSU bonds and SDLs maturing within the maturity date of the Scheme.
- * The Scheme is a Target Maturity Date Index Fund and will mature on April 30, 2026 and will distribute maturity proceeds (Net Assets) to the Unitholders after the maturity date.
- * The Scheme will follow Buy & Hold investment strategy in which existing bonds will be held till maturity unless sold for meeting redemptions, payment of dividend, rebalancing requirement or optimizing portfolio construction process.
- * The portfolio of eligible securities invested by the Scheme is expected to have, in aggregate, fundamental characteristics such as modified duration, weighted average maturity, aggregate credit ratings, aggregate Yield to Maturity (YTM) etc. along with other liquidity parameters predominantly in line with the index.

Index Methodology

- * The index contains 2 equal weighted components at the base date.
 - PSU Bonds will have 50% weight.
 - SDLs will have 50% weight.
- * PSU Bonds component selection
 - Bonds issued by AAA rated government owned entities.
 - Issuer level minimum outstanding amount of Rs. 100 crores in the eligible bonds
 - Bonds maturing during the six months period prior to the maturity date of the index.
 - One ISIN of each issuer will be selected based on liquidity score
(liquidity score is calculated by allocating 80% weight to aggregate trading value, 10% weights to number of days traded and 10% to number of trades of the bond during the six months period)
- * SDL component selection
 - Most recently issued 10 SDLs.
 - Issued by top 10 states/UTs selected based on their outstanding amount.
 - Maturing during the six months period prior to the maturity date of index.
- * Weight Assignment:
 - Each issuer that is part of the PSU Bonds portion (constituting 50% of index) is given equal weight as of the base date of the index.
 - Each state that is part of the SDL component (constituting 50% of index) is given equal weight as of the base date of the index.

- * Index will be rebalanced and reviewed on each calendar quarter end.
- * Index will mature on 30th April 2026.

Nifty PSU Bond Plus SDL April 2026 50:50 Index constituents (as on Feb 25, 2021)

Sr. No	Issuer Name	Rating	Maturity Date	Weights
1	NHPC LIMITED	AAA	24-Apr-26	4.55%
2	INDIAN RAILWAY FINANCE CORPORATION LIMITED	AAA	29-Mar-26	4.55%
3	NUCLEAR POWER CORPORATION OF INDIA LIMITED	AAA	25-Mar-26	4.55%
4	NLC INDIA LIMITED	AAA	12-Feb-26	4.55%
5	REC LIMITED	AAA	31-Jan-26	4.55%
6	INDIAN OIL CORPORATION LIMITED	AAA	23-Jan-26	4.55%
7	MANGALORE REFINERY AND PETROCHEMICALS LIMITED	AAA	29-Dec-25	4.55%
8	POWER GRID CORPORATION OF INDIA LIMITED	AAA	23-Dec-25	4.55%
9	NTPC LIMITED	AAA	15-Dec-25	4.55%
10	POWER FINANCE CORPORATION LIMITED	AAA	15-Dec-25	4.55%
11	EXPORT IMPORT BANK OF INDIA	AAA	07-Dec-25	4.55%
12	ANDHRA PRADESH GOVERNMENT	SOV	22-Apr-26	5.00%
13	UTTAR PRADESH GOVERNMENT	SOV	20-Apr-26	5.00%
14	GUJARAT GOVERNMENT	SOV	31-Mar-26	5.00%
15	WEST BENGAL GOVERNMENT	SOV	23-Mar-26	5.00%
16	MAHARASHTRA GOVERNMENT	SOV	09-Mar-26	5.00%
17	KARNATAKA GOVERNMENT	SOV	06-Mar-26	5.00%
18	MADHYA PRADESH GOVERNMENT	SOV	24-Feb-26	5.00%
19	RAJASTHAN GOVERNMENT	SOV	10-Feb-26	5.00%
20	BIHAR GOVERNMENT	SOV	20-Jan-26	5.00%
21	TAMIL NADU GOVERNMENT	SOV	20-Nov-25	5.00%
Total				100.00%

Index Quantitative Indicators

YTM – 6.30%

Mod Duration – 4.04 yrs.

Maturity Date – 30th April 2026

Simulation – Impact of interest rate movements

- * 3 year holding period return under different interest rate scenarios assuming 2026 maturing bond.
- * This shows that 3 year holding period returns can be stable even if interest rate changes.

2026 Maturity						
Yield Movement	Current YTM	Revised YTM	Accrual	MTM Profit/ Loss	Total Return	3 Yrs. CAGR
0.50%	6.30%	6.80%	21.8%	-2.02%	19.80%	6.21%
0.75%	6.30%	7.05%	22.7%	-3.03%	19.65%	6.16%
1.00%	6.30%	7.30%	23.5%	-4.04%	19.50%	6.12%
0.00%	6.30%	6.30%	20.1%	0.00%	20.12%	6.30%
-0.50%	6.30%	5.80%	18.4%	2.02%	20.45%	6.40%
-0.75%	6.30%	5.55%	17.6%	3.03%	20.62%	6.45%
-1.00%	6.30%	5.30%	16.8%	4.04%	20.80%	6.50%

Only for illustration purpose. Modified duration estimated at 4.04 yrs. and YTM estimated at 6.30% basis that of the benchmark index as on 25th February 2021. The above table is only to show the impact of interest rates and should not be assumed as returns of the scheme.

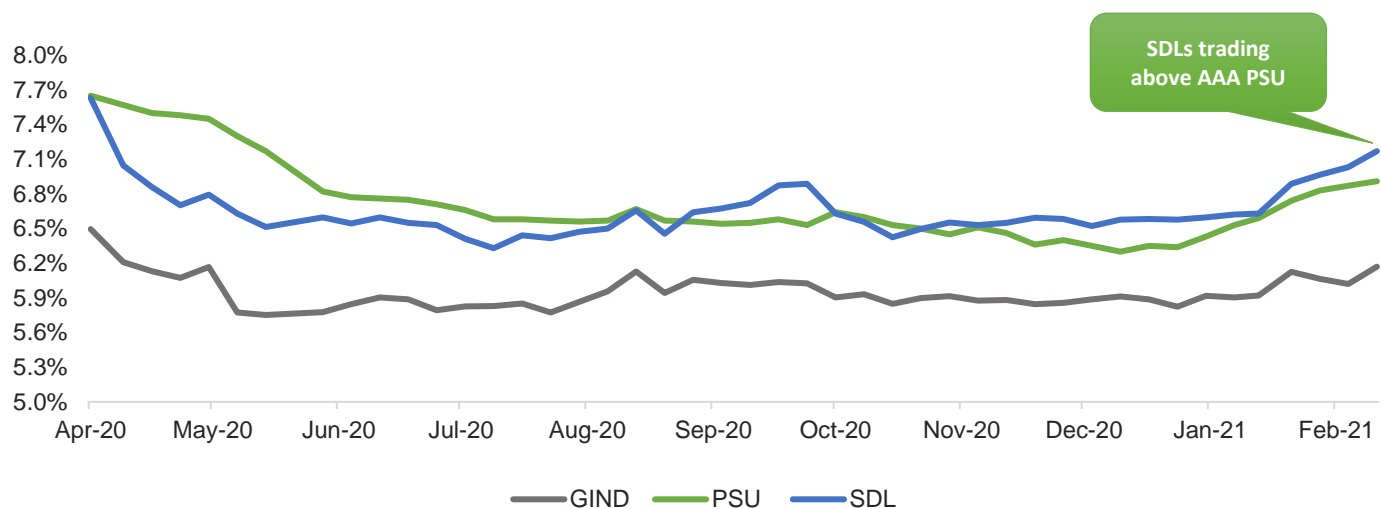
Indexation Benefit - Illustration

	Traditional Investment	Edelweiss Nifty PSU Bond Plus SDL Index Fund - 2026
Investment Amount	Rs. 1 Lakh	Rs. 1 Lakh
Assumed Rate of Return	5.40%	6.30%
Indexation**	NA	6
Value on Maturity	130,905	136,730
Indexed Cost	NA	126,532
Taxable Amount	30,905	10,198
Applicable Tax*	9,642	2,129
Post Tax Value	121,263	134,601
Net Post Tax Return	3.84%	5.97%

- Assumed Tenure for Traditional Investment and PSU Bond Plus SDL Index Fund (6 Indexation)
- **Assumed Rate of Inflation is 4%.
- * Traditional Investment taxed at 30% + 4% Cess and PSU Bond Plus SDL Index Fund taxed at 20% post indexation + 4% cess,
- Assumed rate of return for traditional investment taken as SBI Fixed Deposit rates for amount below Rs. 2 cr. as on Feb 25, 2021
- Above is only for illustration purposes, Assuming allotment date of 18th March 2021 as the start date for the above. Please consult your TAX Advisor before making any investment

Why now?

- * SDL spreads have significantly widened against comparable Government Securities due to structural increase in the share of state borrowing as percentage of total borrowing.
- * Seasonal spike in spreads in the last quarter is also aiding to this trend.
- * A blended portfolio of AAA PSU Bonds + SDLs provides reasonably better yield along with safety.



Source: Bloomberg Note: 10Y SDL yields are at primary auction levels; Generic 10Y yields for PSU and Government Securities

Fund Features

Scheme	Edelweiss Nifty PSU Bond Plus SDL Index Fund – 2026
Investment Objective	To track the NIFTY PSU Bond Plus SDL Apr 2026 50:50 Index by investing in AAA rated PSU Bonds and SDLs, maturing on or before April 2026, subject to tracking errors.
NFO Period	10 th to 16 th March, 2021
Underlying Index	NIFTY PSU Bond Plus SDL Apr 2026 50:50 Index
Fund Manager	Mr. Dhawal Dalal
Co – Fund Manager	Mr. Gautam Kaul
Exit Load	Up to 30 days – 0.15% After 30 days - NIL
Minimum Investment Amount (NFO Period)	Rs. 5,000/- and in multiples of Rs. 1/- thereafter

Benefits



Stability & Visibility*

A bond like structure with fixed maturity provides visibility and stable returns at maturity



High Safety

Investment in diversified basket of AAA PSU Bonds and SDLs



Transparency

The fund will invest only in constituents that are eligible as per the index methodology



No Lock-in

Buy/Sell any time or through AMC



Lower Tax

Tax efficient compared to traditional investment avenues. Taxed at only 20% post indexation*



Low Cost

Since this is a passively managed fund the expense will be relatively low

*Please note that the scheme is neither capital protected nor guaranteed return product.

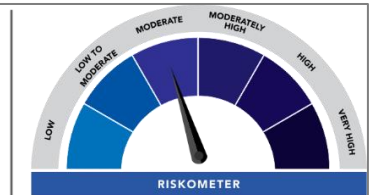
Riskometer

Edelweiss NIFTY PSU Bond Plus SDL Index Fund – 2026
(An open-ended target maturity Index Fund predominantly investing in the constituents of Nifty PSU Bond Plus SDL Apr 2026 50:50 Index)

This Product is suitable for investors who are seeking*:

- Income over long term.
- An open-ended Target Maturity Index Fund that seeks to track the Nifty PSU Bond Plus SDL Apr 2026 50:50 Index.

* Investors should consult their financial advisers if in doubt about whether the product is suitable for them



Investors understand that their principal will be at Moderate risk

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