

STATEMENT OF ADDITIONAL INFORMATION (SAI)

Name of the SIF	Altiva Specialized Investment Fund - By Edelweiss Mutual Fund
Name of the Mutual Fund	Edelweiss Mutual Fund
Name of Asset Management Company	Edelweiss Asset Management Limited CIN: U65991MH2007PLC173409
Name of Trustee Company	Edelweiss Trusteeship Company Limited CIN: U67100MH2007PLC173779
Addresses	Registered Office: Edelweiss House, Off. C.S.T Road, Kalina, Mumbai 400098
Websites	Edelweiss Mutual fund - https://www.edelweissmf.com Altiva SIF - https://www.edelweissmf.com/altivasif

This Statement of Additional Information (SAI) contains details of Altiva ‘Specialized Investment Fund’ (‘SIF’) offered by Edelweiss Mutual Fund (the “Mutual Fund”), its constitution, and certain tax, legal and general information. It is incorporated by reference and is legally a part of the Investment Strategy Information Document (ISID).

This SAI is dated September 18, 2025.



TOLL FREE
1800 425 0090



NON TOLL FREE
+91-40-23001181



WEBSITE
www.edelweissmf.com
www.edelweissmf.com/altivasif



EMAIL: INVESTORS
EMFHelp@edelweissmf.com



FOLLOW US:
[@EdelweissAMC](https://twitter.com/EdelweissAMC)

LIST OF ADDENDUMS TO STATEMENT OF ADDITIONAL INFORMATION (SAI)

Addendum No.	Date of Addendum	Particulars
1	October 16, 2025	Appointment of Mr. Sandeep Jain as Dealer -Equity with effect from October 16, 2025.
2	November 07, 2025	Investor Complaints of the Investment Strategy upto October, 2025

ADDENDUM NO. 1



AMENDMENT TO THE STATEMENT OF ADDITIONAL INFORMATION DATED OCTOBER 16, 2025

Edelweiss Asset Management Limited, the Investment Manager to Altiva SIF, hereby makes the following amendment to the Statement of Additional Information (“SAI”) dated September 18, 2025.

- 1. This amendment may be called amendment to the SAI dated October 16, 2025.
- 2. It may be noted that Mr. Sandeep Jain, had been designated as Dealer – Equity and accordingly shall be termed as a key person of the AMC, with effect from October 16, 2025.
- 3. The following table has been included in Section II under the heading “Fund Managers and Dealers” appearing on page no. 15 of the SAI:

Name	Age	Designation	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Mr. Sandeep Jain Qualification: M.B.A (Finance)	46	Dealer- Equity	19.5	Mr. Sandeep Jain has over 19.5 years of experience in Equity Dealing. His prior assignment includes working with companies like ICICI Prudential Life Insurance Co. Ltd, IIFL Asset Management Co Ltd. Kotak Life Insurance Co Ltd. And Kotak Securities Ltd.

This addendum shall form an integral part of SAI. All other features, terms and conditions mentioned in the SAI remain unchanged.

INVESTMENTS IN SPECIALIZED INVESTMENT FUND INVOLVES RELATIVELY HIGHER RISK INCLUDING POTENTIAL LOSS OF CAPITAL, LIQUIDITY RISK AND MARKET VOLATILITY. PLEASE READ ALL INVESTMENT STRATEGY RELATED DOCUMENTS CAREFULLY BEFORE MAKING THE INVESTMENT DECISION.

ADDENDUM NO. 2



AMENDMENT TO THE STATEMENT OF ADDITIONAL INFORMATION DATED NOVEMBER 07, 2025

Edelweiss Asset Management Limited, the Investment Manager to Altiva SIF, hereby makes the following amendment to the Statement of Additional Information (“SAI”) dated September 18, 2025.

- 1. This amendment may be called an amendment to the SAI dated November 07, 2025.
- 2. Given below is the status of Investor Complaints during the period October 01, 2025, to October 31, 2025:

Period	Complaints Received	Complaints Redressed	Complaints Pending
October 01, 2025 – October 31, 2025	2	2	0

This addendum shall form an integral part of SAI. All other features, terms and conditions mentioned in the SAI remain unchanged.

INVESTMENTS IN SPECIALIZED INVESTMENT FUND INVOLVES RELATIVELY HIGHER RISK INCLUDING POTENTIAL LOSS OF CAPITAL, LIQUIDITY RISK AND MARKET VOLATILITY. PLEASE READ ALL INVESTMENT STRATEGY RELATED DOCUMENTS CAREFULLY BEFORE MAKING THE INVESTMENT DECISION.

TABLE OF CONTENTS:

Particulars	Page No.
I. Information About Sponsor, AMC and Trustee Companies	2
A. Constitution of the Mutual Fund	2
B. Constitution of the Specialized Investment Fund	2
C. Sponsor	2
D. The Trustee	2
II. Asset Management Company	5
III. Service Providers	20
1. Custodian	20
2. Transfer Agent	20
3. Statutory Auditor	21
4. Legal Counsel	21
5. Fund Accountant	21
6. Collecting Bankers	21
IV. Condensed Financial Information (CFI)	21
V. Risk Factors	22
VI. How to Apply?	31
VII. Rights of Unitholders of the Investment Strategy	43
VIII. Investment Valuation Norms for Securities and Other Assets	44
IX. Computation of NAV	61
X. Tax & Legal & General Information	62
A. Taxation on Investing in Mutual Funds	62
B. Legal Information	70
C. General Information	80
D. Associate Transactions	84
E. Documents available for Inspection	85
F. Investor Grievances Redressal Mechanism	86
G. Information pertaining to Investments by the Investment Strategies of SIF	86
H. Transaction Charges and Stamp Duty	93
XI. Disclosures and Reports by the Fund	93

I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES

A. Constitution of the Mutual Fund

Edelweiss Mutual Fund has been constituted as a trust vide Trust Deed dated January 30, 2008 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) executed between Edelweiss Financial Services Limited (EFSL), as the Sponsor and Edelweiss Trusteeship Company Limited (ETCL) as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on April 30, 2008 under Registration Code MF- MF/057/08/02.

B. Constitution of the Specialized Investment Fund

ALTIVA 'Specialized Investment Fund ('SIF') is offered by Edelweiss Mutual Fund in terms of Regulation 49W(1) of SEBI (Mutual Funds) Regulations, 1996 ("SEBI Regulations") with Edelweiss Trusteeship Company Limited (ETCL) as the Trustee and Edelweiss Asset Management Limited (EAML) as the Asset Management Company (AMC). Edelweiss Mutual Fund was granted approval to establish the SIF by SEBI on May 22, 2025.

C. Sponsor

Edelweiss Mutual Fund is sponsored by Edelweiss Financial Services Limited (EFSL). The Sponsor is the Settler of the Mutual Fund Trust.

Financial Performance of the Sponsor (past three years):

Particulars	Year 1 (in Rs. Crore)	Year 2 (in Rs. Crore)	Year 3 (in Rs. Crore)
Net Worth	5,517.09	5,462.85	7,255.26
Total Income	383.41	1,027.68	3,088.69
Profit after tax	(51.91)	695.21	2,388.23
Assets Under Management (if applicable)	-	-	-

D. The Trustee

Edelweiss Trusteeship Company Limited (the "Trustee"), through its Board of Directors, shall discharge its obligations as trustee of Altiva SIF. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations, as amended from time to time and will also review the activities carried on by the AMC.

As regards to the SIF, the Trustee ensures that all the activities of the SIF are in accordance with the provisions of the SEBI Regulations and Circulars issued in this regard from time to time.

1. Details of Trustee Directors:

Name	Age	Educational Qualifications	Brief Experience
Mr. K. Ramaswamy	68 Years	BSc, CAIIB and CFA	Mr. K. Ramaswamy had been associated with IDBI Bank Limited from 1983 till 2016 and brings in immense value to the Board of ETCL basis his vast experience in the financial services sector. He has rich experience in various departments like, Rehabilitation Finance Department, Project Finance Department, Merchant Banking Department. Most prominently he has also been part of the special teams responsible for setting up of Northeastern Financial Corporation and for identifying issues and solutions related to merger of IDBI-DFI with IDBI Bank.

Mr. K. Venugopal	71 Years	M.sc	Mr. K. Venugopal was associated with State Bank of India from 1978 to 2014. In recent years, he has worked as General Manager and Chief General Manager with various departments where he was in charge of Global Treasury, Personal Banking and International division for raising external funds in foreign currency.
Mr. Bhavesh Vora	57 Years	B.com, Chartered Accountant	<p>Mr. Bhavesh Vora is the Senior Founding Partner at B Y & Associates, Chartered Accountants. He has over 30 years of experience having a specialization in providing end to end consultancy services for SEBI & RBI regulated intermediaries.</p> <p>His area of practice entails advising clients on key issues pertaining to various regulations Insider Trading Regulations, Takeover Regulations, Private Equity & Fund Structuring, Listing Regulations, Initial Public Offering (IPO), Stock Broking Entities, Depository Participants, Investment Advisers, Research Analysts, Portfolio Management Services, Mutual Funds, Alternative Investment Funds, Merchant Banking, Non-banking Finance Companies, Housing Finance Companies, Structured Products, Corporate Structuring & Valuations, etc.</p>
Mr. Nikhil Johari	47 Years	Bachelor of Business Studies (BBS) from Delhi University and Post Graduate Program in Management (MBA) from SP Jain Institute of Management & Research, Mumbai.	Mr. Nikhil Johari has more than 2 decades of experience in financial services with expertise in wealth management, broking, treasury, trading operations, governance, compliance & risk management, ERM, ALM, regulatory risk, internal audit and hiring/training, and corporate affairs. He has been associated with Edelweiss Group since 2002 and has held various positions across Edelweiss Group.

2. Trustee Meetings

Edelweiss Trusteeship Company Ltd. was incorporated on 3rd September, 2007 as Private Limited Company and was converted into Public Limited Company on 18th January, 2008. During each of the financial years, six or more meetings of the Board of Directors of the Trustee have been held.

3. Supervisory Role of Trustee

The supervisory role of the Trustee is discharged by the Board of Directors of the Trustee by internal and external reporting system:

Internal Reporting: The Compliance Officer of the AMC reports on a regular basis to the Trustee on the compliance of mandatory regulatory requirements. These reports are designed to assist the Board of Directors of the Trustee in ensuring that the AMC and the Mutual Fund are complying with the SEBI Regulations.

External Reporting:

(a) In terms of Regulation 18 of the SEBI Regulations, the Trustee ensures that before the launch of any Investment strategy, the AMC has prepared a compliance manual and designed internal control mechanism including internal audit systems.

(b) In compliance of the SEBI Regulations, the Trustee has constituted an Audit Committee which is chaired by an Independent Trustee and appointed an independent Internal Auditors for conducting internal audit of the books and records of the Fund. The internal auditors submit their reports directly to the Trustee under the external reporting system.

(c) The Trustee discharges its supervisory role by having a number of checks and balances besides having continuous feedback from the AMC on important matters and a review of the Mutual Fund's operations at the periodical meetings of the Board of Directors of the Trustee Company, which are required to be held at least once in two calendar months as per the Regulations. The performance reports of all the Investment Strategy are being placed before the Board of the Trustee Company at each meeting. The reports on statutory compliance and investor servicing are also regularly placed at such meetings by the AMC. Any exception to the bi-monthly compliance test report in respect of the Fund, which is required to be filed with SEBI by the AMC, is also placed before the Board of the Trustee Company.

4. Rights and obligations of the Trustee

In accordance with SEBI (Mutual Funds) Regulations, 1996 and the Trust Deed constituting the Mutual Fund, the Trustee is required to fulfill several duties and obligations, including the following:

- 1) The Trustee and AMC shall, with the prior approval of the Board, enter into an Investment Management Agreement.
- 2) The Investment Management Agreement shall contain such clauses as are mentioned in the Fourth Schedule and such other clauses as are necessary for the purpose of making investments.
- 3) The Trustee shall have a right to obtain from the AMC such information as is considered necessary by the Trustee.
- 4) The Trustee shall approve the policy for empanelment of brokers by the AMC and shall ensure that the AMC has been diligent in empaneling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
- 5) The Trustee shall ensure that the AMC has not given any undue or unfair advantage to any associates or dealt with any of the associates of the AMC in any manner detrimental to the interest of the unit holders.
- 6) The Trustee shall ensure that the transactions entered into by the AMC are in accordance with SEBI Regulations and the Investment Strategy.
- 7) The Trustee shall ensure that AMC has been managing the SIF Investment Strategy (s) independently of other activities and have taken adequate steps to ensure that the interest of investors of one Investment Strategy are not being compromised with those of any other Investment Strategy or of other activities of AMC.
- 8) The Trustee shall ensure that all the activities of the AMC are in accordance with the provisions of SEBI Regulations.

- 9) Where the Trustee has reason to believe that the conduct of business of the Mutual Fund is not in accordance with SEBI Regulations and the Investment Strategy, they shall forthwith take such remedial steps as they deem necessary and shall immediately inform SEBI of the violation and the action taken by them.
 - 10) Each Trustee shall file the details of his transactions in securities with the Mutual Fund, within the time and manner as may be specified by the Board from time to time.
 - 11) The Trustee shall be accountable for and shall be the custodian of the funds and the property of the respective Investment Strategy (s) and shall hold the same in trust for the benefit of the unit holders in accordance with the SEBI Regulations and the provisions of trust deed.
 - 12) The Trustee shall take steps to ensure that the transactions of the Mutual Fund are in accordance with the provisions of the trust deed.
 - 13) The Trustee shall ensure that the income calculated by the AMC under sub-regulation (25) of regulation 25 of these regulations is in accordance with the SEBI Regulations and the trust deed.
- (i) The Trustee shall obtain the consent of the unit holders of the Investment Strategy / SIF as may be decided by either the Trustee or otherwise. It can be different for each Investment Strategy.

5. Auditor of the Trusteeship Company:

Nangia & Co. LLP

Chartered Accountants,

4th Floor, Iconic Tower,

Urmi Estate, 95 Ganpatrao Kadam Marg,

Lower Parel(West), Mumbai 400013

II. Asset Management Company

Edelweiss Asset Management Limited was incorporated as a Private Limited Company under the Companies Act, 1956 on August 23, 2007 and was converted into Public Limited Company on January 18, 2008, having its Registered and Corporate Office at Edelweiss House, Off. C.S.T Road, Kalina, Mumbai – 400098. Edelweiss Asset Management Limited has been appointed as the Asset Management Company of Altiva SIF by the Trustee vide Investment Management Agreement (IMA) dated January 30, 2008 and executed between Edelweiss Trusteeship Company Limited and Edelweiss Asset Management Limited. Edelweiss Asset Management Limited is also the AMC of Edelweiss Mutual Fund.

Edelweiss Mutual Fund (“Edelweiss MF”) has acquired the Schemes of JPMorgan Mutual Fund (“JPM Schemes”) and accordingly JPM Schemes stand transferred to and form part of Edelweiss MF on and from the close of business hours on November 25, 2016. Pursuant to the same:

- i. Edelweiss Trusteeship Company Limited has taken over the trusteeship of the JPM Schemes from JPMorgan Mutual Fund India Private Limited;
- ii. Edelweiss Asset Management Limited (‘AMC’) has taken over the rights to manage the JPM Schemes from JPMorgan Asset Management India Private Limited and become the investment manager of the JPM Schemes; and
- iii. JPMorgan Asset Management (Asia) Inc. has ceased to be the sponsor and Edelweiss Financial Services Limited shall assume the sponsorship of the acquired JPM Schemes.

The AMC also acts as the investment manager for: 1) Edelweiss Alpha Fund, a Category III Alternative Investment Fund having SEBI Registration No. IN/AIF3/13-14/0047; and 2) Edelweiss Alternative Investment Opportunities Trust, a Category II Alternative Investment Fund having SEBI Registration No. IN/AIF2/17-18/0502 (collectively known as the “AIFs”) and other AIFs set up from time to time. In addition to that, the AMC is authorized to act as the portfolio manager vide SEBI Registration No. INP000004631, for the strategies offered by it, as detailed in the disclosure document. SEBI vide its letter dated Jul 20, 2023 read with SEBI letter dated Sep 12, 2024, has provided its approval under Regulation 24(b) of SEBI MF Regulations, 1996 for setting up a branch in IFSC Gift City to provide investment and advisory services to registered FME (retail). SEBI has communicated its no-objection to the AMC for undertaking the said business activity. While undertaking the said Business Activities, the AMC shall ensure that (i) there is no conflict of interest with the activities of the Mutual Fund; (ii) there exists a system to prohibit access to insider information as envisaged under SEBI (Mutual Funds) Regulations, 1996; and (iii) Interest of the Unit holder(s) of the Scheme(s) of the Mutual Fund are protected at all times.

Shareholders of the AMC:

Edelweiss Asset Management Limited (EAML) is a subsidiary of Edelweiss Financial Services Limited (EFSL), which is also the Sponsor of the Fund. EFSL holds 90.50% of the paid-up share capital of EAML through its six individual nominees, who act on behalf of EFSL as part of a nominee arrangement. Additionally, 3.27% of the paid-up capital of EAML is held by Edel Finance Company Limited, and 6.23% is held by Edelweiss Securities and Investments Private Limited. Both entities are part of the Edelweiss Group. Accordingly, the entire paid-up share capital of EAML is held within the Edelweiss Group.

Details of AMC Directors:

Name	Age	Educational Qualification	Brief Experience
Ms. Radhika Gupta*	41 years	<ul style="list-style-type: none"> Graduate from The Jerome Fisher Program in Management and Technology (5years Joint Degree Program), University of Pennsylvania, Philadelphia B.S. in Economics (Finance and Management) – The Wharton School B.S. in Engineering (Computer Science Engineering) – The Moore School Minor in Mathematics from the College of Arts and Sciences 	Ms. Radhika Gupta started her career at McKinsey & Company, New Jersey, U.S.A. as a Business Analyst, from 2005 to 2006. Post this, she was a part of the Global Asset Allocation team at AQR Capital, Greenwich, U.S.A., as Portfolio Manager, where she garnered her investment experience spanning over developed & emerging equities and fixed income securities, from 2006 to 2009. Ms. Gupta was one of the founding members of Forefront Capital Management Pvt. Ltd., a public market alternative asset management firm from 2009 to 2014, prior to its acquisition by Edelweiss in 2014. From 2014 to 2017 she had been heading Edelweiss Multi Strategy Funds Management Pvt. Ltd. a leading alternative asset manager, and a part of Edelweiss's Global Asset Management business. Since February 2017, Ms. Gupta has taken over as the CEO of Edelweiss Asset Management Limited and has been instrumental in the successful run of the investment management business.

Mr. Sandeep Bhandarkar	61 Years	B. Tech (Mechanical Engineering) from IIT Bombay and PGDM from IIM, Ahmedabad	Mr. Bhandarkar started his career with ICICI Limited in corporate planning, resources and treasury and thereafter moved to Prudential ICICI Mutual Fund as Head – Sales and Distribution. Since year 2000 Mr. Bhandarkar has taken up a role of an entrepreneur and started two different start-ups, one in fintech and the other in legal tech. Mr. Bhandarkar brings deep experience in the field of finance, strategy and technology.
Mr. Rashesh Shah	62 Years	<ul style="list-style-type: none"> • MBA from Indian Institute of Management, Ahmedabad • Diploma in International Trade from the Indian Institute of Foreign Trade, New Delhi 	<p>Mr. Rashesh Shah, co-founder of Edelweiss Group, has over three decades of diverse experience in the financial markets and has been instrumental in building Edelweiss into one of India's leading diversified financial services organizations.</p> <p>Mr. Shah is passionate about financial services and the role it plays in translating India's vast savings into investments; thereby powering economic growth and development. A regular commentator on macro-economic policies, Mr. Shah served as President of FICCI, India's apex industry association, in 2017-18.</p> <p>Mr. Shah has also been a part of the High-Level Task Force on Public Credit Registry for India, the Insolvency Law Committee, Executive Committee of the National Stock Exchange as well as the Committee to review Insider Trading Regulations set up by the SEBI – the country's Capital Markets Regulator.</p>
Mr. Sunil Kakar	66 Years	<ul style="list-style-type: none"> • MBA Finance from XLRI, Jamshedpur • B. Tech (Chemical) from IIT, Kanpur 	<p>Mr. Sunil Kakar has over 40 years of diversified financial services experience in Banking, Insurance and Non-banking industry.</p> <p>Mr. Kakar was Managing Director & CEO of IDFC Limited from July 2017 to September 2022. He joined IDFC Limited in 2011 as the Group Chief Financial Officer and was responsible for Finance & Accounts, Business Planning and Budgeting, Investor Relations, Resource</p>

			Raising and Information Technology. He was also a member of IDFC Group's Management Committee. He then moved as Chief Financial Officer of IDFC Bank in October 2015 and was part of core leadership that transitioned the non-bank to a bank. He was a member of the Executive Committee of the IDFC Bank and led Strategic Planning & Budgeting, Finance & Accounts, and Investor Relations.
Ms. Ashish Goyal	70 Years	<ul style="list-style-type: none"> • M. Phil. MA • BA in Economics from the University of Delhi • PhD in Economics from University of Mumbai 	Dr. Ashima Goyal has over three decades of experience. She is Professor Emeritus at the Indira Gandhi Institute of Development Research, has served on several boards and policy committees including as a part-time member of Economic Advisory Council to the Prime Minister and was also a member of India's Monetary Policy Committee. She has been a visiting fellow at the Economic Growth Centre, Yale University, USA and a Fulbright Senior Research Fellow at Claremont Graduate University, USA. She has an M. Phil., MA and BA in Economics from the University of Delhi and holds a PhD in Economics from University of Mumbai.

* The Director is associated with the sponsor of Edelweiss Mutual Fund.

Duties & Obligations of the AMC:

In accordance with SEBI (Mutual Funds) Regulations, 1996 the Investment Manager has several duties & obligations as mentioned below:

- (1) The AMC shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any Investment Strategy is not contrary to the provisions of SEBI Regulations and the trust deed.
- (2) The AMC shall exercise due diligence and care in all its investment decisions as would be exercised by any other person engaged in the same business.
- (2A) The AMC shall obtain, wherever required under SEBI regulations, prior in-principle approval from the recognized stock exchange(s) where units are proposed to be listed.
- (3) The AMC shall be responsible for the acts of commission or omission by its employees or the persons whose services have been procured by the AMC.
- (4) The AMC shall submit to the Trustee, quarterly reports every year on its activities and the compliance with the SEBI Regulations.
- (5) The Trustee, at the request of the AMC may terminate the assignment of the AMC at any time, provided that such termination shall become effective only after the Trustee has accepted the termination of assignment and communicated their decision in writing to the AMC.

- (6) Notwithstanding anything contained in any contract or agreement or termination, the AMC or its directors or other officers shall not be absolved of liability to the Mutual Fund for their acts of commission or omission, while holding such.
- (6A) (a) The Chief Executive Officer (whatever be the designation) of the asset management company shall ensure that the mutual fund complies with all the provisions of these regulations and the guidelines or circulars issued in relation thereto from time to time and that the investments made by the fund managers are in the interest of the unit holders and shall also be responsible for the overall risk management function of the mutual fund.
- (6A) (b) Chief Executive Officer (whatever be the designation) shall also ensure that the Asset Management Company has adequate systems in place to ensure that the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of these regulations are adhered to in letter and spirit. Any breach of the said Code of Conduct shall be brought to the attention of the Board of Directors of the Asset Management Company and Trustees.
- (6B) (a) The Fund Managers (whatever the designation may be) shall ensure that the funds of the Investment Strategy (s) are invested to achieve the objectives of the Investment Strategy and in the interest of the unit holders.
- (6B) (b) The Fund Managers (whatever be the designation) shall abide by the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and submit a quarterly self-certification to the Trustees that they have complied with the said code of conduct or list exceptions, if any
- (6C) (a) The Dealers (whatever be the designation) shall ensure that orders are executed on the best available terms, taking into account the relevant market at the time for transactions of the kind and size concerned to achieve the objectives of the Investment Strategy and in the best interest of all the unit holders.
- (b) The Dealers (whatever be the designation) shall abide by the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and submit a quarterly self-certification to the Trustees that they have complied with the said code of conduct or list exceptions, if any.
- (6D) The board of directors of the asset management company shall ensure that all the activities of the asset management company are in accordance with the provisions of these regulations.
- (7)(a) The AMC shall not through any broker associated with the sponsor, purchase or sell securities, which is average of 5 per cent or more of the aggregate purchases and sale of securities made by the Mutual Fund in all its Scheme(s).
- Provided that, for the purpose of this sub-regulation, the aggregate purchase and sale of securities shall exclude sale and distribution of units issued by the Mutual Fund.
- Provided further that, the aforesaid limit of 5 per cent shall apply for a block of any three months.
- (b) The AMC shall not purchase or sell securities through any broker (other than a broker referred to in clause (a) of sub-regulation (7)) which is average of 5 per cent or more of the aggregate purchases and sale of securities made by the Mutual Fund in all its Scheme(s), unless the AMC has recorded in writing the justification for exceeding the limit of 5 per cent and reports of all such investments are sent to the Trustee on a quarterly basis.
- Provided that the aforesaid limit shall apply for a block of three months.
- (8) The AMC shall not utilise the services of the sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities.
- Provided that the AMC may utilise such services if disclosure to that effect is made to the unit holders and the brokerage or commission paid is also disclosed in the half-yearly annual accounts of the Mutual Fund.
- Provided further that the Mutual Fund shall disclose at the time of declaring half-yearly and yearly results:
- (i) Any underwriting obligations undertaken by the Scheme(s) of the Mutual Funds with respect to issue of securities of associate companies,
 - (ii) Devolvement, if any,

- (iii) Subscription by the Scheme(s) in the issues lead managed by associate companies,
- (iv) Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies have acted as arranger or manager.
- (9) The AMC shall file with the Trustee the details of transactions in securities by the key personnel of the AMC in their own name or on behalf of the AMC and shall also report to SEBI, as and when required by SEBI.
- (10) In case the AMC enters into any securities transactions with any of its associates, a report to that effect shall be sent to the Trustee at its next meeting.
- (11) In case any company has invested more than 5 per cent of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same Mutual Fund in that company or its subsidiaries shall be brought to the notice of the Trustee by the AMC and be disclosed in the half-yearly and annual accounts of the respective scheme with justification for such investment, provided the latter investment has been made within one year of the date of the former investment calculated on either side.
- (12) The AMC shall file with the Trustee and SEBI—
 - (a) Detailed bio-data of all its directors along with their interest in other companies within fifteen days of their appointment;
 - (b) Any change in the interest of directors every six months; and
 - (c) A quarterly report to the Trustee giving details and adequate justification about the purchase and sale of the securities of the group companies of the Sponsor or the AMC, as the case may be, by the Mutual Fund during the said quarter.
- (13) Each director of the AMC shall file the details of his transactions of dealing in securities with the Trustee on a quarterly basis in accordance with guidelines issued by SEBI.
- (14) The AMC shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.
- (15) The AMC shall appoint Registrars and Share Transfer Agents who are registered with SEBI. Provided, if the work relating to the transfer of units is processed in-house, the charges at competitive market rates may be debited to the scheme and for rates higher than the competitive market rates, prior approval of the Trustee shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.
- (16) The AMC shall abide by the Code of Conduct PART-A of as specified in the Fifth Schedule of the SEBI Regulations.
- (16A) The asset management company shall invest such amounts in such schemes of the mutual fund, based on the risks associated with the schemes, as may be specified by the Board from time to time.
- (17) The asset management company shall not invest in any of its scheme, unless full disclosure of its intention to invest has been made in the offer documents, in case of schemes launched after the notification of Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2011: Provided that an asset management company shall not be entitled to charge any fee on its investment in that scheme.
- (18) The asset management company shall not carry out its operations including trading desk, unit holder servicing and investment operations outside the territory of India.
- (19) The asset management company shall compute and carry out valuation of investments made by its scheme(s) in accordance with the investment valuation norms specified in Eighth Schedule and shall publish the same.
- (20) The asset management company and the sponsor of the mutual fund shall be liable to compensate the affected investors and/or the scheme for any unfair treatment to any investor as a result of inappropriate valuation.
- (21) The asset management company shall report and disclose all the transactions in debt and money market affected investors and/or the scheme for any unfair treatment to any investor as a result of inappropriate valuation securities, including inter scheme transfers, as may be specified by the Board.
- (22) The board of directors of the asset management company shall exercise due diligence as follows:

- (a) The board of directors of the asset management company shall ensure before the launch of any scheme that the asset management company has-
 - (i) systems in place for its back office, dealing room and accounting;
 - (ii) appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio-data which shall contain the educational qualifications and past experience in the securities market with the Trustees, within fifteen days of their appointment;
 - (iii) appointed auditors to audit its accounts;
 - (iv) appointed a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines, instructions, etc., issued by the Board or the Central Government and for redressal of investors grievances;
 - (v) appointed a registrar to an issue and share transfer agent registered under the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and laid down parameters for their supervision;
 - (vi) prepared a compliance manual and designed internal control mechanisms including internal audit systems;
 - (vii) specified norms for empanelment of brokers and marketing agents;
 - (viii) obtained, wherever required under these regulations, prior in principle approval from the recognized stock exchange(s) where units are proposed to be listed.

- (b) The board of directors of the asset management company shall ensure that –
 - (i) the asset management company has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with specific brokers;
 - (ii) the asset management company has not given any undue or unfair advantage to any associate or dealt with any of the associate of the asset management company in any manner detrimental to interest of the unit holders;
 - (iii) the transactions entered into by the asset management company are in accordance with these regulations and the respective schemes;
 - (iv) the transactions of the mutual fund are in accordance with the provisions of the trust deed;
 - (v) the networth of the asset management company are reviewed on a quarterly basis to ensure compliance with the threshold provided in clause (f) of sub-regulation (1) of regulation 21 on a continuous basis;
 - (vi) all service contracts including custody arrangements of the assets and transfer agency of the securities are executed in the interest of the unit holders;
 - (vii) there is no conflict of interest between the manner of deployment of the networth of the asset management company and the interest of the unit holders;
 - (viii) the investor complaints received are periodically reviewed and redressed;
 - (ix) all service providers are holding appropriate registrations with the Board or with the concerned regulatory authority;
 - (x) any special developments in the mutual fund are immediately reported to the trustees;
 - (xi) there has been exercise of due diligence on the reports submitted by the asset management company to the trustees;
 - (xii) there has been exercise of due diligence on such matters as may be specified by the Board from time to time.

- (23) The compliance officer appointed under sub-clause (iv) of clause (a) of sub-regulation (22) shall independently and immediately report to the Board any non-compliance observed by him.

- (24) The AMC shall constitute a Unit Holder Protection Committee in the form and manner and with a mandate as may be specified by SEBI.

(25) The AMC shall be responsible for calculation of any income due to be paid to Edelweiss Mutual Fund and also any income received in the mutual fund, for the unit holders of any scheme of the mutual fund, in accordance with these regulations and the trust deed.

(26) The AMC shall ensure that no change in the fundamental attributes of any scheme or the trust, fees and expenses payable or any other change which would modify the scheme and affect the interest of unit holders, shall be carried out unless,

- (i) a written communication about the proposed change is sent to each unit holder and an advertisement is issued in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the mutual fund is situated; and
- (ii) the unit holders are given an option to exit at the prevailing Net Asset Value without any exit load.

Information on Key Personnel:

Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Ms. Radhika Gupta	41	Chief Executive Officer	<ul style="list-style-type: none"> Graduate from The Jerome Fisher Program in Management and Technology (5 year Joint Degree Program), University of Pennsylvania, Philadelphia B.S. in Economics (Finance and Management) – The Wharton School B.S. in Engineering (Computer Science Engineering) – The Moore School Minor in Mathematics from the College of Arts and Sciences 	17 years	Radhika started her career at McKinsey & Company, New Jersey, U.S.A. as a Business Analyst, from 2005 to 2006. Post this, Radhika was a part of the Global Asset Allocation team at AQR Capital, Greenwich, U.S.A., as Portfolio Manager, where she garnered her investment experience spanning over developed & emerging equities and fixed income securities, from 2006 to 2009. Radhika was one of the founding members of Forefront Capital Management Pvt. Ltd., a public market alternative asset management firm from 2009 to 2014, prior to its acquisition by Edelweiss in 2014. From 2014, Radhika has been successfully heading Edelweiss Multi Strategy Funds Management Pvt. Ltd. a leading alternative asset manager, and a part of Edelweiss' Global Asset Management business.
Mr. Amit Malpani	41	Chief Financial Officer	B.Com, Chartered Accountant	17 years	Mr. Amit Malpani, is a Chartered Accountant and

					a Commerce graduate with over 17 years of experience in the finance and accounting functions. Prior to joining Edelweiss Asset Management Limited he has held key positions in the finance departments of Essel Finance AMC Ltd., Edelweiss Asset Reconstruction Ltd., PGIM India Asset Management Private Limited (formerly known as DHFL Pramerica Asset Managers Pvt. Ltd.) and Colliers International India Private Limited.
Mr. Jehzeel Master	42	Head - Compliance	B.com, LLB	16 Years	Mr. Jehzeel Master has around 16 years of work experience in the Mutual Fund Industry in the areas of Compliance, Legal, Secretarial and Product Development. Since November 2016, he is working with Edelweiss Asset Management Limited as DVP – Compliance. Prior to joining Edelweiss Asset Management Limited, he was associated with JPMorgan Asset Management India Private Limited.
Mr. George Jose	46	Head-Operations	B.Com	21 years	Mr. Jose has over 21 years of work experience in the Financial Services sector. He was associated with Edelweiss Asset Management Limited (“EAML”) for a brief period in 2008-2009 for distributor related activities, post which he has been with EAML in the Investor Services function (April 2010 to present). Subsequently, he was appointed as the Head of Operations in February 2015. Prior to joining EAML, he has also been associated with ING Investment Management India Pvt. Ltd., Principal PNB Asset Management Co. Pvt. Ltd., ICICI Bank Ltd., Tech Process Solutions Ltd. and UTI Technology Services Ltd. in various capacities.
Mr. Niranjana Avasthi	40	Head – Product & Marketing	CMA, M.Com and PGDMM	15years	Mr. Niranjana Avasthi is a Cost & Management Accountant, Master of Commerce and Post Graduate Diploma in Marketing Management from Pune. He has an overall experience of 15 years in Products / Marketing and Sales. Prior to joining the AMC, he was associated with ICICI Prudential Asset Management Company Limited, Reliance Asset Management Limited and ICICI Securities

					Limited, wherein he covered product development and sales.
Mr. Deepak Jain	46	Head Sales	FCA, B.Com (Hons)	21 years	Mr. Deepak Jain has an overall experience of 21 years. Prior to joining Edelweiss Asset Management Limited, he was associated with DSP BlackRock Investment Managers Pvt. Ltd. as Head Sales - South & East, wherein he was responsible for Sales & Online distribution.
Mr. Abdulla Chaudhari	42	Head Investor Services and R&T Operations	MBA (Operations Management)	15 years	Mr. Abdulla Chaudhari has an overall experience of 15 years. Prior to joining Edelweiss Asset Management Limited, he was associated with ITI Asset Management Limited as Head Investor Services, Reliance Asset Management Limited as part of Branch Operations team and BOI-AXA Investment Managers wherein he was part of Investor Services Team.
Mr. Suraj Prakash	47	Chief Technology Officer	MMS (Narsee Monjee Institute of Technology)	21 Years	Mr. Suraj Prakash has completed MMS from Narsee Monjee Institute of Technology and has over 21 years of rich and varied experience in the field of Information Technology, Applications and Infrastructure. Prior to joining Edelweiss, he was associated with Capri Global Capital Limited as SVP - Technology.
Ms. Rashida Kalolwala	39	Chief Operating Officer	Masters in Finance, Bachelor of Arts in Economics and Statistics Bachelor of Arts in Economics and Statistics	12 years	Ms. Rashida Kalolwala has completed Masters in Finance, and Bachelor of Arts in Economics and Statistics and has over 12 years of rich and varied experience in Asset Management Business. She has managed the product and marketing function of AIF and PMS products at Edelweiss and has been part of the team for 9+ years. Prior to joining Edelweiss, she was associated with Forefront Capital Management Private Limited, a SEBI registered asset management company.
Ms. Himadri Gangwar	38	Chief Risk Officer	PGDM from IIM Indore BTech Computer Science from IET Lucknow	13 years	Ms. Himadri Gangwar has over 13 years of rich experience in enterprise risk management, project leadership, and stakeholder engagement across toptier consulting and financial services organizations. Her prior assignment includes working with companies like DSP Asset Managers Pvt Ltd., DSP Investment Managers Pvt. Ltd. and Deloitte & Touche AERS India Pvt. Ltd.

All the above-mentioned Key Personnel are based in the Corporate Office.

Fund Managers & Dealers being Key Personnel:

Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Mr. Trideep Bhattacharya	51	Chief Investment Officer - Equities	CFA, B.Tech from IIT, Kharagpur and MBA (Finance)	15 years	Mr. Trideep Bhattacharya has over 15 years' experience as a Portfolio Manager and Research Analyst. Prior to joining Edelweiss, he has worked as Senior Portfolio Manager – Alternate Equities with Axis Asset Management Company Limited, Head of Research with Motilal Oswal Securities Limited and Portfolio Manager with State Street Global Advisors and UBS Global Asset Management Limited.
Mr. Dhawal Dalal	53	CIO – Fixed Income	B.E. (Ahmedabad, Gujarat University,) and MBA (University of Dallas, Irving)	29 Years	Mr. Dhawal has joined Edelweiss AMC as Chief Investment Officer – Fixed Income in October 2016 and key personnel. Prior to joining Edelweiss AMC, he was associated with DSP BlackRock Investment Managers Pvt. Ltd as Executive Vice President and Head of Fixed Income from January 2012 to July 2016, as Sr. Vice President and Head of Fixed Income schemes from January 2006 to December 2011 and as Asst. Vice President for fixed income products from May 1998 to December 2005. Prior to that he was associated with Merrill Lynch Investment Managers as Assistant Portfolio Manager, from August 1996 to April 1998.
Mr. Rahul Dedhia	40	Fund Manager	B.E (Electronics) from Mumbai University and MBA (Finance) from MET College Mumbai	16 Years	Mr. Rahul Dedhia has over 16 years of experience in fixed income market including 7 years in the mutual fund industry. Prior to joining Edelweiss AMC, Mr. Dedhia was associated as Assistant Fund Manager with DHFL Pramerica Mutual Fund from March 2016 to October 2017 and with Deutsche Asset Management (India) Pvt. Ltd from July 2014 to March 2016.

Mr. Bhavesh D Jain	39	Fund Manager & Co-head, Factor Investing	Master's in management Studies (MMS)	17 years	Mr. Bhavesh Jain is a MMS and has more than 17 years of work experience. Prior to joining Edelweiss Asset Management Ltd., he was associated with Edelweiss Securities Limited as SGX Nifty Arbitrage trader.
Mr. Bharat Lahoti	44	Fund Manager & Co-head, Factor Investing	BE (Electronics & Telecommunication) from Mumbai University and MMS (Finance) from N L Dalmia Institute of Management Studies	14 years	Mr. Bharat Lahoti, is a BE (Electronics & Telecommunication) from Mumbai University and MMS (Finance) from N L Dalmia Institute of Management Studies and has an overall work experience of 14 years in the research function of financial services sector. Before joining Edelweiss Asset Management Limited as a Fund Manager – Equity and a Key Person, he was associated with D.E. Shaw India Software Pvt. Ltd. as a Senior Manager – Fundamental Research.
Mr. Ashwani Agrawalla	47	Fund Manager - Equity	MBA (Finance), CFA, ICAI (INTER)	20	Mr. Ashwani Agarwalla has completed his MBA in Finance and also completed CFA and has around 20 years' of experience as a Research Analyst - Equity Investments. He got associated with Edelweiss in June 2022. Prior to joining Edelweiss, he was Research Analyst - Equity Investments with JM Financial Services PMS since August 2021 to May 2022 and prior to that he was Senior Research Analyst – Equity Investments and Co-Fund Manager (Offshore and Overseas) with Baroda Mutual Fund since June 2012 to August 2021.
Ms. Pranavi Kulkarni	39	Fund Manager – Debt	MBA & B.E.	15 years	Ms. Pranavi Kulkarni is a Master of Business Administration and a Bachelor of Engineering from Mumbai. She has an overall experience of 15 years as a Credit Analyst. Prior to joining the AMC, she was associated with CRISIL Limited and Yes Bank wherein she covered large corporates.
Mr. Sumanta Khan	45	Fund Manager – Equity	Diploma in Management from IIM Indore & B.Tech	19 years	He has over 19 years' of experience in Equity Markets. He got associated with Edelweiss in March 2024. Prior

			from University of Calcutta		to Joining Edelweiss, he was a Fund Manager – Equity with Reliance Nippon Life Insurance from January 2021 to February 2024 and prior to that he was associated with ICICI Prudential Life Insurance from June 2013 to December 2020 as a Fund Manager – Equity and from March 2008 to May 2013 as an Equity Analyst.
Mr. Dhruv Bhatia	36	Fund Manager- Equity	PGDM in Finance	12 years	Mr. Dhruv Bhatia has over 12 years of experience in Equity Markets. His association with Edelweiss Asset Management Limited commenced in October 2024. Prior to joining Edelweiss, he has been associated with companies like Bank of India Investment Managers Pvt. Ltd ; AUM Fund Advisors LLP; etc.
Mr. Raj Koradia	29	Assistant Fund Manager- Equity	CA, BCom	7 years	Mr. Raj Koradia has over 7 years of experience in Equity Markets. His association with Edelweiss Asset Management Limited commenced in July 2024. Prior to joining Edelweiss, he has been associated with First Voyager Advisors as an Equity Analyst from October 2023 to June 2024; Optimum Infosystem Private Limited as an Equity Analyst working for Morgan Stanley from January 2020 to October 2023 and with Edelweiss Securities as Research Associate from July 2017 to December 2019.
Mr. Amit Vora	47	Dealer – Equity and dedicated fund manager for investment in foreign securities	B.Com, Mumbai University	20 years	Mr. Amit Vora, is a Bachelor of Commerce from the University of Mumbai and has more than 20 years of experience in the financial services sector as a Trader. Prior to joining Edelweiss Asset Management Limited he was associated with Antique Stock Broking Ltd., D. E. Shaw India Securities Pvt. Ltd., Derivium Tradition Securities India Pvt. Ltd and Tower Capital and Securities Pvt. Ltd.
Mr. Hetul Raval	36	Dealer Fixed	MMS - Finance	12 years	Mr. Hetul Raval has completed his MMS in Finance. His prior

		Income			associations have been with A. K. Capital Finance Ltd., A.K. Stockmart Pvt. Ltd. and Kotak Mahindra Bank Ltd. where he was responsible for dealing activities in the debt segment.
Mr. Pranav Gupta	33	Dealer – Equity	Bachelor of Engineering, MMS from N.L. Dalmia Institute of Management Studies and research	8	Mr. Gupta has over 8 years of experience in Equity Dealing, Fund Management and research activities. His prior assignment includes working with companies like Aditya Birla Sun Life Asset Management Limited, Centrum Broking Ltd and OHM Stock Broker Ltd.
Mr. Pratik Ramesh Jaware	32	Asst. Manager – Equity Dealer	Bachelor of Commerce	5.5	Mr. Pratik Ramesh Jaware has over 5.5 years of experience in Equity & Debt dealing. His prior assignment includes working with companies like ITI MF & IDBI MF.
Ms. Riya Shah	24	Analyst-Junior Dealer-Fixed Income	Chartered Accountant and Bachelor of Commerce	2.5	Ms. Riya Shah has over 2.5 years of experience in Investment Banking and Finance. Her prior assignment includes working with companies like Gretex Corporate Service and LTI Mindtree

Research:

The Research function is part of the Investment Advisory Group of the AMC. The research process can be classified into two major verticals – Equity and Debt. On the equities side, the focus is on quantitative research, while on the Fixed Income side, it is on credit rating of instruments. The research function can be common across businesses.

Quantitative research is based on factor/style investing. Broadly, the research would focus on developing systematic, replicable investment processes and risk management practices. The research process comprises of the following:

- Factor analysis: Identify factors that drive stock performance.
- Strategy development: Develop investment strategies that use the identified factors for stock selection.
- Allocation: Develop an allocation plan to match portfolios with product objectives.
- Risk Management practices: Design risk management processes to ensure that portfolio performance is in line with the stated objectives and tolerance levels.

Debt Research comprises of the following:

- Macro-economic Analysis with focus on interest rate and liquidity estimation
- Microanalysis of issuer/instruments on the basis of financial and non-financial parameters, Issuer/issue rating by rating agencies.

Name / Qualification	Designation	Age	Total No. of years of Experience	Brief Experience
Mr. Aniruddha Kekatpure Qualification: CFA and MBA	Head - Research	46	21 years	Mr. Aniruddha Kekatpure has completed his CFA-MBA from ICFAI University and Executive MBA (PGPMX) from IIM Indore. His prior association has been with JM Financial (June 2003 till May 2024), where he was responsible for multi-sector Research in the Portfolio Management department.
Ms. Pranavi Kulkarni Qualification: MBA & B.E.	Credit Analyst	39	15 years	Ms. Pranavi Kulkarni is a Master of Business Administration and a Bachelor of Engineering from Mumbai. She has an overall experience of 15 years as a Credit Analyst. Prior to joining the AMC, she was associated with CRISIL Limited and Yes Bank wherein she covered large corporates.
Mr. Ashish Sood Qualification: B. Com (Hons), MBA (Finance), CFA (U.S.) Level 3 cleared	Research Analyst- Equity	32	7 years	Mr. Ashish Sood has completed B. Com (Hons), MBA (Finance) and has cleared CFA (U.S.) Level 3. He started his career in finance with Bharti Airtel from 2013 to 2014. After that, he joined Citibank wealth management business from May 2016 to July 2017 and handled Designing/monitoring client's portfolio. From 2017 to May 2019, he was with HSBC Investment Banking team and handled project financing. Since 2019 till date, he has worked as Research Analyst with Vishuddha Capital Management LLP and InCred Asset Management Private Limited.
Mr. Mehul Dalmia Qualification: MBA & B. Tech from NMIMS University and passed CFA Level II Examination	Research Analyst – Equity	30	5 years	Mr. Mehul Dalmia has completed MBA & B. Tech from NMIMS University and passed CFA Level II examination. Prior to joining Edelweiss Asset Management Limited, he was associated with Axis Asset Management Co. Ltd. (December 2017 - March 2022) as a Product Manager and Centrum Direct Ltd (June 2017 - November 2017) as a Management Trainee.
Mr. Dishant Garg Qualification: Bachelor's degree in Electrical Engineering, certified FRM Charter holder	Research Analyst- Equity	31	8 years	Mr. Dishant Garg has over 8 years of experience in Equity, Dealing, Fund Management and research activities. His prior assignment includes working with companies like Crisil Ltd and Quantile Analytics Pvt Ltd.

and CFA Level 3 Candidate				
Ms. Manasi Jalgaonkar Qualification: PGDM, BMS	Junior Research Analyst- Equity	34	10 years	Ms. Manasi Jalgaonkar has over 10 years of experience in Fixed Income investment, ETF Operations, Factor Investment. Her prior assignment includes working with companies like ICICI AMC and Randstad
Mr. Mayan Pahwa Qualification: Bachelor of Business Administration	Junior Research Analyst- Equity	24	0.8 years	Mr. Mayan Pahwa is working with Edelweiss AMC from last 8 months as Data Analyst.

III. Service providers

1. Custodian

Standard Chartered Bank, located at Crescenzo, 3rd floor, C-38/39, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, is the custodian of the securities that are bought and sold under the Scheme(s) of Edelweiss Mutual Fund / Investment Strategy of SIF. The custodian is registered with SEBI under registration number IN/CUS/006.

M/s Orbis Financial Corporation Limited, located at 4A Ocus Technopolis, Sector 54, Golf Club Road, Gurgaon - 122002, Haryana, India, is the custodian of the Gold, Silver and Commodities that are bought and sold under the Scheme(s) / of Edelweiss Mutual Fund / Investment Strategy of SIF. The custodian is registered with SEBI under registration number INZ000165534.

2. Registrar and Transfer agent

KFin Technologies Limited (KFL) located at Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 is the Registrar and Transfer Agent for the Scheme(s) of Edelweiss Mutual Fund / Investment Strategy of SIF. The Registrar is registered with SEBI vide registration No. INR000000221.

The Board of the Trustees and the AMC have ensured that the Registrar and Transfer Agent has adequate capacity to discharge responsibilities with regard to processing of applications and dispatching unit certificates to unitholders within the time limit prescribed in the Regulations and also has sufficient capacity to handle investor complaints.

KFL accepts and processes investors' applications and advises the AMC on the details relating to subscription, handles communications with the investors, resolves investor grievances, performs data-entry services and dispatches Unit Certificates and/or Accounts Statements and such other functions as agreed, on an ongoing basis. The AMC and the Trustee, after taking appropriate due diligence measures, are satisfied that the Registrar can provide the services required and have adequate facilities to do so. The Registrar is responsible for carrying out diligently the functions of a Registrar and Transfer Agent and will be paid fees as set out in the agreement entered with it and as per any modification made thereof, from time to time. The Trustee & the AMC reserve the right to change the Registrar at their discretion.

3. Statutory auditor

Walker & Chandiok & Co LLP

Chartered Accountants
16th Floor, Tower III,
One International Center,
S B Marg, Prabhadevi W.
Mumbai 400013

**4. Legal counsel
Khaitan & Co.**

Advocates, Solicitors, Notaries, Patent & Trademark Attorneys,
One Indiabulls Centre, Tower 1, 13th Floor,
841 Senapati Bapat Marg, Elphinstone Road,
Mumbai - 400 013, India

5. Fund Accountant

Standard Chartered Bank, located at Ground Floor, Standard Chartered Bank, 90 MG Road, Fort, Mumbai 400 001, India, has been appointed as the Fund Accountants for the Scheme(s) of the Fund / Investment Strategy of SIF and SBI-SG GLOBAL SECURITIES SERVICES PRIVATE LIMITED, Regd. Off.: B Wing, "Jeevan Seva" Annexe Bldg., Ground Floor, S.V. Road, Santacruz (W), Mumbai – 400054 has been appointed as the Fund Accountants for Edelweiss Multi Asset Allocation Fund, Edelweiss Gold ETF & Edelweiss Silver ETF. The Fund Accountants provide fund accounting, NAV calculation, expense administration and other related services in accordance with the Fund Administration Agreement between the AMC and the Fund Accountants. The Fund Accountant is entitled to remuneration for its services in accordance with the terms of the Fund Administration Agreement and such remuneration will be borne by the AMC and not by the Unit Holders unless permitted by the Regulations. The AMC reserves the right to change the Fund Accountant at its discretion.

6. Collecting Bankers

The collecting bankers for the Scheme(s) / Investment Strategy of SIF shall be mentioned in the Key Information Memorandum (KIM). Currently, details of the collecting bankers are as provided below:

S.No.	Bank	SEBI Registration Number	Address
1.	HDFC Bank	INBI00000063	HDFC Bank Manekji Wadia Building, Ground Floor, Nanik Motwani Marg, Fort, Mumbai 400 001

The above list of Collecting Bankers is indicative and not exhaustive. The AMC reserves the right to change/modify the list of collecting bankers and appoint other banks as collecting bankers from time to time subject to such banks being registered with SEBI as Collecting Bankers.

Applications for NFO of a Investment Strategy will be accepted at the Investor Service Centers of the AMC or such collection bankers as will be specified in the ISID of such Investment Strategy.

IV. Condensed financial information (CFI) for all the investment strategies launched by SIF during the last three fiscal years (excluding redeemed investment strategies) in the format given below- Not applicable as no investment strategy is launched.

HISTORICAL PER UNIT STATISTICS	Name of the Investment Strategy
--------------------------------	---------------------------------

	YR. 1	YR. 2	YR. 3
NAV (Net Asset Value) at the beginning of the year (as on April 1)	NIL	NIL	NIL
IDCW*	NIL	NIL	NIL
NAV at the end of the year (as on March 31)	NIL	NIL	NIL
Annualised return**	NIL	NIL	NIL
Net Assets at the end of period (Rs. Crs.)	NIL	NIL	NIL
Ratio of Recurring Expenses to net assets	NIL	NIL	NIL

* Excluding IDCW details of investment strategy.

** Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for Investment strategies less than one year.

V. RISK FACTORS

Standard Risk Factors for investments in Specialized Investment Fund

- i. Investments in Specialized Investment Funds and securities investments are subject to market risks and there can be no assurance or guarantee that the objectives of the Scheme of the Specialized Investment Fund will be achieved.
- ii. As with any investment in securities, the NAV of the Units issued under the Scheme may go up or down depending on the various factors and forces affecting Capital markets and Money Markets.
- iii. Past performance of the Sponsor / Investment Manager / Specialized Investment Fund does not indicate the future performance of the Scheme and may not necessarily provide a basis of comparison with other investments.
- iv. The Sponsors are not responsible or liable for any loss resulting from the operation of the Scheme(s) beyond the initial contribution of Rs.1,00,000 towards setting up Edelweiss Mutual Fund.
- v. In the event of receipt of a very large number of redemption requests or very large value redemption requests or of a restructuring of the Scheme portfolio, there may be delays in the redemption of Units. Please refer to the paragraph, 'Right to limit redemption'. Pls refer to respective schemes iSID for schemes specific risk factors.

Other Risk Factors

a) Risks associated with investing in Equity and Equity related Securities

- The investment strategy may invest in instruments where the volume of transactions may fluctuate significantly depending on the market sentiment. There is a risk that investments made by the Investment strategy may become less liquid in response to market developments or adverse investor perceptions. In extreme market situations, there may be no willing buyer and the investments cannot be readily sold at the desired time or price, and the Investment strategy may have to accept a lower price when selling the investments or may not be able to sell the investments at all. An inability to sell a portfolio position can adversely affect the investment strategy's value or prevent the strategy from being able to take advantage of other investment opportunities.
- The value of the investments may be affected by factors affecting the Securities markets such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the government, taxation laws and political, economic or other developments which may have an adverse bearing on individual Securities, a specific sector or all sectors. Consequently, the NAV of the Units may be affected.
- Equity Securities and equity-related Securities are volatile and prone to price fluctuations on a daily basis. The liquidity of investments made by the investment strategy may be restricted by trading volumes and settlement periods. This may impact the ability of the Unit Holders to redeem their Units. In view of this, the Trustee has

the right, in its sole discretion, to limit Redemptions (including suspending Redemption) in certain circumstances. The inability of the investment strategy to make intended Securities purchases, due to settlement problems, could cause the investment strategy to miss certain investment opportunities. Similarly, the inability to sell Securities held in the portfolio could result, at times, in potential losses to the investment strategy, should there be a subsequent decline in the value of Securities held in the investment strategy.

- Investments in equity and equity related Securities involve a degree of risk and investors should not invest in the investment strategy unless they can afford to take the risk of losing their investment.
- The liquidity and valuation of the investments due to its holdings of unlisted Securities may be affected if they have to be sold prior to the target date for divestment.
- Securities which are not quoted on stock exchanges are inherently illiquid in nature and carry a larger liquidity risk in comparison with Securities that are listed on the stock exchanges or offer other exit options to the investors, including put options. The investment strategy may choose to invest the assets of the Investment strategy in unlisted Securities that offer attractive yields within the regulatory limit. This may however increase the risks of the investment strategy.

b) Risks associated with investing in Debt and Money Market Instruments

- **Interest rate Risk:** Price of a fixed income instrument generally falls when the interest rates move up and vice-versa. The extent of fall or rise in the prices depends upon the coupon and maturity of the security. It also depends upon the yield level at which the security is being traded. The NAV of the Investment strategy is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.
- **Credit risk or default Risk:** Credit risk is the risk that the issuer of a debenture/ bond or a money market instrument may default on interest and/or principal payment obligations. Even when there is no default, the price of a security may change with expected changes in the credit rating of the issuer. It is to be noted here that Government Security is a sovereign security and is the safest. Corporate bonds carry a higher amount of credit risk than Government Securities. Within corporate bonds also there are different levels of safety, and a bond rated higher by a particular rating agency is safer than a bond rated lower by the same rating agency.
- **Liquidity & Settlement Risk:** The liquidity of fixed income security may change, depending on market conditions, leading to changes in the liquidity premium attached to the price of such securities. At the time of selling the security, the security can become illiquid, leading to loss in value of the portfolio. Different segments of the financial markets have different settlement cycle/periods, and such settlement cycle/periods may be impacted by unforeseen circumstances, leading to Settlement Risk. This can adversely affect the ability of the Fund to swiftly execute trading strategies which can lead to adverse movements in NAV.
- **Reinvestment Risk:** Interest rates may vary from time to time. The rate at which intermediate cash flows are reinvested may differ from the original interest rates on the security, which can affect the total earnings from the security.
- **Performance Risk:** Performance of the Investment strategy may be impacted with changes in factors which affect the capital market, and particularly the debt market.
- **Prepayment Risk:** The Investment strategy may receive payment of monthly cashflows earlier than scheduled, which may result in reinvestment risk.
- **Market Risk:** Lower rated or unrated securities are more likely to react to developments affecting the market as they tend to be more sensitive to changes in economic conditions than higher rated securities.

c) Risk factors associated with Derivatives

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Fund Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

Trading in derivatives has the following risks:

- An exposure to derivatives in excess of the hedging requirements can lead to losses.
- An exposure to derivatives, when used for hedging purpose, can also limit the profits from a genuine investment transaction.
- Derivatives carry the risk of adverse changes in the market price.
- Illiquidity Risk i.e. risk that a derivative trade may not be executed or reversed quickly enough at a fair price, due to lack of liquidity in the market.

The Investment strategy may use derivatives instruments like equity futures & options, or other derivative instruments as permitted under the Regulations and Guidelines. Usage of derivatives will expose the Investment strategy to liquidity risk, open position risk, and opportunities risk etc. Such risks include the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. In case of the derivative strategies, it may not be possible to square off the cash position against the corresponding derivative position at the exact closing price available in the Value Weighted Average Period. Debt derivatives instruments like interest rate swaps, forward rate agreements or other derivative instruments also involve certain risks.

d) **Risk associated with unhedged derivative positions:** The investment strategy can invest in unhedged derivative positions. The following are the risk associated with the same:

1. Market Risk

Unhedged derivatives are highly sensitive to market fluctuations. A sudden adverse movement in the underlying asset's price can lead to substantial losses. For instance, in India's exchange-traded rupee options market, brokers demanded clients provide proof of underlying exposure for their derivative contracts or unwind their positions, leading to significant turmoil and forced position unwinding

2. Leverage Risk

Derivatives often involve leverage, allowing investors to control a large position with a relatively small amount of capital. While this can amplify gains, it also magnifies losses if the market moves unfavorably. In the Indian equity derivatives market, traders making unhedged bets were required to pay higher margins, with margin calls shooting up to 20–25%, highlighting the amplified risks of unhedged positions.

3. Liquidity Risk

Unhedged positions may be harder to exit, especially in illiquid markets. In times of market stress, the inability to sell or offset positions at desired prices can lead to significant losses. This was evident in the forced unwinding of positions in India's rupee options market, where drying liquidity and wider bid-ask spreads caused market anomalies

4. Counterparty Risk

In over-the-counter (OTC) derivatives, there's a risk that the counterparty may default on its obligations. This can lead to financial losses if the counterparty fails to meet its contractual commitments.

5. Operational Risk

Errors in trade execution, settlement, or system failures can lead to unintended exposures and losses. Inadequate risk management practices or technological failures can exacerbate these risks.

e) **Risk associated with derivative strategies:**

- **Cash Future Arbitrage:** The risk of not being able to execute both legs of the arbitrage simultaneously and

at desired prices. If the basis moves unfavourably, expected arbitrage profits may erode or even turn into a loss.

Futures positions require margin, and sudden adverse moves can trigger margin calls. Leverage amplifies both gains and losses; a sharp market movement could result in forced liquidation.

- **Covered call Option:** Writing call options are highly specialized activities and entail higher than ordinary investment risks. In such investment strategy, the profits from call option writing is capped at the option premium, however the downside depends upon the increase in value of the underlying equity shares. This downside risk is reduced by writing covered call options.
 - i. The Investment Strategy may write covered call option only in case it has adequate number of underlying equity shares as per regulatory requirement. This would lead to setting aside a portion of investment in underlying equity shares. If covered call options are sold to the maximum extent allowed by regulatory authority, the Investment Strategy may not be able to sell the underlying equity shares immediately if the view changes to sell and exit the stock. The covered call options need to be unwound before the stock positions can be liquidated. This may lead to a loss of opportunity, or can cause exit issues if the strike price at which the call option contracts have been written become illiquid. Hence, the Investment Strategy may not be able to sell the underlying equity shares, which can lead to temporary illiquidity of the underlying equity shares and result in loss of opportunity.
 - ii. The writing of covered call option would lead to loss of opportunity due to appreciation in value of the underlying equity shares. Hence, when the appreciation in equity share price is more than the option premium received the Investment Strategy would be at a loss.
 - iii. The total gross exposure related to option premium paid and received must not exceed the regulatory limits of the net assets of the Investment Strategy. This may restrict the ability of Investment Strategy to buy any options.
- **Protective pull strategy:** The put option requires an upfront premium, which adds to the cost of your investment. If the stock price rises or stays flat, the put may expire worthless, making the premium a sunk cost.
The value of the put option erodes over time, especially if the stock doesn't move significantly. Each day that passes without a significant move lowers the value of the put.
- **Pair trading using futures:**
 - i. The core assumption in pair trading is that the price spread between the two instruments will converge back to its historical mean. If the spread widens instead of narrowing, the trade incurs losses. Divergence can be due to structural changes, earnings surprises, or macroeconomic factors.
 - ii. The two assets are expected to move in a correlated manner, but that relationship can break down. Correlation is not static — it can shift due to market regime changes. A breakdown results in the pair not behaving as expected, increasing directional exposure.
- **Index Future for hedging or beta adjustment:**
 - i. The risk of not being able to execute both legs of the arbitrage simultaneously and at desired prices. If the basis moves unfavourably, expected arbitrage profits may erode or even turn into a loss. The hedge may not be perfect if the portfolio doesn't track the index exactly. A mismatch in returns can lead to under-hedging or over-hedging.
 - ii. Beta measures the portfolio's sensitivity to the market (index). Incorrect beta estimates lead to improper hedge ratios. Using a wrong beta can lead to an over-hedged (taking too much protection) or under-hedged position. It reduces hedge effectiveness or can even create losses.
- **Straddle / Strangle Strategy:**

- i. Options lose value over time if the underlying does not move significantly. Both straddles and strangles involve buying two options. If no big price movement occurs, both options lose value rapidly. The closer to expiry, the faster the decay.
- ii. Profitability depends on not just magnitude of move, but timing. If the stock moves just before expiry, it may be too late to recover time decay losses.

a) Risks Associated with exposure in Tri-party Repo

Risk of exposure in the Tri-party Repo settlement Segment provided by CCIL emanates mainly on two counts –

- Risk of failure by a lender to meet its obligations to make funds available or by a borrower to accept funds by providing adequate security at the settlement of the original trade of lending and borrowing under Triparty Repo transaction.
- Risk of default by a borrower in repayment.

b) Risks Associated with Stock Lending Risks associated With Stock Lending

The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered between the lender of securities and the approved intermediary. Such failure to comply can result in the possible loss of rights in the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. It may be noted that this activity would have the inherent probability of collateral value drastically falling in times of strong downward market trends, rendering the value of collateral inadequate until such time as that diminution in value is replenished by additional security. It is also possible that the borrowing party and/or the approved intermediary may suddenly suffer severe business setbacks and become unable to honor its commitments. This, along with a simultaneous fall in value of collateral would render potential loss to the Investment strategy. Besides, there can be temporary illiquidity of the securities that are lent out and the Investment strategy will not be able to sell such lent-out securities until they are returned. There is also a possibility of opportunity loss.

c) Risk factors associated with Repo transactions in Corporate Debt:

i) Lending transactions:

The Investment strategy may be exposed to counterparty risk in case of repo lending transactions in the event of the counterparty failing to honor the repurchase agreement. However, in repo lending transactions, the collateral may be sold, and a loss is realized only if the sale price is less than the repo amount. The risk may be further mitigated through over-collateralization (the value of the collateral being more than the repo amount). Further, the liquidation of underlying securities in case of counterparty default would depend on liquidity of the securities and market conditions at that time. It is endeavored to mitigate the risk by following an appropriate counterparty selection process, which includes their credit profile evaluation and over-collateralization to cushion the impact of market risk on sale of underlying security.

ii) Borrowing transactions:

In the event of the Investment strategy being unable to pay back the money to the counterparty as contracted, the counter party may dispose of the assets (as they have sufficient margin). This risk is normally mitigated by better cash flow planning to take care of such repayments. Further, there is also a Credit Risk that the Counterparty may fail to return the security or Interest received on due date. It is endeavored to mitigate the risk by following an appropriate counterparty selection process, which includes their credit profile evaluation

d) Risks associated with writing covered call options for equity shares

- Writing call options are highly specialized activities and entail higher than ordinary investment risks. In such an

investment strategy, the profits from call option writing are capped at the option premium, however the downside depends upon the increase in value of the underlying equity shares. This downside risk is reduced by writing covered call options.

- The Investment strategy may write covered call options only in case it has an adequate number of underlying equity shares as per regulatory requirement. This would lead to setting aside a portion of investment in underlying equity shares. If the covered call options are sold to the maximum extent allowed by regulatory authority, the investment strategy may not be able to sell the underlying equity shares immediately if the view changes to sell and exit the stock. The covered call options need to be unwound before the stock positions can be liquidated. This may lead to a loss of opportunity or can cause exit issues if the strike price at which the call option contracts have been written become illiquid. Hence, the investment strategy may not be able to sell the underlying equity shares, which can lead to temporary illiquidity of the underlying equity shares and result in loss of opportunity.
- The writing of the covered call option would lead to loss of opportunity due to appreciation in value of the underlying equity shares. Hence, when the appreciation in equity share price is higher than the option premium received the investment strategy will be at a loss.
- The total gross exposure related to option premium paid and received must not exceed the regulatory limits of the net assets of the Investment strategy. This may restrict the ability of Investment strategy to buy any options.

e) Risk Factors Associated with Investments in Foreign Securities

Investments in International (overseas) securities including Exchange Traded Funds involves increased risk and volatility, not typically associated with domestic investing,

Some of the risks associated are:

- Changes in currency exchange rates
- Foreign government regulations
- Differences in auditing and accounting standards
- Political and economic instability
- Liquidity and volatile prices
- Economic deterioration, and changes in bi-lateral relationships.

The investment in overseas securities and overseas ETFs is subject to compliance with the industry-wide limit as stipulated by RBI/SEBI from time to time. The Investment strategy may not be able to make investment in overseas securities and overseas ETFs in case of breach of such industry-wide overseas limits. In such a situation, the performance of the Investment strategy could be affected.

f) 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 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 Investment strategy is vulnerable to movements in the prices of securities invested by the Investment strategy, 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 Investment strategy(s) could, at times, be restricted by trading volumes and settlement periods, the time taken by the SIF for liquidating the investments in the Investment strategy may be high in the event of immediate redemption requirement. Investment in such securities may lead to an increase in the fund 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 fund'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.

g) Risk Factors Associated with Investments in Securitised Debt

Investing in securitized debt carries several risks due to the nature of these instruments. These risks include:

- **Credit Risk:** The underlying assets in securitized debt may suffer from defaults, leading to a loss of principal or interest. The risk is particularly significant if the pool of underlying loans, such as mortgages or consumer loans, experiences high levels of non-payment.
- **Liquidity Risk:** Securitized debt instruments may not be as liquid as other debt securities. The market for these securities can be limited, especially during times of market stress, making it harder to buy or sell them at favorable prices.
- **Prepayment Risk:** Many securitized debt instruments are subject to prepayment risk, meaning that the underlying borrowers may repay their loans earlier than expected. This can result in reinvestment risk, where the returns from the early repayments may be lower than anticipated.
- **Market Risk:** Securitized debt securities are affected by changes in market conditions, such as interest rates or economic factors, which can impact their value and performance.
- **Structural Risk:** Securitized debt involves pooling various assets into a single security, and different tranches (or layers) of the security may carry different risk profiles. Investors in lower-rated tranches may be exposed to higher risk in the event of defaults within the underlying assets.
- **Legal and Regulatory Risk:** Changes in laws or regulations, especially related to the underlying assets (such as mortgages), can impact the performance of securitized debt. Inadequate legal frameworks or enforcement can also affect the recovery in case of defaults.

h) Risks associated with investments in units of mutual funds

- Investment in the units of the Underlying Funds 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 Underlying Funds invest fluctuates, the value of the Fund's investment in the Underlying Funds may go up or down.
- The Fund's investment in the Underlying Funds will be subject to market and other risks and there can be no guarantee against loss resulting from an investment in the Underlying Funds nor can there be any assurance that the Underlying Funds' objectives will be achieved.
- The past performance of the Sponsor / AMC / Mutual Fund does not guarantee future performance of the Underlying Funds.
- The name of the Underlying Funds does not in any manner indicate either the quality of the Underlying Funds or its future prospects and returns.
- The sponsor of the Underlying Funds is not responsible or liable for any loss resulting from the operation of the Underlying Funds beyond the initial contribution of INR 1,00,000 (One Lakh - Rupees) made by it towards setting up the Mutual Fund.
- The Underlying Funds is not a guaranteed or assured return Investment strategy.

i) Risk Factors Associated with Investments in Debt Instruments with SO / CE

- **Credit Risk:** The effectiveness of a credit enhancement (e.g., guarantee, letter of credit, insurance) depends on the creditworthiness of the enhancing entity. If the guarantor or insurer defaults, the instrument may lose its enhanced credit quality.
- **Structural Complexity Risk:** Structural enhancements (e.g., senior/subordinated tranching, overcollateralization, reserve accounts) make the instrument's cash flows more complex. Misunderstanding the structure can lead to incorrect risk assessment. Complexity also reduces transparency.
- **Liquidity Risk:** Enhanced instruments are often structured and less liquid than traditional debt. Difficulty in selling the instrument in the secondary market, especially in stressed conditions.

j) Risk Factors Associated with Investments in Credit Default Swaps (CDS)

- **Model Risk:** Valuing CDS requires complex models, especially for spread curves, hazard rates, and correlation in CDS indices.
- **Liquidity Risk:** CDS markets can become illiquid, especially in times of market stress. Wide bid-ask spreads and difficulty exiting positions can lead to unexpected losses or mark-to-market issues.
- **Settlement Risk:** Following a credit event, settlement (especially physical settlement) can be operationally complex.

k) Risk Factors Associated with Investments in Perpetual Debt Instrument (PDI). Perpetual Debt instruments are issued by Banks, non-banking financial institutions (NBFCs) and corporates to improve their capital profile. Some of the PDIs issued by Banks which are governed by the Reserve Bank of India (RBI) guidelines for Basel III Capital Regulations are referred to as Additional Tier I (AT1 bonds). While there are no regulatory guidelines for issuance of PDIs by corporate bodies, NBFCs issue these bonds as per guidelines issued by RBI. The instruments are treated as perpetual in nature as there is no fixed maturity date. The key risks associated with these instruments are highlighted below:

– Risk on coupon servicing:

- o Banks: As per the terms of the instruments, Banks may have discretion at all times to cancel distributions/payment of coupons
- o NBFCs: While NBFCs may have discretion at all times to cancel payment of coupon, coupon may also be deferred (instead of being cancelled), in case paying the coupon leads to breach of capital ratios.
- o Corporates: Corporates usually have discretion to defer the payment of coupon. However, the coupon is usually cumulative and any deferred coupon shall accrue interest at the original coupon rate of the PDI

Risk of write-down or conversion into equity

- o Banks: As per the regulatory requirements, Banks have to maintain a minimum Common Equity Tier-1 (CET-1) ratio of Risk Weighted Assets (RWAs), failing which the AT-1 bonds can get written down. Further, AT-1 Bonds are liable to be written down or converted to common equity, at the discretion of RBI, in the event of Point of Non Viability Trigger (PONV). PONV is a point, determined by RBI, when a bank is deemed to have become non-viable unless there is a write off/ conversion to equity of AT-1 Bonds or a public sector capital injection happens. The write off/conversion has to occur prior to public sector injection of capital. This risk is not applicable in case of NBFCs and Corporates.

– Risk of instrument not being called by the Issuer

- o Banks: The issuing banks have an option to call back the instrument after minimum period as per the regulatory requirement from the date of issuance and specified period thereafter, subject to meeting the RBI guidelines. However, if the bank does not exercise the call on first call date, the Investment Strategy may have to hold the instruments for a period beyond the first call exercise date.
- o NBFCs: The NBFC issuer has an option to call back the instrument after minimum period as per the regulatory requirement from date of issuance and specified period thereafter, subject to meeting the RBI guidelines. However, if the NBFC does not exercise the call option the Scheme may have to hold the instruments for a period beyond the first call exercise date.
- o Corporates: There is no minimum period for call date. However, if the corporate does not exercise the call option, the Scheme may have to hold the instruments for a period beyond the call exercise date.

2. Special Considerations

The Sponsor is not responsible or liable for any loss resulting from the operation of the Investment Strategy beyond the initial contribution of Rs.1,00,000/- (Rupees One Lakh) collectively made by them towards setting up the Fund or such other accretions and additions to the initial corpus set up by the Sponsor.

Neither this Document nor the Units have been registered in any other jurisdiction other than India. The distribution of Units /this Document in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this Document are required to inform themselves about, and to observe, any such restrictions.

The AMC can invest in any of the Investment Strategy subject to the limits as prescribed by the SEBI Regulations and in such case, it will not be entitled to charge any fees on such investments. The Sponsor, entities managed or sponsored by the affiliates or associates of the Sponsor, Funds managed/ advised by the Sponsor/and their associated entities, the Asset Management Company, the Custodian, the Registrar, any Associate, any Distributor, Dealer, any Company, Corporate Bodies, Trusts, any Service Provider, investor (resident or non-resident), any Investment Strategy / Mutual Fund managed by the Asset Management Company or by any other asset management company may invest in this Investment Strategy, subject to the limits specified by SEBI. While at all times the Trustee Company and the Asset Management Company will endeavor that excessive holding of Units in the Investment Strategy among a few Unit holders is avoided, however, the funds invested by these aforesaid persons may acquire a substantial portion of the Scheme's outstanding Units and collectively may constitute a majority unit holder in the Scheme. Redemption of Units held by such persons may have an adverse impact on the value of the Units of the Scheme because of the timing of any such redemption. It may also have an impact on the liquidity of the Scheme, which may lead to an adverse impact on the NAV of the Scheme.

Prospective investors should review / study this Document in addition with Statement of Additional Information in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (by way of sale, switch or redemption or conversion into money) of Units and to the treatment of income (if any), capitalisation, capital gains, any distribution, and other tax consequences relevant to their subscription, acquisition, holding, capitalisation, disposal (by way of sale, transfer, switch or conversion into money) of Units within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to Purchase / gift Units are subject, and also to determine possible legal, tax, financial or other consequences of subscribing / gifting, purchasing or holding Units before making an application for Units.

The tax benefits described in this Document in addition to a Statement of Additional Information are available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advice received by the AMC regarding the law and practice currently in force in India and the Investors should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Investment Strategy will endure indefinitely.

In accordance with the SEBI Regulations, an AMC subject to certain conditions is permitted to undertake activities in the nature of portfolio management services and management and advisory services to pooled assets including offshore funds, insurance funds, pension funds, provident funds, if any of such activities are not in conflict with the activities of the Mutual Fund. Subject to these activities being assessed as desirable and economically viable, the AMC may undertake any or all of these activities after satisfying itself that there is no potential conflict of interest.

In accordance with the SEBI Regulations, the AMC also acts as the investment manager to the following Alternative Investment Funds (AIFs) as per SEBI (Alternative Investment Funds) Regulations 2012:

1) Edelweiss Multi Strategy Investment Trust, a Category III Alternative Investment Fund having SEBI Registration No. IN/AIF3/12-13/0004; 2) Edelweiss Alpha Fund, a Category III Alternative Investment Fund having SEBI Registration No. IN/AIF3/13-14/0047; 3) Edelweiss Alternative Investment Opportunities Trust, a Category II Alternative Investment Fund having SEBI Registration No. IN/AIF2/17-18/0502; and other AIFs set up from time to time.

Further, the AMC is also authorized to act as the Portfolio Manager as per SEBI (Portfolio Managers) Regulations 1993, vide SEBI Registration No. INP000004631, for various PMS strategies.

While undertaking the aforementioned business activities, the AMC shall ensure that.

- (i) there is no conflict of interest with the activities of the Mutual Fund;
- (ii) there exists a system to prohibit access to insider information as envisaged under SEBI (Mutual Funds) Regulations, 1996; and
- (iii) Interest of the Unit holder(s) of the Investment Strategy (s) of the Mutual Fund are protected at all times.

VI. HOW TO APPLY?

Application forms and transaction slips for fresh/ additional purchase/sale of Units of the Investment Strategy will be available/accepted at Investor Service Centers (“ISCs”) during the NFO Period and during business hours on all Business Days on an ongoing basis (both direct application and application routed through broker) The application forms can also be obtained from the distributors of the AMC. All cheques and bank drafts must be drawn in favor of “Name of the Investment Strategy” and crossed “Account Payee Only”. A separate cheque or bank draft must accompany each application under each Investment Strategy. Pursuant to Association of Mutual Funds in India (AMFI) Best Practices Guidelines Circular No. 48/2014-15 dated June 24, 2014 in case of fresh/additional purchases, if the name of a particular Investment Strategy on the application form/transaction slip differs from the name of the Investment Strategy on the Payment instrument, the application will be processed & units allotted at applicable NAV of the Investment Strategy mentioned in the application form / transaction slip duly signed by investor(s).

In order to protect investors from frauds, it is advised to mention PAN No. (on the face of the Cheque) & the Application Form number / folio number and name of the first investor should be written overleaf the cheque / draft, before they are handed over to any courier / messenger / distributor / ISC. In addition, all applicants for purchase of Units must provide complete bank details viz bank name, bank account number, branch address, and account type in the Application Form.

The addresses of the ISC of the AMC/ Registrar can be obtained from the AMC website <https://www.edelweissmf.com/altivasif> and also from the Key Information Memorandum (KIM). Investors in cities other than where the ISCs are located may send their application forms to any of the nearest ISC, accompanied by Demand Drafts payable locally at such locations.

Kindly retain the acknowledgement slip initialed/stamped by the collecting agency i.e. Collection Bankers, ISC, etc. The AMC / Trustee retains the sole and absolute discretion to reject any application.

If an investor wishes to invest directly, i.e. without involving the services of any agent or broker, “DIRECT” should be mentioned in the space provided for “ARN Number” in the Application Form/Transaction Slip.

Mandatory updation of Know Your Customer (KYC) requirements for processing of mutual fund/ SIF transactions:

With regards to updation of Permanent Account Number (PAN) for processing redemption and related transactions in non-PAN exempt folios, it is mandatory to complete the KYC requirements for all unit holders, including for all joint holders and the guardian in case of folio of a minor investor. Accordingly, financial transactions (including redemptions, switches and all types of systematic plans) and non-financial requests will not be processed if the unit holders have not completed KYC requirements. Thus, it is advisable for the unit holders to use the applicable KYC Form for completing the KYC requirements and submit the form at the point of acceptance. Further, upon updation of PAN details with the KRA (KRA-KYC)/ CERSAI (CKYC), the unit holders are requested to intimate us/our Registrar and Transfer Agent (i.e. KFin Technologies Private Limited) their PAN information along with the folio details for updation in our records.

Employee Unique Identification Number (EUIN):

In accordance with the SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012 and AMFI Circular No. 135/BP/33/2012-13 dated December 31, 2012, all the Asset Management Companies / Mutual Funds are directed to capture the Employee Unique Identification Number (EUIN) i.e. unique identity number of the employee/relationship manager/sales person of the distributors interacting with the investors for the sale of Mutual Fund products, in addition to the AMFI Registration Number (ARN) of the Distributor.

This has been recommended by SEBI in order to avoid any instance of mis-selling, particularly in advisory based transactions. This would further help tackle the problem of mis-selling even if the employee/relationship manager/salesperson leaves the employment of the distributor.

Accordingly, all employees/relationship manager/salesperson of distributors who are involved in sale of Mutual Fund products are required to obtain an Employee Unique Identification Number (EUIN). Applications received without a valid EUIN and/or valid sub-broker code (should be a valid ARN and not an internal code) are subject to rejection by the Fund. Further, such transactions, if accepted by the Fund shall not be eligible for receipt of commission by the distributor, as applicable.

Also, in order to ensure compliance with the above, in case, transactions are routed through the distributor, investors are requested to mention the valid ARN code, Sub – Broker code and the EUIN on the transaction slip(s)/application form(s). The AMC has made the necessary provisions in the Application Form(s) i.e. separate spaces for Sub – Broker ARN Code and EUIN, in addition to the Distributor ARN code, have been provided.

Investors are requested to note that EUIN is applicable for transactions such as Purchases, Switches, Registrations of SIP / STP / Trigger STP / IDCW Transfer Plan and EUIN is not applicable for transactions such as Installments under SIP/ STP / SWP / STP Triggers, IDCW Reinvestments, Bonus Units, Redemption, SWP Registration, Zero Balance Folio creation and installments under IDCW Transfer Plans.

In case the EUIN space is left blank, investors are requested to confirm that it is an “execution – only” transaction.

All the investors are requested to use the updated transaction slip(s)/Applications Forms(s).

Beneficial Ownership Details:

Under the Prevention of Money Laundering Act, 2005 (“PMLA”), all intermediaries including Mutual Funds are required to obtain sufficient information from their clients in order to identify and verify the persons who beneficially own or control the account.

Pursuant to SEBI Master Circular No. CIR/ISD/AML/3/2010 dated December 31, 2010 on anti-money laundering standards and Guidelines on identification of Beneficial Ownership issued by SEBI vide its Circular No. CIR/MIRSD/2/2013 dated January 24, 2013 has prescribed a uniform approach to be followed for determination of beneficial owners. A 'Beneficial owner' is defined as a natural person/s who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted, which includes persons who exercise ultimate effective control over a legal person or arrangement.

All categories of investors (except individuals, company listed on a stock exchange or majority owned subsidiary of such a company), are requested to provide details about beneficial ownership in the Application Forms for all their investments. The Fund reserves the right to reject applications/restrict further investments or seek additional information from investors who have not provided the requisite information on beneficial ownership. In the event of change in beneficial ownership, investors are requested to immediately update the details with the Fund/Registrar.

In accordance with SEBI Circular no. CIR/MIRSD/2/2013 dated January 24, 2013 and AMFI Best practices guidelines circular no. 62/2015-16 dated September 18, 2015, Investors may note the following:

- With effect from November 1, 2015, it is mandatory for new investors to provide beneficial ownership details as part of account opening documentation failing which the AMC shall reject the application.
- With effect from January 1, 2016 it is mandatory for existing investors/unit holders to provide beneficial ownership details, failing which the AMC may reject the transaction for additional subscription (including switches).

Foreign Account Tax Compliance Act ("FATCA") details:

The Foreign Account Tax Compliance Act is a United States (US) federal law, aimed at prevention of tax evasion by US Citizens and Residents ("US Persons") through use of offshore accounts. The FATCA provisions were included in the HIRE Act enacted by the US legislature. FATCA is designed to increase compliance by US taxpayers and is intended to bolster efforts to prevent tax evasion by the US taxpayers with offshore investments.

As per SEBI circular no. CIR/MIRSD/2/2014 dated June 30, 2014, the Government of India and the US have reached an agreement in substance on the terms of an Inter-Governmental Agreement ("IGA") to implement the FATCA provisions, which have become globally applicable from July 1, 2014.

FATCA requires enhancement of due diligence processes by the Foreign Financial Institutions ("FFI") so as to enable identification of US reportable accounts. The Fund/ Edelweiss Asset Management Limited ("the AMC") are likely to be classified as an FFI under the FATCA provisions, in which case the Fund /the AMC would be required, from time to time, to:

- i. undertake necessary due diligence process by collecting information/documentary evidence of the US/non-US status of the investors.
- ii. disclose/report information as far as may be legally permitted about the holdings/investment returns pertaining to reportable accounts to the US Internal Revenue Service and/or such Indian authorities as may be specified under FATCA or other applicable laws; and
- iii. carry out such other activities as prescribed under the FATCA provisions, as amended from time to time.

FATCA due diligence will have to be directed at each investor/unit holder (including joint investors) and on being identified as a reportable person/specified US person, all the folios will be reported. Further, in case of folio with joint investors, the entire account value of investment portfolio will be attributable under each such reportable person. Investors/Unit holders would therefore be required to furnish such information to the Fund/AMC, from time to time, in order to comply with the reporting requirements stated in the IGA and or circulars/guidelines issued by SEBI/AMFI in this regard.

The impact of FATCA is relevant not only at the point of on-boarding of the investors but also throughout the life cycle of the investor account / folio with the Fund. Hence, investor(s) should immediately intimate the Fund/AMC, in case of any change in the FATCA related information provided by them at the time of initial subscription.

The Fund/AMC reserves the right to reject any application or compulsorily redeem the units held directly or beneficially in case the applicant/investor fails to furnish the relevant information and/or documentation or is found to be holding units in contravention of the FATCA provisions.

Further, in accordance with the regulatory requirements relating to FATCA/CRS read along with SEBI Circular no. CIR/MIRSD/2/2015 dated August 26, 2015 and AMFI Best practices guidelines circular no. 63/2015-16 dated September 18, 2015 regarding uniform implementation of FATCA/CRS requirements, investors are requested to ensure the following:

- With effect from November 1, 2015 all investors will have to mandatorily provide the details and declaration pertaining to FATCA/CRS for all new accounts opened, failing which the application shall be liable to be rejected.
- For accounts opened between July 1, 2014 and October 31, 2015 and certain pre - existing accounts opened till June 30, 2014, the AMC shall reach out to the investors to seek the requisite information/declaration which has to be submitted by the investors before December 31, 2015. In case the information/declaration is not received from the investor on or before December 31, 2015, the account shall be treated as reportable account.

Investors are advised to consult their tax advisors to understand the FATCA requirements and its implications in relation to their investment.

• **Facilitating Transactions through the Stock Exchange Infrastructure:**

Units of all the open-ended schemes of the Fund are being offered for transacting (subscription / redemption) through the infrastructure provided by the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") viz. the Bombay Stock Exchange Platform for Allotment and Redemption of Mutual Fund Units ("BSE StAR MF") and Mutual Fund Service System ("MFSS"), respectively (except investments made in Direct Plan of the Schemes of the Fund).

The Fund / AMC may from time to time withdraw or include any Investment Strategy/Plan/Option/Facility (existing or future) or vary the terms of the Facility in accordance with the applicable guidelines and regulations.

Following are the salient features of the Facility introduced for the benefit of investors:

1. This Facility will be available to both existing and new investors.
2. Such investors will be eligible to only purchase/redeem units of the Investment Strategys. Switching is currently not permitted.
3. The units of the Investment Strategys are not listed on BSE & NSE and the same cannot be traded on the stock exchanges.
4. The window for purchase/redemption of units on BSE StAR MF and MFSS ("Stock Exchange System") will be available on all Business Days between 9.00 a.m. and 3.00 p.m. (1.30 p.m. for purchases under liquid funds) only or such other timings as may be decided from time to time.

5. All trading members of BSE & NSE who are registered with the Association of Mutual Funds in India (AMFI) as Mutual Fund Advisors and who are empaneled with the AMC and also registered with BSE & NSE as Participants ("Brokers") will be eligible to offer this Facility to investors.
6. The eligible Brokers will be considered as 'Official Points of Acceptance' of the Fund as per SEBI circular no. SEBI/IMD/CIR/ No.11/78450/06 dated October 11, 2006. Such Brokers would issue a time stamped confirmation slip for the transaction entered into the Stock Exchange System, which shall be considered for determining Applicable NAV and cut-off timing for the transactions.
7. Units of Investment Strategies are also permitted to be transacted through clearing members of the registered Stock Exchanges and Depository Participants of registered Depositories (only redemption request of units held in demat form).
8. Units can be held by investors in physical (i.e. through Statement of Account) or dematerialized (demat) mode, as opted by them. Separate folios will be allotted for Units held in physical and demat mode.
9. With respect to investors having demat account and purchasing/redeeming mutual fund units through Stock Exchange Brokers and Clearing Members, the following provisions shall be applicable:
 - i. Investors shall receive redemption amount (if units are redeemed) and units (if units are purchased) through broker/clearing member's pool account. Edelweiss Mutual Fund (the "Mutual Fund")/ Edelweiss Asset Management Limited (the "AMC") shall pay proceeds to the broker/clearing member (in case of redemption) and broker/clearing member in turn to the respective investor and similarly, units shall be credited by the Mutual Fund/AMC into broker/clearing member's pool account (in case of purchase) and broker/clearing member in turn shall credit the units to the respective investor's demat account.
 - ii. Payment of redemption proceeds to the broker/clearing members by Mutual Fund/AMC shall discharge Mutual Fund/AMC of its obligation of payment to individual investor. Similarly, in case of purchase of units, crediting units into broker/clearing member pool account shall discharge Mutual Fund/AMC of its obligation to allot units to individual investor.
10. Investors will be able to purchase/redeem units in the Investment Strategies in the following manner:
 - i. Purchase of Units:**
 - a. Physical Form**
 - The investor who chooses the physical mode is required to submit all requisite documents along with the purchase application (subject to applicable limits prescribed by BSE/NSE) to the Brokers.
 - The Broker shall verify the application for mandatory details and KYC compliance.
 - After completion of the verification, the purchase order will be entered in the Stock Exchange System and an order confirmation slip will be issued to investor.
 - The investor will transfer the funds to Clearing Corporation.
 - Allotment details will be provided by the Brokers to the investor.
 - b. Dematerialized Form**
 - The investors who intend to deal in depository mode are required to have a demat account with CDSL/ NSDL.
 - The investor who chooses the depository mode is required to place an order for purchase of units (subject to applicable limits prescribed by BSE/NSE) with the Brokers.
 - The investor should provide their depository account details to the Brokers.

- The purchase order will be entered in the Stock Exchange System and an order confirmation slip will be issued to investor.
- The investor will transfer the funds to Clearing Corporation.
- Allotment details will be provided by the Brokers to the investor.

ii. Redemption of Units:

a. Physical Form

- A. The investor who chooses the physical mode is required to submit all requisite documents along with the redemption application (subject to applicable limits prescribed by BSE/NSE) to the Brokers.
- B. The redemption order will be entered in the Stock Exchange System and an order confirmation slip will be issued to investor.
- C. The Investor will receive redemption proceeds by way of a Cheque/RTGS /NEFT/direct credit, as per the bank account details recorded with the Fund and as per the timelines prescribed by SEBI.

b. Dematerialized Form

- The investors who intend to deal in depository mode are required to have a demat account with CDSL/ NSDL and units converted from physical mode to demat mode prior to placing of redemption order.
- The investor who chooses the depository mode is required to place an order for redemption (subject to applicable limits prescribed by BSE/NSE) with the Brokers.
- The investors should provide their Depository Participant with Depository Instruction Slip with relevant units to be credited to Clearing Corporation pool account.
- The redemption order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor.

11. Applications for purchase/redemption of units, which are incomplete /invalid, are liable to be rejected.
12. Existing unit holders desiring to convert their existing physical units into demat form must submit a demat request, along with the supporting documents, with the Depository Participant.
13. In case of non-financial requests/applications such as change of address, change of bank details, etc. investors should approach ISCs of the Fund if units are held in physical mode and the respective Depository Participant(s) if units are held in demat mode.
14. An account statement will be issued by the Fund to investors who purchase/ redeem their units under this Facility in physical mode only. In case of investors who intend to deal in units in demat mode, a demat statement will be sent by Depository Participant showing the credit/debit of units to their account.
15. The applicability of NAV will be subject to guidelines issued by SEBI on Uniform cut-off timings for applicability of NAV of Mutual Fund Investment Strategy(s)/Plan(s). Currently, the cut-off time is 3.00 p.m. (2.00 p.m. for liquid funds).
16. Investors will have to comply with Know Your Customer (KYC) norms as prescribed by BSE/NSE/CDSL/NSDL and the Fund to participate in this Facility.
17. Investors should get in touch with ISCs of the Fund for further details.

- **Investments made on behalf of minors, change in status of minor to major and change in guardian:**

Pursuant to the recommendations made by National Institute of Securities Market (NISM) on select mutual fund service processes, AMFI vide its Best Practice Guidelines Circular no.135/BP/ 20/10-11 dated February 9, 2011, has issued following guidelines:

(I) Accounts opened “On Behalf of Minor”: Where an account/folio is opened on behalf of a minor, following guidelines will be applicable, which are in line with the guidelines applicable to dematerialized accounts:

1. The minor shall be the first holder in an account. It can be a joint account with guardian.
2. The guardian in the folio should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian.
 - i. It is mandatory to provide information on the relationship/status of the guardian as father, mother or legal guardian in the application form.
 - ii. In case of natural guardian, a document evidencing the relationship should be provided if the same is not available as part of the documents submitted as stated below.
 - iii. In case of court appointed legal guardian, relevant supporting documentary evidence shall be provided.
3. Photocopy of any of the following documents reflecting the date of birth of the minor shall be mandatory while opening the account on behalf of minor:
 - i. Birth certificate of the minor, or
 - ii. School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or
 - iii. Passport of the minor, or
 - iv. Any other suitable proof evidencing the date of birth of the minor as deemed appropriate by Edelweiss Asset Management Limited.

(II) Change of status from Minor to Majority: When the units are held on behalf of the minor, the ownership of the units will rest with the minor and the guardian will only operate the account until the minor attains the age of majority.

When a minor turns major, following guidelines shall be applicable:

- 1 Prior to minor attaining majority, mutual fund shall send an advance notice to the registered correspondence address advising the guardian and the minor to submit an application form along with prescribed documents (as per clause 5) to change the status of the account to “major”.
- 2 The guardian cannot undertake any financial and non-financial transactions including fresh registration of Systematic Transfer Plan (STP), Systematic Investment Plan (SIP) and Systematic Withdrawal Plan (SWP) after the date of the minor attaining majority till the time the above application form along with the prescribed documents are received by the Mutual Fund. Existing standing instructions like SIP, STP, SWP registered prior to the minor attaining majority shall also be discontinued to be processed by the Mutual Fund.
- 3 The account shall be frozen for operation by the guardian on the day the minor attains the age of majority, and no transactions shall be permitted, including the existing SIP/STP/SWP transaction.
- 4 New standing instructions like SIP, SWP, STP in a minor’s folio shall only be registered till the date on which the minor attains majority, even though the instructions may be for a period beyond that date.
- 5 The minor unitholder, on attaining majority, shall inform the same to AMC / Mutual Fund / Registrar and submit following documents to change the status of the account (folio) from 'minor' to 'major' to allow him/her to operate the account in his/her own right viz.-

- Duly filled request form for changing the status of the account (folio) from 'minor' to 'major';
- updated bank account details including cancelled original cheque leaf of the new account;
- Signature attestation of the major by a bank manager of Scheduled bank / Bank certificate or Bank letter;
- KYC acknowledgement letter of major.

The guardian cannot undertake any financial and non-financial transactions after the date of the minor attaining majority in an account (folio) where the units are held on behalf of the minor, and further, no financial and non-financial transactions can be undertaken till the time the change in the status from 'minor' to 'major' is registered in the account (folio) by the AMC/ Mutual Fund.

(III) Change in Guardian: When there is a change in guardian either due to mutual consent or demise of existing guardian, following documents will be mandatorily required prior to registering the new guardian:

1. Request letter from the new guardian.
2. No Objection Letter (NoC) or Consent Letter from existing guardian or Court Order for new guardian, in case the existing guardian is alive.
3. Notarized copy or attested copy of the Death Certificate of the deceased guardian, where applicable. The attestation may also be done by a special executive magistrate, AMC authorised official or manager of a scheduled bank.
4. The new guardian must be a natural guardian (i.e. father or mother) or a court appointed legal guardian.
 - i) It is mandatory to provide information on the relationship/status of the guardian as father, mother or legal guardian in the application form.
 - ii) In case of natural guardian, a document evidencing the relationship should be provided if the same is not available as part of the documents submitted as stated below.
 - iii) In case of court appointed legal guardian, relevant supporting documentary evidence shall be provided.
5. Bank attestation of the signature of the new guardian in a bank account of the minor where the new guardian is registered as the guardian.
6. KYC of the new guardian.

A. Special Products / Facilities offered by the AMC / Investment Strategies:

For Altiva Hybrid Long-Short Fund:

The Fund reserves the right to amend or terminate or introduce special facilities in any of the Investment Strategy(s) of Edelweiss Mutual Fund. Such facilities for the time being include **Systematic Investment Plan, Systematic Withdrawal Plan, Systematic Transfer Plan** and any such facility/plan that may be introduced in the future. Applicants are requested to indicate the plan/option/sub option i.e. IDCW or Growth, Payout or Reinvestment etc. clearly in the Application Form.

1. Systematic Investment Plan (SIP)

Investors are given an additional facility of Systematic Investment Plan (SIP) in the Investment Strategy. Thus, by investing a fixed amount at regular intervals, Unit holders can take advantage of the benefits of rupee cost averaging. Such facility will be treated as subscription along with the Applicable NAV/load, if any. Investor can enroll themselves for SIP by submitting the enrolment form along with the relevant documents like debit instructions, the first cheque to start SIP and a cancelled cheque or a copy of cheque

in case of NACH as the case may be, at any of our ISCs. Investors should note that the AMC may take initial transaction processing time upto 30 days. Investment can be made by the investor under SIP in either IDCW / Growth Option provided the following conditions are met:

Frequency	Minimum Transfer Amount*	Minimum number of installments*	Investment Dates:
Daily	Rs. 1000/- & in multiples of Re. 1/- thereafter	20	All Business Days
Weekly	Rs. 1000/- & in multiples of Re. 1/- thereafter	6	7th, 14th, 21st & 28th of any month (For Exchange transaction every Wednesday)
Fortnightly	Rs. 1000/- & in multiples of Re. 1/- thereafter	6	10th, 25th of the month (For Exchange transactions Every Alternate Wednesday)
Monthly	Rs. 1000/- & in multiples of Re. 1/- thereafter	6	Any date except last 3 days of the month
Quarterly	Rs. 1000/- & in multiples of Re. 1/- thereafter	6	Any date except last 3 days of the month for the quarter

* Apart from the initial amount paid for subscribing/entering into this facility.

Note:

1. Default date: If the investment frequency is not selected or in case of any ambiguity, the SIP date will be 7th of each Month & the default frequency will be Monthly. Default installments: Where the number of installments has not been specified by the investors/Unit holder, the default number of installments shall be the applicable minimum installments for the relevant frequency.
2. The balance SIP installments must be uniformly dated as stated above for every month.
3. All the installments should be for the same amount and same date(s) of each month over the SIP tenure.
4. The first current dated cheque accompanying the SIP application form will be processed and units will be allotted to the Applicant. In cases where subsequently, during the scrutiny of the documents submitted for SIP registration, if it is found that the documents are incomplete or deficient in any manner whatsoever, then the AMC reserves the right to reject such SIP applications. For such rejected cases, the units allotted to the applicant on processing of the first current dated cheque will be treated as acceptance & will not be reversed.
5. Maximum Investment amount per installment: There is no upper limit for each SIP installment.
6. Investors are requested to fill up the SIP application form along with NACH OTM Form/ SIP Auto Debit Form if they want to opt for this facility.
7. Outstation cheques will not be accepted for SIP investments.
8. On an ongoing basis the application will be accepted at all the ISCs.
9. With effect from November 28, 2016, fresh registration under the SIP through postdated cheques will not be accepted
10. Termination: In case the investor's bank account does not have sufficient balance to honour the SIP payment for three consecutive times, then the AMC shall terminate the SIP facility for all frequency and two consecutive dishonor for SIPs with quarterly frequency.
11. Investors should note that SIP will be auto cancelled by the AMC in case of 3 consecutive failed debit attempts for SIPs with upto monthly frequencies. In case of bi-monthly, quarterly or longer interval SIPs, the same shall stand cancelled upon 2 consecutive failed debit attempts.
12. The AMC/RTA shall send a communication to the investor after 1st failed debit attempt, mentioning that the SIP will cease in case of aforesaid consecutive rejections and another communication after cancellation of SIP intimating the cancellation to the investor.

13. The AMC will cancel the SIP mandate within 10 calendar days from the date of receipt of a valid cancellation request from the investor. Any Unit Holder can avail of this facility subject to certain terms and conditions detailed in the Application Form.

Any Unit Holder can avail of this facility subject to certain terms and conditions detailed in the Application Form.

Facility of “Kfin One Time Mandate’ in Systematic Investment Plan (SIP):

The KOTM shall be registered against the PAN/PEKRN of the First Unitholder at RTA level, which authorizes his/her bank to debit their account up to a certain specified limit per transaction (subject to the statutory limits as applicable from time to time), as and when they wish to transact with the Fund, without the need of submitting cheque or fund transfer instruction with every transaction, thereafter. This Facility currently enables Unitholder(s) of the Fund to start Systematic Investment Plan (SIP), invest lump sum amounts and trigger based investments in the schemes of the Fund where subscription is allowed. This Facility will be available for transactions made through physical and online mode wherever been made available. This Facility can be availed only if the Investor’s Bank is participating in the NACH (National Automated Clearing House) Platform and subject to investor’s bank accepting ACH/OTM Registration mandate..

SIP Pause Facility:

Under the SIP Pause Facility, investors shall have an option to temporarily pause their SIP installments for a specified period of time. Upon expiry of the specified period, the SIP installments would re-start automatically.

Terms and condition of the SIP Pause Facility (“the Facility”) is as follows:

1. Under this facility, investors have an option to temporarily pause their registered Monthly SIP facility for three or 6 consecutive installments by submitting a request by visiting RTA’s website - K-Fin tech website: <https://mfs.kfintech.com/investor/> or the app made available by the RTA - KFINKART or by submitting a physical request form duly signed as per the mode of holding at any of the Official Points of Acceptance of Edelweiss Mutual Fund. EAML (“the AMC”) reserves the right include / exclude any other mode of submission as it deems fit.
2. The facility can be availed by investor only twice during the entire tenure of Monthly SIP facility.
3. To avail the Facility a valid application should be submitted to AMC at least 10 calendar days prior to the next Monthly SIP installment date (i.e. excluding the request date and the next SIP installment date).
4. Investor cannot cancel the facility once requested.
5. The facility is only available under monthly SIP frequency for investors with instalment amounts equal to or greater than Rs. 1,000/-.
6. The facility can only be availed by investors who has completed 6 valid SIP installments.
7. The SIP shall restart automatically from the immediate next eligible installment after the completion of specified pause period.
8. This facility is not available for the SIPs sourced/ registered through MF Utilities India Pvt. Ltd. (“MFUI”), Stock Exchange Platforms of NSE & BSE and Channel partner platforms, as the SIP mandates are registered with the respective entities by respective entities. Further, this Facility is also not available for SIP registered by investors as Standing Instructions with their respective Banks.
9. The facility is not available for investors availing Multi-Goal SIP, Combo SIP and Retirement Plan.
10. In case of multiple SIPs registered in a Investment Strategy, the facility will be made applicable only for those SIP installments whose SIP date, frequency, amount and Plan is specified clearly in the form. If requisite information is not clearly filled, all SIP’s in the Investment Strategy will be accepted for pause.
11. The AMC/Fund reserves the right to amend the terms and conditions of the Facility and/or withdraw the said Facility.

2. Systematic Withdrawal Plan (SWP):

This facility enables the Unit holders to withdraw fixed sum from their Unit accounts at periodic intervals through a one-time request. The amount withdrawn under SWP will be considered as redemption with Applicable NAV/Load. To qualify for SWP, the Units should not be marked under Lien or Units should not be locked in nor pledged, & Minimum Investment Amount in the Investment Strategy should be Rs. 1,000/- & the following options are available:

Frequency	Minimum Withdrawal Amount	Minimum number of installments	Investment Dates:
Fortnightly	Rs. 1000/- & in multiples of Re. 1/- thereafter	6	Every Alternate Monday and Wednesday of the month
Monthly	Rs. 1000/- & in multiples of Re. 1/- thereafter	6	Monday or Wednesday of any week of the month
Quarterly	Rs. 1000/- & in multiples of Re. 1/- thereafter	6	Monday or Wednesday of any week of the month for the quarter

Note:

1. Default installments: Where the number of installments has not been specified by the investors/Unit holder, the default number of installments shall be the applicable minimum installments for the relevant frequency.
2. SWP will be terminated automatically in case of a Zero balance in the respective Investment Strategy-Folio on the run-date or expiry of the enrolment period whichever is earlier.
3. To qualify for SWP, the Units should not be marked under Lien or Units should not be locked in nor pledged

3. Systematic Transfer Plan (STP):

This facility enables the unit holder to transfer fixed sum periodically from the source Investment Strategy to the target Investment Strategy by redeeming Units of source Investment Strategy at Applicable NAV, subject to exit load, if any; and reinvesting the same amount in target Investment Strategy at Applicable NAV. (The minimum amount criteria in the target Investment Strategy should however be fulfilled unless specified otherwise) STP will be automatically terminated if all Units are liquidated or withdrawn from the source Investment Strategy or pledged or upon receipt of intimation of death of the Unit holder. Further, STP would not be applicable in case of insufficient balance under the source Investment Strategy. To qualify for STP, the following conditions should be met with:

Minimum Investment Amount in the source Investment Strategy should be Rs. 1,000/-.

Frequency	Minimum Transfer Amount	Minimum number of installments	Investment Dates:
Daily	Rs. 1000/- & in multiples of Re. 1/- thereafter	8	Monday and Wednesday
Weekly	Rs. 1000/- & in multiples of Re. 1/- thereafter	6	Monday or Wednesday of the week
Fortnightly	Rs. 1000/- & in multiples of Re. 1/- thereafter	6	Every Alternate Monday and Wednesday of the month
Monthly	Rs. 1000/- & in multiples of Re. 1/- thereafter	6	Monday or Wednesday of any week of the month

Quarterly	Rs. 1000/- & in multiples of Re. 1/- thereafter	6	Monday or Wednesday of any week of the month for the quarter
-----------	---	---	--

- Units marked under lien or pledged in the "Source Investment Strategy" shall not be eligible for STP.
- A Unit holder who has opted for STP under a specific Investment Strategy can also redeem or switch his Units to any other eligible Investment Strategy provided he has sufficient balance in his account on the date of such a request.
- The Unit holder can make additional subscriptions in accordance to the terms and conditions of the Document. Such additional subscription will not alter the functioning of the STP unless subsequent request in writing is received from Unit Holder.
- STP will be terminated automatically in case of a Zero balance in the respective Investment Strategy-Folio on the run-date or expiry of the enrolment period whichever is earlier.

Note:

1. Under all the Plans i.e. SIP, STP & SWP in case if the investor fails to specify the frequency, the default frequency will be considered as Monthly Frequency and incase no specific day is mentioned then the default day will be Monday.
Default installments: Where the number of installments has not been specified by the investors/Unit holder, the default number of installments shall be the applicable minimum installments for the relevant frequency.
2. Transactions in STP or SWP may result in Capital Gains or Capital Losses, for details please refer to chapter on Tax Benefits.
3. All transactions accepted / transacted in case of "Special Products" will be effected only on "Business Day" as defined in SID.
4. Investors will have the right to discontinue the SIP/STP/SWP at any time, if they so desire provided they intimates the Mutual Fund at least 10 Business Days prior to the date of their due installment date.
5. EAML has tied up with selected Banks who will be authorizing SIP debits on the basis of standing instructions received from investors having bank accounts with these banks.

The AMC reserves the right to change the frequency or the dates in such facility, in the interest of Unit holders.

B. Default scenarios available to the investors under plans/options of the Investment Strategy.

The investors must clearly indicate their choice of Plan/ Option/Facility in the relevant space provided for in the Application Form. In the absence of such clear instructions, it will be assumed that the investor has opted for the "Default" Plan/Option/Facility & the Application will be processed accordingly.

Default Plan/Option/Facility:

Default Plan:

Investors should indicate the Plan viz. Regular/Direct for which the subscription is made by indicating the choice in the Application Form. In case of valid Applications received without indicating any choice of Plan, the Application will be processed for the Plan as under:

Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured
1	Not mentioned	Not mentioned	Direct Plan
2	Not mentioned	Direct	Direct Plan
3	Not mentioned	Regular	Direct Plan

4	Mentioned	Direct	Direct Plan
5	Direct	Not Mentioned	Direct Plan
6	Direct	Regular	Direct Plan
7	Mentioned	Regular	Regular Plan
8	Mentioned	Not Mentioned	Regular Plan

In cases of wrong/ invalid/ incomplete ARN codes are mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the Application Form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of Application without any exit load.

If the above conditions are not met, the application will be processed under Regular Plan.

Default Option:

If the investor does not clearly specify the choice of Option at the time of investing, it will be deemed that the investor has opted for Growth Option.

Default Facility:

If the investor selects IDCW Option but fails to mention the facility, it will be deemed that the investor has opted for IDCW Reinvestment Facility.

If the investor chooses a Plan/Option/Facility in the Application Form but fails to comply with the minimum application/ additional application amount/other criteria of the said Plan/Option/Facility, then he will be allotted units under the Default Plan/Option/Facility, provided the required amount/other criteria are fulfilled.

VII. RIGHTS OF UNITHOLDERS OF THE INVESTMENT STRATEGY

1. Unit holders have a proportionate right in the beneficial ownership of the assets of the Investment Strategy. When the SIF declares an Income Distribution cum Capital Withdrawal (IDCW) under an Investment Strategy, IDCW payments shall be completed to the Unit Holders within 7 working days from the record date of IDCW.

Consolidated Account Statement ('CAS') at SIF level for each calendar month will be issued on or before 15th day of succeeding month to all unit holders having financial transactions and who have provided valid Permanent Account Number (PAN). For folios not included in the CAS, the AMC shall issue a monthly account statement to the unit holders, pursuant to any financial transaction done in such folios; the monthly statement will be send on or before 15th day of succeeding month. In case of a specific request received from the unit holders, the AMC shall provide the account statement to the unit holder within 5 business days from the receipt of such request. If a Unit holder so desires the SIF shall issue a Unit certificate (non- transferable) within 5 Business Days of the receipt of request for the certificate.

2. The SIF shall dispatch redemption or repurchase proceeds within 3 working days of accepting the valid redemption or repurchase request. Provided that, processing of redemption(s) in the SIF Investment Strategies shall be subject to appropriate notice period(s), if any, as may be implemented by the AMC, based on structure of the Investment Strategy and the liquidity risk associated with it.
3. The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep the unitholders informed about any information known to the Trustee which may have a material adverse bearing on their investments.

4. The appointment of the AMC for the SIF can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unit holders of the investment strategy.
5. 75% of the Unit holders can pass a resolution to wind- up an Investment strategy.
6. The Trustee shall obtain the consent of the Unit holders:
 - whenever required to do so by SEBI, in the interest of the Unit holders.
 - whenever required to do so if a requisition is made by three- fourths of the Unit holders of the Investment strategy.
 - when the majority of the trustees decide to wind up a Investment Strategy in terms of clause (a) of sub regulation (2) of regulation 39 of SEBI (Mutual Funds) Regulations, 1996 or prematurely redeem the units of a close ended Investment Strategy.
 - when the majority of the trustees decide to wind up the Investment Strategy or prematurely redeem the units of an Investment Strategy.
7. The trustees shall ensure that no change in the fundamental attributes of any Investment strategy, the fees and expenses payable or any other change which would modify the Investment strategy and affect the interest of the unit holders is carried out by the asset management company, unless it complies with sub-regulation (26) of regulation 25 of SEBI (Mutual Funds) Regulations, 1996.
8. The Trustee shall ensure that no change in the fundamental attributes of any Investment strategy or the trust or fees and expenses payable or any other change which would modify the Investment strategy and affects the interest of Unit holders of the Investment Strategy, shall be carried out by the AMC, unless the AMC ensures compliance with requirements listed hereunder:
 - (i) SEBI has reviewed and provided its comments on the proposal;
 - (ii) a written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the ABC Mutual Fund is situated; and
 - (iii) the Unit holders are given an option to exit at the prevailing Net Asset Value without any Exit Load.
9. In specific circumstances, where the approval of unitholders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.

VIII. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

A. INTRODUCTION:

The Securities and Exchange Board of India (“SEBI”) has vide its circular No. Cir/IMD/DF/6/2012 dated February 28, 2012 issued a Gazette Notification No. LAD-NRO/GN/2011-12/38/4290 dated February 21, 2012 amending Regulation 47 as well as the Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 (“SEBI Regulations”) relating to Investment Valuation Norms and has also introduced overarching principles in the form of ‘Principles of Fair Valuation’. These guiding principles emphasize fair treatment to all investors i.e. existing investors as well as investors seeking to purchase or redeem units of mutual funds in all Investment Strategies at all points of time. It further prescribes that valuation of investments shall be reflective of the realizable value of the securities and shall be done in good faith and in true and fair manner.

The guiding principles have also directed the Board of the Asset Management Companies to approve and adopt policies and procedures providing methodologies that will be used for valuing each type of securities/assets held by the mutual fund schemes / Investment Strategy. The principles further clarify that in case of any conflict between the Principles of Fair Valuation and the Valuation Guidelines as per Eighth Schedule of SEBI Regulations and circulars issued by SEBI, the ‘Principles of Fair Valuation’ shall prevail.

Further, the AMFI Committee on Valuation has vide an AMFI Best Practice Guidelines Circular No.29/2012-13 dated May 15, 2012 suggested to the AMCs guidelines on valuation methodology for valuing Debt and Money Market Instruments to facilitate smooth implementation of the aforesaid SEBI circular.

The following are covered within the scope of this policy:

- a) Defining valuation procedures / methodologies for various types of securities;
- b) Valuation of securities / assets in the event of an inter scheme transfer;
- c) Review of valuation policies and procedures and reporting to the various stakeholders;
- d) Recording of deviations from established policies and procedures and rationale for same;
- e) Dealing with Conflict of Interests (including potential conflict of interest) which has / may have a bearing on valuation of securities;
- f) Valuation of securities / assets during exceptional events.

B. VALUATION COMMITTEE:

In accordance with the requirement of SEBI Circular MFD/CIR No.010/024/2000 dated January 17, 2000, Edelweiss Asset Management Limited ("the AMC") has constituted a Valuation Committee comprising of senior officials of the AMC to review investment valuation norms and methodologies in order to determine the fair value of securities. The constitution and operation of the Committee shall be as per the Charter of the Committee as approved by the Board of the AMC and Edelweiss Trusteeship Company Limited ("Trustee Company"). Following shall be the scope of Valuation Committee:

- To ensure adherence to the Principle of Fair Valuation as well as the Valuation Guidelines as laid down under SEBI Regulations and circulars issued from time to time.
- Review and ensure that the valuation of securities is based on the principles of fair valuation i.e. valuation is reflective of the realizable value of the securities/assets and that the valuation is being done in good faith and in true and fair manner and seeks to address conflicts of interest.
- Periodically review the Policy in terms of its appropriateness and accuracy in determining fair value of security and update the Boards of the AMC and the Trustee Company annually, on the effectiveness of the methodologies and deviations or incorrect valuations, if any.
- Ensure that the policies and procedures are regularly reviewed (at least once in a Financial Year) by an independent auditor to seek to ensure its continued appropriateness
- Define and recommend valuation methodology for new type of instruments or instruments newly introduced in the market or not covered under the existing Policy
- Lay down / recommend procedures to prevent incorrect valuations.
- Recommend valuation methods during exceptional events. Review and monitor all investments made by the Fund on a regular basis to ensure that valuations of such investments reflect realizable value.
- Ensure that the valuation methods are objective, fair, transparent, simple and employ publicly available information.
- Regularly report deviations/incorrect valuations to the Board of the AMC and the Trustee Company.

C. CONFLICT OF INTEREST:

The Valuation Committee shall be responsible for ongoing review of areas of conflict (including potential areas, if any) and should recommend to the Boards of AMC and Trustee Company the procedures to mitigate it.

D. ABNORMAL SITUATIONS & MARKET DISRUPTIONS

Following types of events could be classified as “Exceptional Events” where current market information may not be available / sufficient for valuation of securities. Given the exceptional nature of the following events and the lack of clarity on how it would impact the markets, it is not possible to define a standard methodology to be adopted for fair valuation of securities for such events.

- a) Major policy announcements by the Central Bank, the Government or the Regulator.
- b) Natural disasters or public disturbances that force the markets to close unexpectedly or functions abnormally.
- c) Absence of trading in a specific security or similar securities.
- d) Significant volatility in the capital markets.
- e) Events which lead to lack of availability of accurate or sufficient information to value the securities.
- f) Significant illiquidity in fixed income markets.
- g) Events like Sovereign bankruptcy, corporate bankruptcy, disruptive political scenario that may impact the markets.
- h) Any other events where realizable value may be substantially different from benchmark based prices obtained, the realizable value will prevail.
- i) In case of disruption in trading activities on public platforms for longer time periods.

The above list is illustrative and not exhaustive.

E. ESCALATION PROCESS:

- In case of any dispute or disagreement with the valuation provided by SEBI/AMFI approved agencies that is detrimental to the interest of investors, the same shall be escalated to the Valuation Committee at the earliest.
- Valuation Committee shall evaluate the dispute(s) or disagreement(s) and will take decision on further course of action and minute the decision.
- Valuation Committee shall be responsible for monitoring Exceptional Events and recommending appropriate valuation methods. The Valuation Committee may seek necessary guidance from the Board of AMC.
- Any deviation from the disclosed valuation policy, principles and procedures in order to value the security at fair value or as otherwise specified in the Policy; will be recorded and approved on email by atleast two members of the Valuation Committee and will be subsequently presented and ratified at the ensuing Valuation Committee Meeting.
- Further, the minutes of the Valuation Committee will be appropriately reported to the Boards of the AMC and Trustees and appropriate disclosures shall be made to investors, where required.

F. RECORD KEEPING:

All the documents which form the basis of valuation (including pricing of inter-scheme transfers) shall be preserved in accordance with the norms prescribed by the SEBI regulations and guidelines.

G. DISCLOSURE OF THE POLICY

The Valuation Policy approved by the AMC Board shall be disclosed in Statement of Additional Information (SAI), website of the AMC and other documents as prescribed by the Regulations and guidelines.

H. VALUATION METHODOLOGIES

- The valuation of investment shall be based on the guiding principles of fair valuation and the guidelines / norms prescribed by SEBI/AMFI.

- The methodologies for valuing different type of securities are mentioned in Annexure I.
- In case of Valuation provided by Valuation agencies: In case AMC decides to deviate from the valuation price given by the valuation agencies, the detailed rationale for each instance of deviation shall be recorded by the AMC. The rationale for deviation along-with details such as information about the security (ISIN, issuer name, rating etc.), price at which the security was valued vis-a-vis the price as per the valuation agencies and the impact of such deviation on scheme / Investment Strategy NAV (in amount and percentage terms) shall be reported to the Board of AMC and Trustees. The rationale for deviation along-with details shall be disclosed immediately and prominently, under a separate head on the website of AMC. While disclosing the total number of instances of deviation in the monthly and half-yearly portfolio statements, AMCs shall also provide the exact link to their website for accessing the information
- In case of Valuation obtained other than Valuation agencies: Where it is observed that Valuation methodology mentioned in Annexure I, does not lead to fair valuation of securities, Valuation Committee may on a prospective basis deviate from the defined methodology and adopt such alternate procedures / methods in conformance with the guiding principles of fair valuation in good faith to arrive at the true and fair estimation of the realizable value of the security. The rationale for any such deviations would be recorded in writing and placed before the Board of Directors of the AMC and the Trustee.
- Investment in any new type of security shall be made only after establishment of the valuation methodology for such security with the approval of the Board of Directors of Edelweiss Asset Management Limited.
- Valuation price of the Security; arrived as per the policy; shall be applied consistently across the portfolios. In other words; any particular security shall be valued at same price across all the portfolios and it cannot have different prices for valuation on a particular day.
- In case there are multiple / dual credit ratings for the same company, the lowest among the same shall be considered for valuation purpose; provided the structures of the instruments under consideration are similar.

ANNEXURE -1 VALUATION METHODOLOGIES

A. EQUITY AND EQUITY RELATED SECURITIES:

Asset Class	Traded / Not Traded / Listed / Unlisted	Valuation Methodology
Equity, Preference shares and Cumulative Convertible Preference Share	Traded	Traded Securities are to be valued at the last quoted closing price on the Primary Stock Exchange. The AMC has selected National Stock Exchange (NSE) as the Principal Stock Exchange and the Bombay Stock Exchange (BSE) as the Secondary Stock Exchange For Valuation of securities held by Exchange Traded Funds (ETFs) and Index Funds which are benchmarked to indices relating to a particular stock exchange, the principal stock exchange will be that exchange. e.g. for a Sensex fund, the principal stock exchange will be BSE. When on a particular valuation day, a security has not been traded on the selected stock exchange; the value at which it is traded on another stock exchange shall be used.
	Not Traded	The earliest previous day's close price on the selected stock exchange shall be used, provided such day is not more than thirty days prior to the valuation date.

		<p>Valuation of Non –Traded:</p> <p>Non Traded: If the equity securities are not traded on NSE and BSE for a period of thirty days prior to the valuation date, the scrip must be treated as 'non-traded' scrip.</p> <p>Based on the latest available audited Balance Sheet, net worth shall be calculated as follows:</p> <p>a) Net Worth per share = [Share Capital + Reserves (excluding Revaluation Reserves) – Misc. expenditure and Debit Balance in P&L A/c] / No. of Paid up Shares.</p> <p>b) Average capitalization rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalization rate (P/E ratio). Earnings per share (EPS) of the latest audited annual accounts will be considered for this purpose.</p> <p>c) The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share.</p> <p>d) In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning.</p> <p>e) In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.</p> <p>f) In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued by the procedure above and the proportion which it bears to the total net assets of the scheme to which it belongs would be compared on the date of valuation.</p> <ul style="list-style-type: none"> ➤ Preference share: For non-traded redeemable preference shares: valuation shall be discounted value of future cash flow based on bond yield of that issuer. ➤ Convertible preference shares: shall be valued based on the underlying equity. This value will be further discounted for illiquidity of 15% p.a.
	Thinly traded	<p>Policy similar to non-traded Equity Shares</p> <p>Definition of thinly traded equity/ equity related security: When trading in an equity/equity related security in a calendar month is both less than INR 5 lacs and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security</p>
Equity	Unlisted	<p>Unlisted equity shares of a company shall be valued "in good faith" on the basis of the valuation principles laid down below:</p>

		<p>Based on the latest available audited balance sheet, Net Worth shall be calculated as the lower of the following:</p> <p>(i) Net worth per share = [Share capital + Free Reserves (excluding Revaluation reserves) - Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] / Number of Paid up Shares</p> <p>ii) After taking into account the outstanding warrants and options, Net Worth per share shall again be calculated and shall be = [Share Capital plus consideration on exercise of Option and/or Warrants received/receivable by the Company plus Free Reserves (excluding Revaluation Reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid up Shares plus Number of Shares that would be obtained on conversion and/or exercise of Outstanding Warrants and Options.</p> <p>The lower of (1) and (2) above shall be used for calculation of Net Worth per share and for further calculation to be arrive at the fair value per share as stated in (b) below:</p> <p>a) Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which shall be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.</p> <p>b) The value as per the Net Worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 15 per cent for illiquidity so as to arrive at the fair value per share</p> <p><u>The above valuation methodology shall be subject to the following conditions:</u></p> <p>a. All calculations shall be based on audited accounts.</p> <p>b. If the latest Balance Sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.</p> <p>c. If the Net Worth of the company is negative, the share would be marked down to zero.</p> <p>d. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.</p> <p>e. In case an individual security accounts for more than 5 per cent of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5 per cent of the total assets of the scheme, it shall be valued in accordance with the procedure as mentioned above on the date of valuation.</p>
Initial Public Offering (IPO) / Qualified Institutional Placement	-	<p>IPO: To be valued at cost until allotment/ listing.</p> <p>QIP/FPO: To be valued at the closing price of the primary stock exchange.</p>

(QIP) / Follow on Public Offer		
Lock-in Shares		In case of Equity share under lock in for more than 3 months from the date of purchase / allotment, which are traded on the stock exchanges, the investment manager may apply appropriate discount to the closing price
Buy-back of Securities		Market price of the shares will be considered for valuation till formal confirmation of acceptance of shares tendered under the buyback schemes. Quantum of shares accepted under buy-back will be accounted as a sale trade.
Rights" entitlement / partly paid up rights shares		<p>i) Until, rights are traded, the value of "rights" shares should be calculated as per the formula below: a) $V_r = n / m * (P_{ex} - P_{of})$, Where, V_r = Value of rights n = no. of rights offered m = no. of original shares held P_{ex} = Ex date price Minus Rights Price P_{of} = Rights Offer Price</p> <p>b) Ex-right price of underlying security will be considered separately for each valuation day.</p> <p>c) In case the Offer price is higher than the Ex-right price then the rights would be valued at Zero.</p> <p>d) If the rights are not treated pari passu with the existing shares, suitable adjustments would be made to the value of rights</p> <p>ii) Where it is decided not to subscribe to the rights but to renounce them and renunciations are being traded, the rights can be valued at the renunciation value.</p> <p>iii) Where it is decided to subscribe the rights, renunciation value might not be appropriate. Hence in such cases valuation of rights entitlement will be done as per the formula stated in clause a to d above.</p> <p>iv) Valuation guidelines related to equity shares would be applicable from the date rights are subscribed.</p>
Partly Paid-up Equity Shares:	Traded	If the partly paid-up equity shares are traded in market separately then the same shall be valued at traded price (like any other equity instrument).
	Non - traded	Uncalled liability per share shall be reduced from the value of fully paid share, if traded, to derive price of non traded partly paid shares.
Suspended Security	-	In case trading in an equity security is suspended up to thirty days, then the last traded price shall be considered for valuation of that security. If an equity security is suspended for more than thirty days, then the securities should be treated as unlisted and valued accordingly.
Valuation of Shares on Merger, De-merger and Other	-	<p><u>Merger:</u></p> <p>Valuation of merged entity would be arrived at by summation of previous day's market capitalisation of the respective companies prior to merger divided by the entitled quantity of the merged entity in cases where identity</p>

Corporate Action Events:		<p>of the entities getting merged is lost until the new entity is listed. E.g. If Company A and Company B merge to form a new Company C, then new company C would be valued at the previous day's market capitalisation of A and B with appropriate inter-se weights as indicated in the scheme of merger.</p> <p>In case of a merger where the identity of one entity continues, valuation of merged entity would be at the closing price of the surviving entity.</p> <p>E.g. If Company A merges into Company B then merged entity would be valued at the price of Company B being the surviving Company.</p> <p><u>De-merger:</u></p> <p>On de-merger following possibilities arise which influence valuation:</p> <p>➤ Both the shares are traded immediately on de-merger: In this case, shares of both the Companies are valued at respective traded prices.</p> <p>➤ Shares of only one company continued to be traded on de-merger: In case one entity is demerged into two or more entities and one of those entities continues to be listed, the value of unlisted entity(ies) will be difference between the Opening price of the security on the ex-date (after demerger) and closing price of the security on previous trading day (before demerger) that continues to be listed. The difference in price of two dates will be the valuation price of the unlisted entity(ies) proportionately, till they are listed and traded on a stock exchange. The cost price of new entity/entities would be derived proportionately from the cost price of parent entity.</p> <p>In case the price of the traded security of de-merged entity is equal to or in excess of the price of that entity before de-merger, then the security of the non-traded entity will be valued at zero.</p> <p>In case an unlisted security is not listed within a period of 30 days from the ex date, the valuation price derived for the demerged security will be reviewed on expiry of 30 days.</p> <p>➤ Both the shares are not traded on de-merger: The price of the shares of the Company one day prior to ex-date of de-merger will be bifurcated over the de-merged shares in the ratio of cost of shares of each demerged entity or on the basis of net assets transferred if the same is available from the Company.</p> <p>In case shares of both the companies are not traded for more than 30 days, these are to be treated as unlisted security and valued accordingly.</p> <p>On merger/demerger, in case the company specifies any regulations/ method for cost bifurcation or valuation the same will be adopted. In case the above methodology does not derive the fair valuation of de-merged</p>
--------------------------	--	---

		<p>entities; the same may be determined by the Valuation Committee on case to case basis.</p> <p><u>Other corporate action event:</u></p> <p>In case of any other type of capital corporate action event, the same shall be valued at fair price on case to case basis as may be determined by the Valuation Committee.</p>
Stock and Index Derivatives	-	<p><u>Equity / Index Options Derivatives</u></p> <p>Equity & index options would be valued at NSE settlement price irrespective of the exchange on which the trades have been effected.</p> <p><u>Equity / Index Futures Derivatives</u> Equity & index futures would be valued at NSE settlement price irrespective of the exchange on which the trades have been effected.</p>
Valuation of Warrants	Traded	If the warrants are traded, the traded price will be considered for valuation.
	Non Traded	<p>Warrants can be valued at the value of the share which would be obtained on exercise of the Warrant after applying appropriate discount after reducing the exercise price / issuance price from the closing price of the underlying cash equity security.</p> <p>If the amount payable on exercise of the warrants is higher than the value of the share, the value of the warrants should be taken as zero.</p> <p>Non-Traded Warrants shall be valued based on a combination of the relevant conversion ratio and conversion price. Illiquidity discount shall be considered on the same lines as for any other illiquid shares.</p>

B. FIXED INCOME AND RELATED SECURITIES

Asset Class	Traded / Not Traded / Listed / Unlisted	Valuation Methodology
<p>All Debt & Money Market Securities</p> <p>(Except Bank Fixed Deposits, TRI-PARTY REPO/ TREPS*, Reverse Repo, Corporate Bond Repo, CROMS etc.)</p>	-	<p>a. All debt & money market securities shall be valued at average of the prices generated from Aggregator provided by SEBI/AMFI approved agencies, (currently CRISIL and ICRA) on each Valuation Day.</p> <p>b. In case of new securities for which the valuation price is not provided by any or both the external agencies on the date of purchase, the same shall be valued based on the weighted average Purchase Yield until the same is included by the valuation agencies in the SLV.</p> <p>c. G-Secs, T-bills and Cash Management Bills (CMBs) will be valued based on average of prices provided by SEBI/AMFI approved agencies, (currently CRISIL and ICRA), irrespective of any residual maturity.</p> <p>d. In case of transactions in discounted instruments including but not limited to T-Bill, CP, CD, Bill Rediscounting, ZCB, etc., and where the settlement date is T+1 (where T is the trade date), these discounted instruments will be valued at the price corresponding to the weighted-average YTM on their trade date.</p>

		The valuation agencies shall follow a waterfall approach for the valuation of money market and debt securities as prescribed by AMFI in consultation with SEBI pursuant to clause 9.2.3 of SEBI Master Circular dated June 27, 2024.
Bank Fixed Deposits	-	Fixed Deposits : valued at cost plus accrual basis
TRI-PARTY REPO/ TREPS [^] , Reverse Repo, Repo, Corporate Bond Repo, CROMS		Valuation of these securities except overnight TREPS or reverse repo will be valued at average of security level prices obtained from valuation agencies. In case of new purchases in these securities (which is currently not held by any Mutual Fund) where the prices are not available from the valuation agencies then such securities will be valued at purchase yield on date of purchase. Overnight TREPS and reverse repo will be valued on cost plus accrual basis.
Interest Rate Swap (IRS) & Other OTC Derivatives and Market Linked Debentures	-	Shall be valued on the basis of price provided by AMFI approved valuation agencies, (currently CRISIL and ICRA). In absence of prices from the valuation agencies, valuation of such securities shall be arrived at basis guidance from Valuation Committee.
Interest Rate Futures	-	The exchange traded Interest Rate Futures would be valued based on the Daily settlement Price or any other derived price provided by the exchange.
Corporate Debt Market Development Fund (CDMDF)	-	Corporate Debt Market Development Fund (CDMDF) units shall be valued at the last declared NAV on the website of CDMDF Fund / AMFI website as on the valuation date.
Convertible Debentures / Bond	-	Non-convertible and convertible components are valued separately. A. The non-convertible component shall be valued on the same basis as would be applicable to a non-convertible debt instrument. B. The convertible component to be valued as follows: i) Ascertain <ul style="list-style-type: none"> ➤ The number of shares to be received after conversion. ➤ Whether the shares would be pari passu for dividend on conversion. ➤ The rate of last declared dividend. ➤ Whether the shares are presently traded or non traded. ➤ Market rate of shares on the date of valuation ii) In case the shares to be received are, on the date of valuation, are non-traded, these shares to be received on conversion are to be valued as non-traded equity shares. iii) In case the shares to be received on conversion are not non-traded on the date of valuation and would be traded pari passu for dividend on conversion:

		<p>a) Number of shares to be received on conversion, per convertible debenture, multiplied by the present market rate</p> <p>b) Determine the discount for non-tradability of the shares on the date of valuation. (This discount should be determined in advance and to be used uniformly for all the convertible securities. Rate of discount should be documented and approved by the Board of AMC) Value = (a)* [1-(b)]</p> <p>iv) In case the shares to be received on conversion are not non-traded on the date of valuation but would not be traded pari passu for dividend on conversion:</p> <p>a) Number of shares to be received on conversion, per convertible debenture, multiplied by the present market rate</p> <p>b) Arrive at the market value of the shares on the date of valuation by reducing the amount of last paid dividend.</p> <p>c) Determine the discount for non-tradability of the shares on the date of valuation. (This discount should be determined in advance and to be used uniformly for all the convertible securities. Rate of discount should be documented and approved by the Board of AMC) Value = (a) * (b) * (1-c)</p> <p>v) In case of optionally convertible debentures, two values must be determined assuming both, exercising the option and not exercising the option.</p> <ul style="list-style-type: none"> ➤ If the option rests with the issuer, the lower of the two values shall be taken as the valuation of the optionally convertible portion, and; ➤ If the option rests with the investor, the higher of the two values shall be taken. <p>Traded convertible Debentures (as per the traded security criteria) shall be valued based on the cum-interest traded price.</p> <p>C. If security level valuation (SLV) price of CCD is provided by the valuation agencies, appointed by AMFI, then the same will be used for valuation.</p> <p>D. The Valuation Committee may in specific cases decide to use a different method for valuation of CCD by assigning reasons thereof.</p>
Securities with Put/Call Options	-	<p>Shall be valued at prices provided by AMFI/SEBI approved agencies, (currently CRISIL and ICRA) on each Valuation Day.</p> <p>If a put option is not exercised when exercising such put option would have been in favour of the scheme, in such cases the justification for not exercising the put option shall be provided to the Board of AMC and Trustees.</p>

Upfront Fees on Trade	-	<ul style="list-style-type: none"> Upfront fees on all trades (including primary market trades), by whatever name and manner called, would be considered by the AMFI approved valuation agencies for the purpose of valuation of the security. Details of such upfront fees should be shared by the AMCs on the trade date to the AMFI approved valuation agencies as part of the trade reporting to enable them to arrive at the fair valuation for that date. For the purpose of accounting, such upfront fees should be reduced from the cost of the investment in the scheme that made the investment In case upfront fees are received across multiple schemes, then such upfront fees should be shared on a pro-rate basis across such schemes.
AT-1 Bonds and Tier 2 Bonds	-	The valuation of AT-1 Bonds and Tier 2 bonds will be carried out clause 9.4 of SEBI Master Circular dated June 27, 2024, SEBI Circular no SEBI/HO/IMD/PoD1/CIR/P/2024/106 dated 05 August 2024 and AMFI letter no letter No. 135/BP/91/2020-21 dated March 24, 2021 as amended from time to time.
Floating Rate Bonds	-	Shall be valued at prices provided by AMFI/SEBI approved agencies, (currently CRISIL and ICRA) on each Valuation Day.

^In terms of the Repurchase Transactions (Repo) (Reserve Bank) Directions, 2018 issued by the Reserve Bank of India (RBI) vide notification reference no. RBI/2018-19/24-FMRD.DIRD.01/14.03.038/2018-19 dated July 24, 2018, the Clearing Corporation of India Limited ("CCIL") has started acting as a Triparty Repo Agent and has introduced clearing and settlement services for Triparty Repo trades in Government Securities under its Securities Segment with effect from November 05, 2018. Accordingly, CCIL has discontinued the segment for Collateralized Borrowing and Lending Obligations ("CBLO") and replaced it with Tri-party Repo. In view of the above, all the references of CBLO shall be replaced with Tri-party Repo.

C. **MUTUAL FUND UNITS, ETFS AND GOLD**

Asset Class	Traded / Not Traded / Listed / Unlisted	Valuation Methodology
Mutual Fund Units and ETFs	-	<p>Mutual funds investing in ETFs which are listed and traded on exchanges will value these units at closing traded price of primary exchange as on the valuation date.</p> <p>All other mutual fund units would be valued at the last available NAV as on the valuation date.</p>
Intra-day NAV in case of Debt ETFs (for unit allotment / redemption)	-	<p>In case of subscription/redemption transactions received through Authorized Participants and Large Investors, the Intra-day NAV will be computed as follows:</p> <ol style="list-style-type: none"> Securities in which there is self-trade, the weighted average price of that particular security will be considered. Securities in which there is no self-trade, the prices provided by SEBI / AMFI approved valuation agencies will be considered. <p>The above is in line with the internal board approved policy on Intra-Day NAV.</p>

GOLD	-	<p>Gold acquired by a scheme is in the form of standard bars and its value as on a particular day is determined as under:</p> <p>(1) AM fixing price of London Bullion Market Association (LBMA) in US dollars per troy ounce for gold having a fineness of 995.0 parts per thousand, subject to the following:</p> <ul style="list-style-type: none"> a) adjustment for conversion to metric measure as per standard conversion rates; b) adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate declared by the Foreign Exchange Dealers Association of India (FEDAI). c) Addition of- <ul style="list-style-type: none"> (i) transportation and other charges that may be normally incurred in bringing such gold from London to the place where it is actually stored on behalf of the mutual fund ;and (ii) notional customs duty and other applicable taxes and levies (including but not limited to VAT, stamp duty, octroi) that may be normally incurred to bring the gold from London to the place where it is actually stored on behalf of the mutual fund; <p>Provided that the adjustment under clause (c) above may be made on the basis of a notional premium that is usually charged for delivery of gold to the place where it is stored on behalf of the mutual fund;</p> <p>Provided further that where the gold held by a scheme has a greater fineness, the relevant LBMA prices of AM fixing shall be taken as the reference price under this sub-paragraph.</p> <p>(2) If the gold acquired by the Scheme is not in the form of standard bars, it shall be assayed and converted into standard bars which comply with the good delivery norms of the LBMA and thereafter valued like standard bars. If on any day the LBMA AM fixing or RBI reference rate is not available due to holiday, then the immediately previous day's prices are applied for the purpose of calculating the value of gold.</p>
Silver		<p>The physical Silver held by scheme shall be valued at the AM fixing price of London Bullion Market Association (LBMA) in US dollars per troy ounce for Silver having a fineness of 999 parts per thousand, subject to the following:</p> <p>(a) adjustment for conversion to metric measure as per standard conversion rates; (b) adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate available on FBIL's (Financial Benchmarks India Pvt Ltd) website as at the close of banking hours on the relevant business day in India; and (c) addition of- (i) transportation and other charges that may be normally incurred in bringing such silver from London to the place where it is actually stored on behalf of the mutual fund; and (ii) notional customs duty and other applicable taxes and levies that may be normally incurred to bring the silver from London to the place where it is actually stored on behalf of the mutual fund: Provided that the adjustment under clause (c) above may be made on the basis of a notional premium that is usually charged for delivery of silver to the place where it is stored on behalf of the mutual fund. Where the silver held by a scheme has a greater fineness, the relevant LBMA prices of AM fixing shall be taken as the reference price. MCX</p>

		spot price would be considered for determining a suitable notional premium to arrive at the fair valuation reflecting the domestic prices of Silver. Instances where MCX spot price is lower than the price as determined above, a suitable notional discount would be applied. If on any day MCX spot price is not available, any other appropriate source may be used as agreed upon by the Valuation Committee.
--	--	--

D. UNITS OF InvITs and ReITs

Asset Class	Traded / Not Traded / Listed / Unlisted	Valuation Methodology
Units of InvITs / ReITs	Traded	Valuation of units of InvITs and ReITs will be based on the last quoted closing price on the principal stock exchange where such security is listed. The AMC has selected National Stock Exchange (NSE) as principal stock exchange. If no trade is reported on the principal stock exchange on a particular valuation date, units of InvITs and ReITs shall be valued at the last quoted closing price on other recognised stock exchange.
	Non Traded	<ul style="list-style-type: none"> ➤ When units of InvITs and ReITs are not traded on any stock exchange on a particular valuation day, the value at which these were traded on the selected stock exchange or any other stock exchange, as the case may be, on any day immediately prior to valuation day, shall be considered for valuation provided that such date is not more than thirty days prior to the valuation date. ➤ Where units of InvITs and ReITs are not traded on any stock exchange for a continuous period of 30 days then the valuation for such units of InvITs and ReITs will be determined by the Valuation Committee in consultation with the Internal Auditors or independent valuation agencies as deemed appropriate by the Valuation Committee from time to time. ➤ In addition to the above, if the valuation of units of InvITs and ReITs is provided by the independent agency as approved by AMFI, AMC may get into an arrangement with such agency to provide security level price for Valuation.

E. FOREIGN SECURITIES INCLUDING UNITS OF OVERSEAS MUTUAL FUND

Asset Class	Valuation Methodology
Foreign Securities (Other than Overseas Mutual Fund)	<ul style="list-style-type: none"> ➤ Foreign Securities shall be valued based on the last quoted closing price at Overseas Stock Exchange on which respective securities are listed. However, the AMC shall select the appropriate stock exchange at the time of launch of a scheme in case a security is listed on more than one stock exchange and the reason for the selection will be recorded in writing. Any subsequent change in the reference stock exchange used for valuation will be necessarily backed by reason for such change being recorded in writing by the AMC. However, in case of extreme volatility in other markets post the closure of the relevant markets, the AMC shall value the security at suitable fair value. ➤ When on a particular Valuation day, a security has not been traded on the selected stock exchange; the value at which it is traded on another stock exchange or last quoted closing

	<p>price on selected stock exchange shall be used provided such date is not more than thirty days prior to the valuation date.</p> <ul style="list-style-type: none"> ➤ Due to difference in time zones of different markets, in case the closing prices of securities are not available within a given time frame to enable the AMC to upload the NAV for a Valuation Day, the AMC may use the previous day price or the last available traded price as may be warranted / for the purpose of valuation. ➤ Non -traded ADR /GDRs shall be valued after considering prices/ issue terms of underlying security. Valuation Committee shall decide the appropriate discount for illiquidity. Non- traded foreign security shall be valued by AMC at fair value after considering relevant factors on case to case basis. ➤ Corporate Action (Foreign Security): In case of any corporate action event, the same shall be valued at fair price on case to case basis as may be determined by the Valuation Committee in consultation with Independent advisors (if required). ➤ On valuation date, all assets and liabilities in foreign currency shall be valued in Indian Rupees at the RBI reference rate as at the close of banking hours on the relevant business day in India. For Currencies where RBI reference rate is not available, Bloomberg / Reuters shall be used. If required the AMC may change the source of determining the exchange rate.
Overseas Mutual Fund	Will be valued at the last available Net Asset Value of the underlying fund. On the valuation day, for conversion of foreign exchange currency into INR, RBI reference rate as at the close of banking hours on that day in India / Bloomberg / Reuters. If required the AMC may determine the reference rate from an alternative source as may be approved by the Valuation Committee from time to time.

F. VALUATION OF ILLIQUID SECURITIES

Asset Class	Traded / Not Traded / Listed / Unlisted	Valuation Methodology
Illiquid Securities	-	<p>a) Aggregate value of "illiquid securities" of scheme, which are defined as non-traded and unlisted equity shares, shall not exceed 15% of the total assets of the scheme and any illiquid securities held above 15% of the total assets shall be assigned zero value.</p> <p>b) The fund shall disclose as on March 31 and September 30 the scheme-wise total illiquid securities in value and percentage of the net assets while making disclosures of half yearly portfolios to the unitholders. In the list of investments, an asterisk mark shall also be given against all such investments which are recognised as illiquid securities.</p> <p>c) Illiquid securities shall not be transferred among their schemes.</p>

G. VALUATION OF MONEY MARKET/DEBT SECURITIES WHICH ARE RATED BELOW INVESTMENT GRADE:

Asset Class	Traded / Not Traded / Listed / Unlisted	Valuation Methodology
Valuation of money market and debt	Below Investment grade	<p>Definition of below investment grade and default:</p> <ul style="list-style-type: none"> ➤ A money market or debt security shall be classified as "below investment grade" if the long term rating of the security issued by a SEBI registered

securities which are rated below investment grade	<p>Credit Rating Agency (CRA) is below BBB- or if the short term rating of the security is below A3.</p> <p>➤ A money market or debt security shall be classified as “Default” if the interest and / or principal amount has not been received, on the day such amount was due or when such security has been downgraded to “Default” grade by a CRA. In this respect, Mutual Funds shall promptly inform to the valuation agencies and the CRAs, any instance of non-receipt of payment of interest and / or principal amount (part or full) in any security.</p> <p>All money market and debt securities which are rated below investment grade shall be valued at the average of the security level price provided by valuation agencies.</p> <p>Till such time the valuation agencies compute the valuation of money market and debt securities classified as below investment grade, such securities shall be valued by the valuation agencies on the basis of indicative haircuts.</p> <p>If security is traded, it will be valued at lower of weighted average traded price available on public platform or average of the security level price provided by valuation agencies. The traded qualification criteria shall be as determined by valuation agencies. In the absence of the information on the traded qualification criteria from the valuation agencies, the qualification criteria shall be as determined by the Valuation Committee.</p> <p>In absence of the above information the valuation shall be arrived at basis guidance from Valuation Committee.</p> <p>In case of any deviation from the valuation price for money market and debt securities rated below investment grade provided by the valuation agencies, AMC shall follow the procedure as mentioned in clause 9.2.3 of SEBI Master circular dated June 27, 2024</p>
--	---

H. **INTER SCHEME TRANSFER**

Asset Class	Valuation Methodology
Inter Scheme Transfer	<p><u>Equity and related securities:</u></p> <p>In respect of inter scheme transfer of equity securities, the spot/current market price available from Bloomberg terminal at the time of entering into the deal is considered. The screenshot of the Bloomberg screen be obtained to confirm the price.</p> <p><u>Debt and Money Market Securities:</u> Shall be valued on the basis of security level prices for ISTs provided by AMFI approved valuation agencies (currently, CRISIL & ICRA) and in line with SEBI Regulations.</p> <p><u>In case of valuation price is not provided by the Valuation agencies, the same shall not be carried out.</u></p>

Valuation of Exchange Traded Commodity Derivatives – Gold & Silver

Gold & Silver Exchange Traded Commodity Derivatives (ETCDs) shall be valued at the last traded price available at 5:30 pm which is the closest available price to the MCX Spot price at which the respective physical commodities are valued at. In the event the last quoted closing price as referred above is not available, such ETCD contracts shall be valued at the Settlement price of the respective stock exchange. When a security is not traded on the stock exchange from where the commodity was purchased on a particular valuation day, the value at which it was traded on the on the earliest previous day may be used provided such date is not more than 30 days prior to valuation date. If no price is available for more than 30 days, then the security will be treated as a non-traded security and the valuation committee, in order to ensure fair valuation, will determine price, based on the available information.

Physical Commodities other than Gold & Silver

Physical stocks/Commodities received from the exchange accredited warehouse in the location (as notified and determined by the exchanges) will be valued based on latest spot market price of the respective location as published by the respective commodity exchanges. If on any day the spot market prices as above are not available due to holiday, then the prices of immediately preceding day will be considered for the purpose of valuation of such commodity. In case necessary details to value such commodities are not available or if the prices as per above do not represent fair price, the Valuation Committee, in order to ensure fair valuation, will determine price, based on the available information.

Valuation of Exchange Traded Commodity Derivatives – Other than Gold and Silver

Exchange Traded Commodity Derivatives (ETCDs) other than Gold & Silver shall be valued at the last quoted closing price on the exchange where such ETCD Contracts are Listed. In the event the last quoted closing price as referred above is not available, such ETCD contracts shall be valued at the Settlement price of the respective stock exchange. When a security is not traded on the stock exchange from where the commodity was purchased on a particular valuation day, the value at which it was traded on the on the earliest previous day may be used provided such date is not more than 30 days prior to valuation date. If no price is available for more than 30 days, then the security will be treated as a non-traded security and the valuation committee, in order to ensure fair valuation, will determine price, based on the available information

*Public Platform refers as follows:

Instruments	Public Platform
Commercial Papers and Certificate of Deposits.	F-Trac Platform
Corporate bonds, Non Convertible Debenture, Debentures and Securitized Debts.	CBRIS (NSCCL)/ BSE WDM (ICCL)
Government Securities, SDL, Special SDL, Treasury Bills, Cash Management Bills etc.	NDS-OM and NSE WDM

CRISIL/ICRA Disclaimer: By using the valuation contained in this document, the user acknowledges and accepts that the valuations are provided severally (and not jointly) by the service providers and are subject to the following disclaimers and exclusion of liability which operate severally to the benefit of the relevant service provider and AMFI. The valuation uses the methodology discussed by the service providers with the Association of Mutual Funds of India (AMFI) and reflects the service providers' assessment as to the value of the relevant securities as at the date of the valuation. This is an indicative value of the relevant securities on the valuation date and can be different from the actual realizable value of the securities. The valuation is based on the information provided or arranged by or on behalf of the asset management company concerned (AMC) or obtained by the service providers from sources they consider reliable. Neither AMFI nor the service providers guarantee the completeness or accuracy of the information on which the valuation is based. The user of the valuations takes the full responsibility for any decisions made on the basis of the valuations.

Neither AMFI nor the service providers accept any liability (and each of them expressly excludes all liability) for any such decision or use.

Valuation of Exchange Traded Commodity Derivatives

Assets Methodology Exchange Traded Commodity Derivatives (ETCDs) (For Gold, Silver, Copper, Aluminium & Cash Settled ETCDs) : Exchange Traded Commodity Derivatives (ETCDs) shall be valued at the last quoted closing price on the exchange where such ETCD Contracts are Listed. In the event the last quoted closing price as referred above is not available, such ETCD contracts shall be valued at the Settlement price of the respective stock exchange. When a security is not traded on the stock exchange from where the commodity was purchased on a particular valuation day, the value at which it was traded on the on the earliest previous day may be used provided such date is not more than 30 days prior to valuation date. If no price is available for more than 30 days, then the security will be treated as a non-traded security and the valuation committee, in order to ensure fair valuation, will determine price, based on the available information.

Physical Commodities other than Gold & Silver

Physical stocks/Commodities received from the exchange accredited warehouse in the location (as notified and determined by the exchanges) will be valued based on latest spot market price of the respective location as published by the respective commodity exchanges. If on any day the spot market prices as above are not available due to holiday, then the prices of immediately preceding day will be considered for the purpose of valuation of such commodity. In case necessary details to value such commodities are not available or if the prices as per above do not represent fair price, the Valuation Committee, in order to ensure fair valuation, will determine price, based on the available information.

IX. COMPUTATION OF NAV

A. Policy of computation of NAV

The AMC will calculate and disclose the first NAVs of the Investment Strategy not later than 5 Business days from the date of allotment. NAVs will be calculated up to three decimal places. Subsequently, the Mutual Fund shall declare the NAVs of the Investment Strategy on every Business Day and prominently disclose the NAVs under a separate head on its website (www.edelweissmf.com) and on the AMFI website (www.amfiindia.com) by 11 p.m. on the same business day.

The Net Asset Value (NAV) of the Units will be calculated on every Business Day and for such other days as may be required for the purpose for transaction of Units. The NAV shall be calculated in accordance with the following formula, or such other formula as may be prescribed by SEBI from time to time:

$$\text{NAV} = \frac{\text{Market or Fair Value of the Investment Strategy's Investments+ Receivables+ Accrued Income+ Other Assets- Accrued Expenses- Payables- Other Liabilities}}{\text{Number of Units Outstandings}}$$

B. Policy for computation of NAV in foreign securities

On the valuation day, all the assets and liabilities denominated in foreign currency will be valued in Indian Rupees. The valuation price of the security will be converted to INR based on a reference rate provided by RBI or the designated agency at the close of banking hours in India. If required, the AMC may change the source of determining the exchange rate. The Fund shall value its investments according to the valuation norms as specified in the Eighth Schedule of the Regulations, or such guidelines / recommendations as may be specified by SEBI from time to time. The broad valuation norms are detailed in the Statement of Additional Information. Further, considering that the Investment Strategy shall be investing in international markets, there would be timing zone differences between transactions by investors and investments in/sale of securities. As a result, the

AMC shall update the NAV by 9.00 a.m on the next business day on the website of Association of Mutual Funds in India and Mutual and the mutual fund website www.edelweissmf.com.

C. Procedure in case of delay in disclosure of NAV

In case of any delay, the reasons for such delay would be explained to AMFI and SEBI by the next day. If the NAVs are not available before commencement of business hours on the following day due to any reason, Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs.

X. TAX & LEGAL & GENERAL INFORMATION

A. Taxation on investing in Mutual Funds/SIF

Investors may note that the information given herein is for general information purposes only, as per the Tax laws currently in force in India. As is the case with any interpretation of any law, there can be no guarantee or any assurances that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will be accepted by the tax authorities or will continue to be accepted by them indefinitely. Further statements with regard to tax benefits mentioned herein below are mere expressions of opinion and are not representations of the Mutual Fund to induce any investor to acquire units, whether directly from the Mutual Fund or indirectly from any other persons by the secondary market operations. In view of the individual nature of tax benefits, each investor / unit holder is advised to consult with his or her or its own tax consultant with respect to the specific tax implications arising out of their participation in the scheme. As in the case with any investment, there can be no guarantee that the tax position prevailing at the time of investment in the Scheme(s) will endure indefinitely. Based on the law in force and after considering the amendments made in the Income Tax Act, 1961 ("the Act") by the Finance Bill 2024 the applicable tax provisions, benefits/implications that may accrue to a Fund and to different categories of unit holders in respect of their investments in a Fund are outlined briefly hereunder.

Based on the view of a Chartered Accountant, following are certain relevant extracts of the Income Tax Act, 1961 along with the interpretation and corresponding tax incidence:

A. To the Mutual Fund/SIF:

i) Income of Mutual Fund/SIF:

Income of the Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or regulations made there under will be exempt from income tax in accordance with the provisions of section 10(23D) of the Income tax Act "the Act". The Mutual Fund will receive all income without deduction of any tax at source under the provision of Section 196(iv) of the Act.

ii) Income distributed to Unit Holders:

Income in the nature of dividends distributed by mutual funds will be taxable in the hands of the unitholders at the applicable rates. The unit holder can claim a deduction of interest expenditure only under section 57 of the Act which shall be restricted to 20% of the gross dividend income.

iii) Securities Transaction Tax (STT):

As per Chapter VII of Finance (No. 2) Act, 2004 relating to Securities Transaction Tax is not applicable in case of non Equity Oriented Mutual Fund Scheme(s). Equity oriented fund has been defined u/s 112A of Income Tax Act, 1961 to mean a fund set up under a scheme of a mutual fund specified under clause (23D) of section 10 and,—

- I. in a case where the fund invests in the units of another fund which is traded on a recognised stock exchange,— (A) a minimum of ninety per cent of the total proceeds of such fund is invested in the units of such other fund; and (B) such other fund also invests a minimum of ninety per cent of its total proceeds in the equity shares of domestic companies listed on a recognised stock exchange; and
- II. in any other case, a minimum of sixty-five per cent of the total proceeds of such fund is invested in the equity shares of domestic companies listed on a recognised stock exchange.

Further it is stated that the percentage of equity shareholding or unit held in respect of the fund, as the case may be, shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

In case of Units of Equity oriented funds, the mutual fund is liable to recover / pay a Securities Transaction Tax. Same is applicable as under:

Taxable Securities Transaction Tax	Rates w.e.f. 1st October 2024	Payable by
Purchase of an equity share in a company where the transaction for purchase is entered on a recognized stock exchange and the contract is settled by actual delivery / transfer of such unit.	0.1%	Purchaser, in case of purchase transaction / Seller, in case of sale transaction
Purchase of units of an equity-oriented fund where the transaction for purchase is entered on a recognized stock exchange and the contract is settled by actual delivery / transfer of such unit [@]	NIL in case purchase and 0.001 % in case of sale	Seller, in case of sale transaction
Sale of an equity share in a company where the transaction for sale is entered on a recognized stock exchange and the contract is settled by actual delivery / transfer of such unit.	0.1%	Seller
Sale of units of an equity-oriented fund where the transaction for sale is entered on a recognized stock exchange and the contract is settled by actual delivery / transfer of such unit [@]	0.001%	Seller
Sale of an equity share in a company or a unit of an equity-oriented fund where the transaction for sale is entered on a recognized stock exchange and the contract is settled otherwise than by actual delivery / transfer of such unit.	0.025%	Seller
Sale of a unit of an equity-oriented fund to the Mutual Fund [@]	0.001%	Seller
Sale of derivative being a future where the transaction for such sale is entered into a recognized stock exchange [@]	0.02%	Seller
Sale of derivative being an option where the transaction for such sale is entered into a recognized stock exchange	0.1% of the option premium	Seller
Sale of derivative being an option where option is exercised and where the transaction for such sale is entered into a recognized stock exchange	0.125% of the settlement price	Purchaser

The value of a taxable securities transaction will be as follows:

- In the case of a taxable securities transaction relating to “option in securities”, the aggregate of the strike price and the option premium of such “option in securities”;
- In the case of taxable securities transaction relating to “futures”, the price at which such “futures” are traded; and
- In the case of any other taxable securities transaction, the price at which such securities are purchased or sold.

Deduction on account of STT Securities transaction tax paid is allowable in the computation of business income. This is subject to the condition that such income from taxable securities transaction is included in computing such business income.

Securities transaction tax is not leviable in respect of taxable securities transactions entered into by any person for, or on behalf of, the New Pension System Trust.

• **To Unit Holders:**

i) Income Received from Mutual Fund:

With the amendment in Finance Act 2020, any income received in respect of units of Mutual Fund specified under section 10(23D) is taxable in the hands of the unit holders.

The characterization of gains / losses arising from transfer / redemption of units as capital gains or business income would depend on the classification of the said units by the unit holder. It would depend on whether the unit holder has classified such units as capital assets or as stock in trade (in case of FIIs, transfer of units would be characterized under the head ‘Capital Gains’ only).

ii) Capital gains tax:

Unit holders / Investors are required to pay tax if they make capital gains from transfer / redemption of the units. Transfer is as defined under Section 2(47) of the Act.

Capital gains are liable to tax based on:

1. The duration for which the Units of the Fund were held prior to redemption/switch/sale; and
2. The manner in which the redemption/switch/sale is affected.

Capital Gains arising on transfer / redemption of units that are held for a period of more than twelve months are classified as long-term capital gains; in any other case, the gains are classified as short-term capital gains. Units of Mutual Fund other than the equity-oriented Schemes shall be a short term capital asset if the period of holding is less than 36 months.

LONG TERM CAPITAL GAINS:

In case of Equity Oriented Funds: as per Finance Act 2025, any Long-Term Capital Gains arising on transfer of unit of an equity oriented mutual fund will be taxable at 12.5% without indexation benefit of such capital gains exceeding Rs.1,25,000/-. No Chapter VI-A or rebate will be allowed from this capital gains, provided such transaction are entered into a recognized stock exchange or such units are sold to the Mutual Fund and are chargeable to Securities Transaction Tax (STT) at applicable rates.

In case of a company, the long-term gains shall be taken into account for computation of book profits under section 115 JB of the Act.

However, for the following entities Long Term Gain for sale of Equity Oriented Mutual Fund will be taxable:

Foreign Institutional Investors (FIIs):

Under Section 115AD Long term capital gains arising on transfer / redemption of Units are taxable at the rate of 12.5% if capital gains exceeding Rs. 1,25,000/- (plus applicable surcharge and Health & Education Cess)

Overseas Financial Organizations:

In case of FIIs, transfer of units would be characterized under the head 'Capital Gains' only.

Under Section 115AB Long term capital gains arising on transfer / redemption of units purchased in foreign currency are taxable at the rate of 12.5% if capital gains exceeding Rs. 1,25,000/- (plus applicable surcharge and Health & Education Cess)

In case of Funds other than Equity Oriented Funds (excluding specified mutual funds):

- **Resident Individuals, Hindu Undivided Family (HUF) :**

Any long-term capital gain arising on transfer / redemption of units is subject to treatment indicated under Section 48 and Section 112 of the Act. Long term capital gains in respect of units held for more than 12 months in case of listed securities and 24 months in case of unlisted securities, is chargeable to tax @ 12.5% (plus applicable surcharge and Health & Education Cess)

In case of an individual or a HUF, being a resident, where the total income as reduced by such long term capital gains is below the maximum amount, which is not chargeable to income tax, then, such long term capital gain shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income tax and the tax on the balance of such long term capital gains shall be computed at the rate of 12.5% (plus applicable surcharge and Health & Education Cess).

- **Partnership Firms, Indian Companies / Foreign companies/Other Resident Person:**

According to Section 112 of the Act, Long Term Capital gains arising on transfer / redemption of units of funds other than equity-oriented funds are taxable at the rate of 12.5% (plus applicable surcharge and Health & Education Cess).

- **Non-Resident Indians (NRI's):**

Under section 115E of the Income Tax Act, 1961, income of non-resident Indians by way of long-term capital gains, in respect of units is chargeable at the rate of 12.5% (plus applicable surcharge and Health & Education Cess).

- **Foreign Institutional Investors (FIIs):**

Under Section 115AD Long term capital gains arising on transfer / redemption of Units are taxable at the rate of 12.5% (plus applicable surcharge and Health & Education Cess).

- **Overseas Financial Organizations:**

In case of FIIs, transfer of units would be characterized under the head 'Capital Gains' only.

Under Section 115AB Long term capital gains arising on transfer / redemption of units purchased in foreign currency are taxable at the rate of 12.5% (plus applicable surcharge and Health & Education Cess). Such gains would be calculated without indexation benefit.

Exemption from Long term Gains:

ii) Section 54F of the Act: Gains arising from the transfer of a long-term capital asset, being a mutual fund unit by an Individual or a HUF, shall be exempt if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If part of such net consideration is invested within the

prescribed period in a residential house, then proportionate exemption is available. Exemption u/s 54F in respect of residential property purchased or constructed is restricted to one property only, i.e., exemption can be claimed only if the assessee does not have more than 1 residential house. Further the property must be purchased either 1 year backward or 2 years forward and in case of construction it must be 3 years forward.

SHORT TERM CAPITAL GAINS:

In case of Equity Oriented Funds: Section 111A provides that short term capital gains arising on transfer of units of 'equity oriented funds' on which STT has been paid are taxable at the rate of 20% (plus applicable surcharge and Health & Education Cess). In case of an individual or a HUF, being a resident, where the total income as reduced by such short term capital gains is below the maximum amount, which is not chargeable to income tax, then, such short term capital gain shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such short-term capital gains shall be computed at the rate of 20% plus applicable surcharge and Health & Education Cess

If STT is not paid, then the concessional rate of 20% would not be available and tax would be at applicable normal rates based on the category of taxpayer.

In case of Funds other than Equity Oriented Funds: The Short-term capital gains arising on transfer / redemption of Units are taxable at the normal slab rates applicable to the Unit Holders. Surcharge and Health & Education Cess would apply separately as applicable. Details are as under:

Applicable Income Tax Rates:

Assesses	Applicable rate of Tax
Resident Individual and HUFs	Slab rates
Cooperative Societies	Slab rates
Partnership Firms	30%
Indian Companies	30%*
Non-resident Indians	30%
Foreign Companies	40%
Overseas Financial Organisation	40% (Corporates)/ 30% (Non-Corporates)
FII's	30%

*A tax rate of 25% is applicable from the financial year 2021-22 (AY 2022-23) in the case of domestic companies having total turnover or gross receipts not exceeding Rs. 400 crores in the financial year 2018-19. Domestic companies may opt for a lower tax rate of 22% under section 115BAA of the Act, subject to fulfillment of prescribed conditions. Further, new domestic manufacturing companies may opt for a lower tax rate of 15% under section 115BAB of the Act, subject to fulfillment of prescribed conditions.

In case of Specified Mutual Funds:

As per the new provision in Finance Act, 2023, "Specified mutual fund means a mutual fund by whatever name called where not more than 65 per cent of its total proceeds is invested in debt and money market instruments". The gains from such mutual funds shall be considered short-term irrespective of the period of holding. The funds not falling under this provision shall continue to enjoy the normal rates of capital gain.

Short Term Mutual Fund	Period of units held is irrelevant
Resident Individual/HUF/AOP/BOI	Slab Rates
Domestic companies/Firms	30/25/22/15

Non Resident	Slab Rates
FII	30%

C. Surcharge:

The above Rate of tax would be increased by applicable Surcharge (as per Income Tax slab) as under:

In case of individuals, HUF or association of Persons (AOP) and Body of Individuals (BOI) and Artificial Juridical Person surcharge at the rate of 37% shall be levied where income exceeds Rs. 5 crores. For assesses opting for new regime 115BAC, the surcharge shall be capped at 25% for income exceeding Rs. 2 crores. {The maximum rate of Surcharge for dividend income, income referred to in section 111A,112A and 115AD shall be levied at the rate of 15%}.

In case of individuals, HUF or association of Persons (AOP) and Body of Individuals (BOI) and Artificial Juridical Person surcharge at the rate of 25% shall be levied where income exceeds Rs. 2 crores but upto 5 crore. {The maximum rate of Surcharge for dividend income, income referred to in section 111A,112A and 115AD shall be levied at the rate of 15%}.

In case of individuals, HUF or association of Persons (AOP) and Body of Individuals (BOI) and Artificial Juridical Person surcharge at the rate of 15% shall be levied where income exceeds Rs. 1 crore does not exceed Rs. 2 Crores.

In case of individuals, HUF or association of Persons (AOP) and Body of Individuals (BOI) and Artificial Juridical Person surcharge at the rate of 10% shall be levied where income exceeds Rs. 50 Lakhs but does not exceed Rs. 1 Crore.

-In case of domestic companies, where the income exceeds Rs. 1 crore but is less than 10 crores surcharge of 7% shall be levied and at the rate of 12% where it exceeds Rs. 10 crores.

-In case of foreign companies, where the income exceeds Rs. 1 crore but is less than 10 crores surcharge of 2% shall be levied and at the rate of 5% where it exceeds Rs. 10 crores.

-Rate of 12% in case of Partnership Firm, Local Authority, and Co – operative Societies where exceeds Rs. 1 crore; and

In addition, thereto, a Health & Education cess @ 4% on total income tax (including surcharge) is also payable by all categories of taxpayers.

- **Capital Losses:**
- Losses under the head “Capital Gains” cannot be set off against income under any other head. Further within the head “Capital Gains”, losses arising from the transfer of long-term capital assets cannot be adjusted against gains arising from the transfer of a short-term capital asset. However, losses arising from the transfer of short-term capital assets can be adjusted against gains arising from the transfer of either a long-term or a short-term capital asset.
- Unabsorbed long-term capital loss can be carried forward and set off against the long-term capital gains only arising in any of the subsequent eight assessment years.
- Unabsorbed short-term capital loss can be carried forward and set off against the income under the head Capital Gains (long term or short term) in any of the subsequent eight assessment years.
- **Special Provision – Dividend Stripping:** According to section 94(7) of the Act, if any person buys or acquires units within a period of three months prior to the record date fixed for declaration of dividend or distribution

of income and sells or transfers the same within a period of nine months from such record date, then losses arising from such sale to the extent of dividend or any income received or receivable on such units, which are exempt under the Act, will be ignored for the purpose of computing his income chargeable to tax.

E) Deduction for securities transaction tax paid for Equity Oriented Fund

The securities transaction tax paid on units of Equity Oriented funds would be available for deduction as business expenditure to taxpayers whose income from redemption of units in an equity oriented mutual fund is charged to tax as their business income. The earlier provision of providing tax rebate u/s 88E is omitted.

F) Business Income:

Where the units are regarded as Business asset, then any gain or loss arising out of transfer / redemption would be taxed under the head “Profits and Gains of Business or Profession” under section 28 of the Act. The gain / loss is computed after allowing normal business expenses incurred on transfer.

G) Tax Deduction at Source (TDS):

From A.Y. 2021-22 (FY 2020-21) onwards, any income distributed by mutual fund to resident unit holders, will be subject to TDS under section 194K of Income Tax Act, 1961 @ 10%.

TDS shall not be deductible in the following cases:

- 1) Where income distributed does not exceed INR 10,000/-
- 2) Where income distributed is in nature of Capital Gains

Income distributed to Non Resident Unit Holders, will be subject to TDS under section 196A of Income Tax Act, 1961 @ 20% plus applicable surcharge and Health and Education Cess.

Further under Section 195 of Income Tax Act, 1961, tax shall be deducted at source in respect of capital gains as under:

a)	In case of non-resident other than a company: -	
	Long term capital gains on units of funds other than equity-oriented funds	12.5% (plus applicable surcharge and Health & Education Cess under section 115E)
	Short term capital gains on units of funds other than equity-oriented funds	30% (plus applicable surcharge and Health & Education Cess)
	Short term capital gains on units of funds of equity-oriented funds	20% (plus applicable surcharge and Health & Education Cess)
b)	In case of a foreign company: -	
	Long term capital gains on units of funds other than equity-oriented funds	12.5% (plus applicable surcharge and Health & Education Cess) under section 115E
	Short term capital gains on units of funds other than equity-oriented funds	30% (plus applicable surcharge and Health & Education Cess)
	Short term capital gains on units of funds of equity-oriented funds	20% (plus applicable surcharge and Health & Education Cess)

Under section 196B of the Act tax at 12.5% (plus applicable surcharge and Health & Education Cess) shall be deducted at source from Long term capital gain on units other than the units of equity oriented mutual funds earned by overseas Financial Organisation

Under section 196D of the Act, no deduction shall be made from any income by way of capital gain, in respect of transfer of securities by FII's as referred to in section 115AD of the Act. In case income falls under the head other than above, TDS would be deducted at applicable rates.

H. Switching from one scheme to another

Switching from one scheme /option to another scheme/option will be effected by way of redemption of units of the relevant scheme/option and reinvestment of the redemption proceeds in the other scheme /option selected by unit holder. Hence switching will attract the same implications on transfer of such units.

I. Tax Treaty Benefits

Section 90 of the Act provides that taxation of non-resident investors would be governed by the provisions of the Act, or those of a Double Taxation Avoidance Agreement ('DTAA') that the Government of India has entered into with the Government of any other country of which the non-resident investors are tax resident. The provisions of the DTAA prevail over those of the Act if they are more beneficial to the taxpayer. In order for the unit holder to obtain the benefit of a lower rate available under a DTAA, the unit holder will be required to provide the Mutual Fund with a certificate obtained from his/her/its Assessing Officer as per section 195(3) of the Act stating the eligibility for the lower rate.

For non-residents claiming such tax treaty benefits, the Finance Act 2012 mandates the obtaining, from the home country tax authority, of a tax residency certificate ('TRC') in a format to be prescribed. Such TRC would be regarded as a necessary but may not be sufficient evidence for claiming tax treaty benefits.

J. Other Benefits:

Investments by Charitable and Religious Trusts:

Investment in units of the Mutual Fund will rank as eligible form of investment under section 11 (5) of the Act read with Rule 17C (i) of the Income Tax Rules, 1962 for Public Religious & Charitable Trust.

Gift Tax:

The Gift Tax Act, 1958 has abolished the levy of Gift Tax in respect of gifts made on or after 1st October 1998. Thus, gifts of units on or after 1st October, 1998 are exempt from Gift Tax. However subject to certain exceptions, Gifts received in excess of Rs 50,000 /- by an Individual or HUF, shall be taxed as income in hands of the recipient.

The Scheme may be impacted by the rates of taxation on capital gains, interest and other corporate actions on investments, in different countries, in line with the prevailing tax laws in those countries of investment, as also in line with the respective tax treaties in existence with India.

B. Legal Information

This section may include information on Nomination Facility, KYC Requirements, Requirements of Prevention of Money Laundering Act, Transfer and transmission of units, Duration of the Investment Strategy /Winding up, Procedure and manner of winding up etc.

1. Nomination Facility

In accordance with SEBI Regulations, the nomination can be made only by individuals applying for / holding units on their own behalf singly or jointly. Following persons are eligible for nomination:

1. Resident Indian individual.
2. Non-Resident Indians (NRI) can be nominated subject to the guidelines issued by the RBI from time to time.
3. Nomination can also be in favour of the Central Government, State Government, a local authority, any person designated by virtue of his office.
4. The Nominee shall not be a trust, other than a religious or charitable trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a Power of Attorney holder.
5. Non-individuals including society, trust, body corporate, partnership firm, Karta of an HUF, power of attorney holder cannot nominate.

SEBI vide its Circular no. SEBI/HO/OIAE/OIAE_IAD-3/P/ON/2025/0027 dated February 28, 2025, has issued detailed guidelines for nomination. Listed below are some of the important guidelines for registration of nominee.

- i. Revised format of Nomination form is attached herewith, and to be used with effect from Jun 01, 2025. There is no change in the existing Opt out form and the same shall be continued.
- ii. Investor can continue to nominate up to 03 nominees till Aug 31, 2025.
- iii. Investor can nominate **up to 10 nominees** with effect from **Sep 01, 2025**.
- iv. Name, % of allocation, Relationship, Address, Email, Mobile number and Identity number - are mandatory for every nominee without which the nomination request will be considered as a NIGO
- v. Investor can provide any one of the following as the identify number for the nominee(s), copy of the document is **not required** to be obtained from the investor.
 - o PAN
 - o Driving License Number
 - o Last 4 digits of Aadhaar
 - o Passport Number
- vi. Date of birth of the nominee is optional, investor to provide the date of birth, only when the nominee is a minor, and providing Guardian name is optional for Minor Nominee(s)
- vii. Name, signature and address of two witness will be required, if the nomination form is affixed with the thumb impression of any of the unit holder(s)
- viii. Investor can authorize any one of the registered nominees (except a minor nominee), to act on behalf of him/her incase of incapacitation.
- ix. Nomination form can be signed by the unit holder(s) as per the mode of holding registered in the folio
 - o 'Either or Survivor' / Any one or Survivor Folios - any one of the holders can sign and the signature should match with our records.
 - o 'First holder' Folios / Single - only First holder can sign and the signature should tally with our records
 - o 'Jointly' Folios - all holders have to sign and the signatures should tally with our records
6. Nomination shall be maintained at the folio/account level and shall be applicable for investments in all schemes in the folio/account.
7. The request for nomination/cancellation of nomination has to be signed as per mode of holding in the folio. Nomination form cannot be signed by Power of attorney (PoA) holders.
8. Every new nomination for a folio/account will overwrite the existing nomination.
9. Nomination or declaration to opt-out of nomination is mandatory for new folios/accounts opened by individuals especially with sole holding and no new folios/accounts for individuals in single holding will be opened without nomination. Investors who do not wish to nominate must confirm their non-intention to nominate.
10. Nomination will not be allowed in a folio held on behalf of a minor.
11. A Nominee cannot be a resident of USA/Canada

Also the investor/s should clearly indicate the percentage of allocation/share in favour of each of the nominees against their name and such allocation/share should be in whole numbers without any decimals, making a total of 100 percent. If the percentage is not allocated in the manner as specified herein, the AMC can by way of default option settle the claim equally amongst all the nominees.

Applicants can change the nomination at any time during the periodicity of their holding in the Scheme. Those who wish to do so can duly complete the relevant section in the Application form. If the applicant desires to nominate at a later date or change the nomination, he can request for a nomination form at any of the Investor Service Centres. Payment to the nominee of the sums payable against redemption / dividends shall fully discharge the Fund of all liabilities towards the estate of the unit holder and their successors and legal heirs.

The nominee shall receive the Units only as an agent and trustee for the legal heirs or legatees as the case may be. It is hereby clarified that the nominees under the nomination facility provided herein shall not necessarily acquire any title or beneficial interest in the property by virtue of this nomination and the transmission of units would normally be governed as per succession certificate /probate of the will. By provision of this facility, the AMC is not in any way attempting to grant any rights other than those granted by law to the nominee. A nomination in respect of the Units does not create an interest in the property after the death of the Unit holder. It should be noted that transfer of units by the AMC in favour of a Nominee shall be valid discharge by the Asset Management Company against the legal heir & beneficiary of the unit holder & the AMC will hold no responsibility thereafter.

Units which are pledged and offered as security in favour of any entity/body for any purpose can also have the nomination facility after obtaining “approval” / “no objection” clearance from such entity/body. Notwithstanding anything contained in any other law for the time being in force or in disposition, whether testamentary or otherwise, in respect of such pledge units of the Investment Strategy, where a nomination made in the prescribed manner purports to confer on any person(s) the right to vest the pledged units of the Investment Strategy, on the death of the unit holders (single holder or all the joint holder(s)), the nominee(s) shall become entitled to all the rights in the pledged units of the Investment Strategy to the exclusion of all other persons except the entity/body in whose favour the units are pledged by way of lien, unless the nomination is cancelled or varied.

Nomination in respect of the Units stands rescinded upon the Redemption/Repurchase or Transfer of Units by the original unit holder in full. Cancellation of nomination can be made only by those individuals who hold Units on their own behalf singly or jointly and who made the original nomination. On cancellation of the nomination the nomination shall stand rescinded, and the Mutual Fund / the AMC shall not be under any obligation to transfer the Units in favour of the nominee. The nomination facility extended under the Investment Strategy is subject to existing laws. The AMC shall, subject to production of such evidence which in their opinion is sufficient, proceed to effect the payment to the Nominee. Transfer of Units / payment to the nominee of the sums shall discharge the Mutual Fund / the AMC of all liability towards the estate of the deceased Unit holder and his/her/their successors/legal heirs. Further, if the Unit holder fails to specify a nominee, then in such case Personal Laws will prevail.

To enable the AMC to transfer the unit holdings in the name of the Nominee upon death of a Unit holder, the AMC shall call for following documents from the Nominee:

- a. Death Certificate attested by nominee
- b. Identity proof of the deceased investor attested by nominee
- c. Identity document proving identity of the nominee/signature verification
- d. Indemnity
- e. Proof of guardianship, in case the nominee is a minor and or an unsound person.

The Nominee(s) will also be required to complete ‘Know Your Customer’ requirements as required under PMLA regulations.

II. *Prevention of Money Laundering and Know Your Customer (KYC):*

In accordance with requirements under the Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines and circulars on anti-Money Laundering, issued by SEBI, (collectively “AML Regulations”), mutual funds are required to formulate and implement Client Identification Programme to verify and maintain the record of identity and address(es) of investors. This is commonly referred to as ‘Know Your Client’ guidelines (KYC).

As required under the Prevention of Money Laundering Act and the rules issued there under the circulars and guidelines on Anti-Money Laundering, issued by SEBI (collectively known as AML regulations), all intermediaries including Mutual Funds should formulate and implement a proper policy framework as per the guidelines on anti-money laundering measures. The intermediaries may, according to their requirements specify additional disclosures to be made by clients for the purpose of identifying, monitoring and reporting incidents of money laundering and suspicious transactions undertaken by clients. Further, SEBI vide its circular has also advised all intermediaries to take necessary steps to ensure compliance with the requirement of section 12 of the Act inter-alia maintenance and preservation of records and reporting of information relating to cash and suspicious transactions to Financial Intelligence Unit-India (FIU-IND), New Delhi.

The investor(s) should ensure that the amount invested in the Investment Strategy is through legitimate sources only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, Prevention of Money Laundering Act, Prevention of Corruption Act and / or any other applicable law in force and also any laws enacted by the Government of India from time to time or any rules, regulations, notifications or directions issued thereunder. To ensure appropriate identification of the investor(s) under its KYC policy and with a view to monitor transactions for the prevention of money laundering, Edelweiss Asset Management Limited ("EAML") reserves the right to seek information, record investor's telephonic calls and / or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds, etc. It may re-verify identity and obtain any incomplete or additional information for this purpose.

The detailed procedure and requirements for Know Your Customer (KYC) is covered in the section "Other Mandatory Disclosures" in this Document.

The investor(s) and their attorney, if any, shall produce reliable, independent source documents such as photographs, certified copies of ration card/ passport/ driving license/PAN card, etc. and/or such documents or produce such information as may be required from time to time for verification of the identity, residential address and financial information of the investor(s) by EAML. If the investor(s) or the person making payment on behalf of the investor(s), refuses / fails to provide the required documents/ information within the period specified in the communication(s) sent by EAML to the investor(s), and after applying appropriate due diligence measures, EAML believes that the transaction is suspicious in nature within the purview of the Act and SEBI circulars issued from time to time and/or on account of deficiencies in the documentation, EAML shall have absolute discretion to report suspicious transactions to FIU-IND and / or to freeze the folios of the investor(s), reject any application(s) / allotment of units and effect mandatory redemption of unit holdings of the investor(s) at the applicable NAV subject to payment of exit load, if any, in terms of the said communication sent by the EAML to the investor(s) in this regard.

Suspicious Transaction Reports: If after reasonable due diligence, the AMC believes that a transaction is suspicious in nature as regards money laundering, the AMC would be expected to report such suspicious transactions to competent authorities under the PMLA and rules / guidelines issued thereunder by SEBI and RBI. The AMC shall furnish such information in the prescribed format (Suspicious Transaction Reporting) in connection with the suspicious transactions to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under the Prevention of Money Laundering Act (PMLA) without obtaining the prior approval of the investor / Unit Holder / a person making the payment on behalf of the investor.

Suspicious transaction means a transaction, including an attempted transaction whether or not made in cash which, to a person acting in good faith gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime; or appears to be made in circumstances of unusual or unjustified complexity; or appears to

have no economic rationale or bonafide purpose; or gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism etc.

The basic parameters for identifying transactions as suspicious inter alia includes Investors with multiple accounts, Individual investing via more than five bank accounts, corporate investing in non-liquid funds via more than ten bank accounts, investors who have changed their address more than 3 times within a period of one year etc. Other examples of Suspicious Transactions can be false identification of documents or Identification documents which could not be verified within reasonable time or doubt over the real beneficiary of the account or if the AMC feels that there is a suspicious background or links with known criminals or authorized signatory with no rationale or if there is unusual or sudden activity in terms of numbers and value of transactions. Investors Accounts or the nature of transaction is such that it gives rise to Suspicion or if the Value of Transaction is such that it creates doubts in the mind of the AMC.

The parameters/examples of suspicious transactions stated aforesaid are indicative and not exhaustive and in this regards EMF/the AMC will follow instructions from competent authorities under the PMLA/ Independent body like AMFI, SEBI, and RBI etc.

The EMF, the AMC, ETCL and their Directors, employees and agents shall not be liable in any manner for any claims arising whatsoever on account of freezing the folios / rejection of any application / allotment of units or mandatory redemption of units due to non-compliance with the provisions of the PMLA, SEBI circular(s) and KYC policy and / or where the AMC believes that transaction is suspicious in nature within the purview of the Act and SEBI circular(s) and reporting the same to FIU-IND.

III. Transfer & Transmission:

As per SEBI Circular No. Cir/ IMD/ DF/ 10/ 2010 dated August 18, 2010 units of all the Investment Strategies of the Fund which are held in demat form shall be freely transferable under the depository system. Restrictions on transfer of units of Edelweiss ELSS Fund during the lock-in period shall continue to be applicable as per the ELSS guidelines. Accordingly, units held under Edelweiss ELSS Fund can only be transferred after a period of 3 years from the date of allotment of units, whether the same is in physical or demat form.

Further, if units are gifted or in case of change of joint holding or if a transferee becomes a holder of the Units by operation of law, or upon enforcement of a pledge, then EAML shall, subject to production of such evidence, which in its opinion is sufficient, effect the transfer, if the intended transferee is otherwise eligible to hold the Units, within 30 days from the date of receipt of all relevant documents, as specified under SEBI regulation. A person becoming entitled to hold the Units in consequence of the death, insolvency, or winding up of a sole holder or the last survivor of the joint holders, upon producing evidence to the satisfaction of the Fund, shall be registered as the holder. The said provisions in respect of deletion of names will not be applicable in case of death of a Unit holder (in respect of joint holdings) as this is treated as transmission of Units and not transfer. Appropriate documentation for this process may be obtained from the AMC ISC's.

AMFI vide its Best Practices Guidelines Circular No.116 /2024-25 and Circular No. 119/2025-26 has prescribed the procedure enabling transfer of units held in non-demat mode for resident/nonresident individual unitholders under following categories:

- Surviving joint unitholder, who wants to add new joint holder(s) in the folio upon demise of one or more joint unitholder(s).
- A nominee of a deceased unitholder, who wants to transfer the units to the legal heirs of the deceased unitholder, post the transmission of units in the name of the nominee.
- A minor unitholder who has turned a major and has changed his/her status from minor to major, wants to add the name of the parent / guardian, sibling, spouse etc. in the folio as joint holder(s).

- Transfer to siblings
- Gifting of units
- Transfer of units to third party

Addition/deletion of unit holder

- i. In case of joint accounts / holdings, upon demise of one or more joint holder(s), the regulated entity shall transmit the assets held to the surviving holder(s) vide name deletion
- ii. The surviving member(s) shall receive the assets as owner(s) and not as a trustee.
- iii. Surviving joint holders shall be entitled to continue with or change or cancel the nominations made previously.
- iv. The mode of operation (of the joint account), namely that of the first named holder OR anyone or survivor OR either or survivor basis OR joint, etc. shall be unaffected by the rule of survivorship.
- v. In case of joint accounts when all joint holders simultaneously pass away, the regulated entity shall transmit the assets in the account / folio to the registered nominee(s) for effecting its due discharge.
- vi. In absence of nomination, the regulated entity shall transmit the assets in the account / folio to either; the legal heir(s) or legal representative(s) of the youngest of the joint holders² as per the rules of intestate succession or as per the Will of the latter, as the case may be.
- vii. In case of accounts / folio held by Hindu Undivided Family (HUF), upon the death of the Karta as recorded, the new Karta as constituted under applicable law, would be entitled to operate such an account/folio. In the absence of new Karta, the regulated entity shall effect transmission of account / folio as per dissolution deed and other criteria defined by the respective SRO / industry body in consultation with the SEBI.
- viii. The nominees(s) shall receive the assets of deceased sole account / sole holder(s) as trustee on behalf of legal heir(s) of deceased holder(s) thereby effecting due discharge of concerned regulated entity.
- ix. Legal heir(s) of nominee shall not be eligible to inherit the assets of the investor, if the nominee predeceases the investor.
- x. Upon demise of one of the nominees prior to the demise of the investor and if no change is made in the nomination, then the assets shall be distributed to the surviving nominees on pro rata basis upon demise of the investor, as illustrated in Nomination Form in Annexure A.
- xi. In case of any subsisting credit facilities secured by a duly created pledge, the regulated entity shall obtain due discharge from the creditors prior to transmission of assets to the nominee(s) or legal heir/s / legal representative/s, as the case may be.

In absence of nomination, the regulated entity shall transmit the assets in the account / folio to either the legal heir(s) or legal representative(s) of the holders as per the rules of intestate succession or as per the Will of the latter, as the case may be, after following the prescribed procedure

Pursuant to the recommendations made by National Institute of Securities Market (NISM) on select mutual fund service processes, AMFI vide its Best Practice Guidelines Circular no.135/BP/20/10-11 dated February 9, 2011 read with its Best Practice Guidelines Circular no. 53A/2014-15 dated February 11, 2015, has issued following guidelines for transmission of units:

The list the documents required for transmission under various situations are as stated under:

1. Deletion of names of the deceased unit holders in case of death of 2nd and/or 3rd Holder :
 - i. Request Form (Form T1) from surviving unit holder(s) requesting for Deletion of Name of Deceased 2nd and/or 3rd Holder.
 - ii. Death Certificate in original or photocopy of the death certificate self-attested and attested by a notary public/gazette officer in original. Fresh Bank Mandate Form along with cancelled cheque of the new bank account (only if there is a change in existing bank mandate)
 - iii. Fresh Nomination Form (or Nomination Opt-out form) in case there is no nomination or a change in existing nomination is desired by the surviving unit holders.
 - iv. KYC Acknowledgment or KYC Form of the surviving unit holder(s), if not KYC compliant. Transmission will be completed only once the status of the KYC is "KYC complied".
2. Transmission of Units to surviving unit holder(s) in case of death of the 1st holder :

- i. Transmission Request Form (Form T2) for Transmission of Units to the surviving unitholder/s.
 - ii. Death Certificate of the deceased unitholder(s) in original OR photocopy of the death certificate self-attested and attested by a notary public/gazette officer in original Self-attested copy of PAN Card of the Surviving Joint Holder(s) (if PAN is not provided already)
 - iii. Cancelled cheque of the new first unitholder, with the claimant's name pre-printed OR Recent Bank Statement/Passbook (not more than 3 months old) of the new first holder.
 - iv. KYC Acknowledgment OR KYC Form of the surviving unit holder(s), if not KYC compliant.
 - v. Transmission will be completed only once the status of the KYC is "KYC complied".
3. Transmission of Units to the registered Nominee/s in case of death of Sole or All unitholders:
- i. Transmission Request Form (Form T3) for Transmission of Units in favour of the Nominee(s).
 - ii. Death Certificate of the deceased unitholder(s) in original OR photocopy of the death certificate self-attested and attested by a notary public/gazette officer in original Copy of Birth Certificate, in case the Nominee is a minor.
 - iii. Self-attested copy of PAN Card of the Nominee(s) / Guardian (in case the Nominee is a minor)
 - iv. KYC Acknowledgment OR KYC Form of the Nominee(s) / Guardian (where Nominee is a Minor). Transmission will be completed only once the status of the KYC is "KYC complied". cancelled cheque with the Nominee's name pre-printed OR copy of the Nominee's recent Bank Statement/Passbook (which is not more than 3 months old).
 - v. If the transmission amount is upto ₹ 5 Lakh, Nominee's signature attested by the Bank Manager as per Annexure-I(a). In case the Nominee is a minor, signature of the guardian (as per the bank account of the Minor or the joint account of the minor with the guardian) shall be attested. Note : The nominee is not required to provide affidavits, indemnities, undertakings, attestations or notarization, provided all mandatory details of Nominee as per revised Nomination form are already available with AMCs/ RTAs.
 - vi. If the transmission amount is for more than ₹ 5 Lakh, as an operational risk mitigation measure, signature of the Nominee shall be attested by a Notary Public or a Judicial Magistrate First Class (JMFC) with seal and date in the space provided for signature attestation in the TRF itself below the signature of the claimant. Note : The nominee is not required to provide affidavits, indemnities, undertakings, attestations or notarization, provided all mandatory details of Nominee as per revised Nomination form are already available with AMCs/ RTAs.
 - vii. Additional documentation required: ID proof [PAN/Redacted Aadhaar/Voter ID / Passport or any other valid OVD as per PMLA guidelines] of the deceased person attested by the claimant(s), duly notarized or originals can be shown at the AMC branches and OSV seal attested by them.
4. Transmission of Units to the Claimant/s on death of Sole unitholder or All unitholders, where there is NO NOMINATION registered
- i. Transmission Request Form (Form T3) for Transmission of Units to the claimant.
 - ii. Death Certificate of the deceased unitholder(s) in original OR photocopy of the death certificate self-attested and attested by a notary public/gazette officer in original copy of Birth Certificate in case the claimant is a minor.
 - iii. Self-attested copy of PAN card of the claimant / guardian (in case the claimant is a minor).
 - iv. KYC Acknowledgment OR KYC Form of the claimant / guardian (in case the claimant is a minor). Transmission will be completed only after the KYC status is updated as "KYC complied".
 - v. Cancelled cheque with the claimant's name pre-printed OR copy of the claimant's recent Bank Statement/Passbook (which is not more than 3 months old).
 - vi. Additional documentation required: ID proof [PAN/Redacted Aadhaar/Voter ID / Passport or any other valid OVD as per PMLA guidelines] of the deceased person attested by the claimant(s), duly notarized or originals can be shown at the AMC branches and OSV seal attested by them.
- A. If the transmission amount is up to ₹ 5 Lakh –
- a. Bank Attestation of signature of the claimant by the Bank Manager as per Annexure-I(a). In case the claimant is a minor, the signature of the guardian (as per the bank account of the minor or the joint account of the minor with the Guardian) shall be attested.
 - b. Any appropriate document evidencing relationship of the claimant/s with the deceased unitholder/s.

- c. Bond of Indemnity as per Annexure-II ♦ to be furnished by Legal Heirs for Transmission of Units without production of Legal Representation. Provided that in case the legal heir(s)/claimant(s) is submitting the Succession Certificate or Probate of Will or Letter of Administration or appropriate Court order wherein the claimant is named as a beneficiary, an affidavit as per Annexure-III from such legal heir/claimant(s) alone would be sufficient, i.e., Bond of Indemnity is not required.
- d. Individual Affidavit to be given by each legal heir as per Annexure-III
- e. NOC from other legal heirs as per Annexure – IV, where applicable.

B. If the transmission amount is more than ₹5 Lakh –

- a. Signature of the claimant duly attested by a Notary Public or a JMFC with seal and date in the space provided for signature attestation in the Form T3 itself below the signature of the claimant. In case the claimant is a minor, the signature of the guardian (as per the bank account of the minor or the joint account of the minor with the guardian) shall be attested.
- b. Individual affidavits to be given each legal heir as per Annexure-III
- c. (i) Where transmission value at the PAN-level is more than ₹5 lakh, but less than ₹10 lakhs, any one of the documents mentioned below:
Notarised copy of Registered Will along with a Notarized indemnity bond from the claimant (appropriate beneficiary of the will) to whom the securities are to be transmitted, as per the format specified;
OR
Legal Heirship Certificate or its equivalent, along with :
(i) a Notarized indemnity bond from the legal heir(s) / claimant(s) to whom the securities are to be transmitted, as per the format specified provided and
(ii) No Objection Certificate from all the non-claimants (i.e., remaining legal-heirs), duly attested by a Notary Public, JFMC or by a Gazetted Officer as per the format specified .
(ii) Where transmission value at the PAN-level is more than ₹10 lakhs, any one of the documents mentioned below:
 - 1. Notarised copy of Probated Will; OR
 - 2. Succession Certificate issued by a competent court, OR
 - 3. Letter of Administration or court decree, in case of Intestate Succession.
 - 4. Identity proof (e.g., copy of PAN card, redacted Aadhaar card, passport) of all legal heirs signing the NOC/affidavit other than claimant/s (i.e., legal heirs other than the claimant mentioned in Probate or Letters of Administration or Succession Certificate).

5. Change of Karta upon death of the Karta of Hindu Undivided Family (HUF)

If the case of a HUF, the property of the HUF is managed by the Karta and the HUF does not come to an end in the event of death of the Karta. In such a case, the members of the HUF will need to appoint a new Karta, who needs to submit following documents for transmission:

- i. Request Form (Form T4) for change of Karta upon demise of the registered Karta.
 - ii. Death Certificate of the deceased Karta in original OR photocopy of the death certificate self-attested and attested by a notary public/gazette officer in original.
 - iii. Bank's letter certifying that the signature and details of the new Karta have been updated in the bank account of the HUF & attesting the signature of the new Karta as per Annexure-1(b).
 - iv. KYC acknowledgment OR KYC form of the new Karta and the HUF, if not KYC-compliant. Transmission will be completed only after the KYC status is updated as "KYC complied".
 - v. Indemnity Bond as per Annexure V signed by all surviving coparceners (including the new Karta).
 - vi. Any appropriate document evidencing relationship of the new Karta and the other coparceners with the deceased Karta. Additional documentation required:
 - a) ID proof [PAN/Redacted Aadhaar/Voter ID / Passport or any other valid OVD as per PMLA guidelines] of the deceased Karta attested by the new Karta , duly notarized or originals to be shown at the AMC branches.
 - b) If the transmission amount is for more than ₹ 5 lakh, the signature of the new Karta) shall be attested by a Notary Public or a JMFC in the space provided for signature attestation in the TRF itself below the signature of the claimant.
- 6. Transmission of Units to the Claimant/s upon death of the Karta of HUF, where there is no surviving co-parcener or the HUF has been dissolved/partitioned after demise of the Karta**

- i. Transmission Request Form (Form T5) for Transmission of Units to the Claimant.
- ii. Death certificate of the deceased Karta in original OR photocopy thereof attested by a notary public/gazette officer in original copy of birth certificate.
- iii. Self -attested copy of PAN Card of the claimant(s) / guardian (in case the claimant is a minor).
- iv. KYC acknowledgment or KYC form of the claimant(s) /guardian (in case the claimant is a minor). Transmission will be completed only after the status of the KYC is updated as “KYC complied”.
- v. Cancelled cheque with the claimant’s name pre-printed thereon OR copy of the claimant’s recent bank statement/passbook which is not more than 3 months old.
- vi. If the transmission amount is upto ₹ 5 lakh, attestation of the signature of the claimant by bank manager as per Annexure-I(a). In case the claimant is a minor, the signature of the guardian (as per the minor’s bank account / minors joint account with the guardian) shall be attested. If the transmission amount is for more than ₹ 5 lakh, the signature of the claimant shall be attested by a Notary Public or a JMFC in the space provided for signature attestation in the TRF itself below the signature of the claimant.
- vii. Bond of Indemnity to be furnished by the Claimant as per Annexure-VI.
- viii. If the HUF has been dissolved/partitioned by the surviving members after demise of the Karta, the transmission of units shall be processed on the basis of any of the following documents:
 - a) Notarized copy of Settlement Deed, OR
 - b) Notarized copy of Deed of Partition, OR
 - c) Notarized copy of Decree of the relevant competent Court.

Additional documentation required:

- ID proof [PAN/Redacted Aadhaar/Voter ID / Passport or any other valid OVD as per PMLA guidelines] of the deceased person attested by the claimant(s), duly notarized or originals can be shown at the AMC branches and Original Seen & Verified stamp attested by them.

7. Additional Guidelines / Risk Mitigation Measures

- a) In case of death of the 1st holder, if there are two surviving joint holders, the surviving 2nd holder shall be treated as the new primary / 1st holder. Self-attested copy of PAN card of claimant(s) is mandatory and Name(s) as per PAN card should match with claimant’s name(s). Additionally, AMC/ RTA to validate such PAN independently with Income Tax database to check the validity of PAN, status and name, including PAN-Aadhaar linking.
- b) In case the claimant is a resident of Sikkim state , appropriate Id. proof should be obtained in lieu of PAN card and the AMC/RTA may rely on the said document for processing the claim.
- c) KYC status of the claimant(s) should be ‘Verified’ / ‘Complied’. Else, the original KYC form duly filled, supported by the documentary proof should be obtained. If Aadhaar is provided as OVD, transmission request shall be processed only after KYC status is updated in KRA system as valid.
- d) If the death certificate is issued through online mode, AMC/ RTA to validate the same through online mode wherever possible and have access to the relevant site.
- e) ID proof (PAN/Redacted Aadhaar/Voter ID/Passport or any other valid OVD as per PMLA guidelines] of the deceased person should be obtained along with the transmission request (as a risk mitigation measure).
- f) If the claimant produces the original document for verification at front office of AMC branch, the AMC official shall verify the original thereof and affix the ‘Original Seen & Verified’ stamp suitably.
- g) If the original is not produced for verification, the photocopies of the supporting documents submitted for transmission of units, such as the death certificate of the deceased, birth certificate of the minor, Probate of Will, Succession Certificate, Letter of Administration etc. shall be duly attested by a Notary Public or a Gazette Officer.
- h) Apart from the name of the deceased, any one other factor (such as Father's name / Spouse's Name, Address] as per the death certificate should match with the records available in the respective folio(s) or as per KYC records of the deceased person / claimant(s). If there is any mismatch, the claimant should be advised to substantiate with suitable evidence.
- i) Bank mandate information provided at the time of transmission should mandatorily subjected to ‘penny drop’ validation [IMPS] in addition to the documentary proof submitted and the name should match as per

the bank records vs. folio records. If the name is not matching or name not found as part of the penny drop reverse feed, suitable notification should be sent to the claimant to establish further documentary evidence / proof, post confirmation from them and evidence is found to be satisfactory, then transmission process can be allowed.

- j) There should be a cooling off period of 10 business days between the date of transmission of units and subsequent redemption as being done for change of bank mandate.
- k) Suitable communication should be sent to the registered (existing) address as well [if different from the claimant's address] as a fraud prevention measure.
- l) Where the units are to be transmitted to a minor beneficiary, various documents like KYC, PAN, Indemnity should be obtained from the guardian of the minor nominee / legal heir. Bank attestation of the signature of the guardian of the minor should be as per the bank account of the minor or the joint account of the minor with the guardian.
- m) In case of multiple nominees/ claimants, the monetary threshold of more than ₹ 5 lakh for the purpose of obtaining the Indemnity Bond shall be determined on the basis of the aggregate value of the Units under all the folios for which the transmission request is being submitted as per the latest NAV as on the date of receipt of the claim, before dividing / splitting the claim amongst multiple nominees or claimants/ surviving co-parceners.
- n) If the total value of the Units being transmitted exceeds ₹5 lakhs, Identity proof such as copy of PAN or redacted Aadhaar card or passport of all legal heirs signing the NOC other than claimant/s i.e. legal heirs other than the claimant mentioned in the Probate or Letters of Administration or Succession Certificate, should be obtained.
- o) Where there are more than one claimants (nominee or legal heir) in a folio or set of folios, the nominees / legal heirs should be encouraged/ requested to submit the transmission request together so that all the Units held by the deceased unitholder(s) could be transmitted in one-go to for operational efficiency and convenience.
- p) In such cases where the deceased was the 1st holder in respect any one of the folios/funds, units in all other holdings across all other folios/Investment Strategys, where the deceased was the 1st unitholder shall be 'Stop' marked/blocked against any further transactions on the basis of PAN or PEKRN.
- q) If the deceased unitholder(s) held units in multiple folios, e.g., as the 1st holder(s) in some folios and as the joint holder in others, a single Transmission Request form may be accepted for operational ease, provided all the deceased holders are common across the multiple folios (irrespective of the order of names of the deceased) AND the nominee(s) / claimant(s) is/are also common/same across ALL the folios.
- r) Once a transmission request is received, it is incumbent upon the AMC/RTA to determine if the deceased unitholder had any unit holdings under any other Investment Strategy / folio, and put a flag in the system against all other folios of the deceased unitholder, basis PAN / PEKRN with a suitable communication to the surviving unitholders / nominee/s (if any, registered against the folios) to submit the claim form with required documents in respect of the remaining folios.
- s) The process and documentation for transmission of units where the claimant / nominee is a mentally unsound person, shall be the same as applicable to a Minor claimant, except that the Guardian shall be a court appointed guardian. Additionally, a Medical Certificate from an appropriate registered medical practitioner may be obtained regarding the mentally unsound person.
- t) If the transmission amount is for more than ₹ 5 Lakh, as an operational risk mitigation measure, the signature of the Nominee/ Claimant shall be attested only by a Notary Public or a JMFC (and not banker's attestation). For this purpose, space has been provided for signature in the transmission request form below the signature of the claimant.
- u) While the list of documents mentioned above should be taken in all cases, in specific cases and situations related to transmission of units that are not enumerated in section 1 to 6 above, AMCs should adopt proper due diligence and request for appropriate documents depending on the circumstances of each case and apply the general principles enumerated in sections above before transmitting the units in favour of the claimant/s.

IV. Winding Up/ Duration of the Investment Strategy:

(1) A close-ended Investment Strategy shall be wound up on the expiry of duration fixed in the Investment Strategy on the redemption of the units unless it is rolled over for a further period under sub-regulation (4) of regulation 33.

A Investment Strategy of a mutual fund is to be wound up

(a) on the happening of any event which, in the opinion of the trustees, requires the Investment Strategy to be wound up; or

(b) if seventy-five per cent of the unit holders of a Investment Strategy pass a resolution that the Investment Strategy be wound up; or

(c) if the Board so directs in the interest of the unitholders.

(3) Where a Investment Strategy is to be wound up under sub-regulation (2), the trustees shall give notice within one day, disclosing the circumstances leading to the winding up of the Investment Strategy, —

(a) to the Board; and

(b) in two daily newspapers having circulation all over India, a vernacular newspaper circulating at the place where the mutual fund is formed:

Provided that where a Investment Strategy is to be wound up under clause (a) of sub-regulation (2), the trustees shall obtain consent of the unit holders participating in the voting by simple majority on the basis of one vote per unit and publish the results of voting within forty five days from the publication of notice under sub-regulation (3):

Provided further that in case the trustees fail to obtain the required consent of the unitholders under clause (a) of sub-regulation (2), the Investment Strategies shall be reopened for business activities from the second business day after publication of results of the voting.

Effect of Winding Up

On and from the date of the publication of the notice as stated above, the Trustee or the AMC as the case maybe, shall

(a) Cease to carry on any business activities in respect of the Investment Strategy so wound up;

(b) Cease to create or cancel Units in the Investment Strategy;

(c) Cease to issue or redeem Units in the Investment Strategy.

Procedure & Manner of Winding Up

In the event of the Investment Strategy being wound up, the AMC shall proceed as follows:

(1) The trustee shall call a meeting of the unitholders to approve by simple majority of the unitholders present and voting at the meeting resolution for authorising the trustees or any other person to take steps for winding up of the Investment Strategy:

Provided that a meeting of the unitholders shall not be necessary if the Investment Strategy is wound up at the end of maturity period of the Investment Strategy

(2)(a) The trustee or the person authorised under sub-regulation (1) shall dispose of the assets of the Investment Strategy concerned in the best interest of the unitholders of that Investment Strategy.

(b) The proceeds of sale realised under clause (a), shall be first utilised towards discharge of such liabilities as are due and payable under the Investment Strategy and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the unitholders in proportion to their respective interest in the assets of the Investment Strategy as on the date when the decision for winding up was taken.

(3) On the completion of the winding up, the trustee shall forward to the Board and the unitholders a report on the winding up containing particulars such as circumstances leading to the winding up, the steps taken for disposal of assets of the fund before winding up, expenses of the fund for winding up, net assets available for distribution to the unit holders and a certificate from the auditors of the fund.

(4) Notwithstanding anything contained in this regulation, the provisions of these regulations in respect of disclosures of half-yearly reports and annual reports shall continue to be applicable 157[until winding up is completed or the Investment Strategy ceases to exist.

After the receipt of the report, if the Board is satisfied that all measures for winding up of the Investment Strategy have been complied with, the Investment Strategy shall cease to exist.

Delisting of units

The units of a SIF shall be delisted from a recognised stock exchange in accordance with the guidelines as may be specified by the Board.

C. General Information

1. Inter- Investment Strategy transfer of investments:

Transfers of investments from one Investment Strategy to another Investment Strategy in the same SIF shall be allowed only if -

(a) such transfers are done at the prevailing market price for quoted instruments on spot basis.

Explanation: “spot basis” shall have same meaning as specified by stock exchange for spot transactions.

(b) the securities so transferred shall be in conformity with the investment objective of the Investment Strategy to which such transfer has been made.

2. Aggregate investment in the Investment Strategy under the following categories:

In accordance with Paragraph on ‘Investment Strategy Related Disclosures’ of SEBI Master Circular for Mutual Funds dated June 27, 2024, please find below the aggregate investment in the respective Investment Strategy by Board of Directors of Edelweiss Asset Management Limited (AMC) and key personnel as on May 31 2025:

Name of Investment Strategy	Aggregate amount invested in the Investment Strategy as on May 31, 2025(market value in Rs.)		
	AMC’s Board of Directors	Key personnel (excluding Fund Manager)	Fund Manager
Nil	NA	NA	NA

1. Dematerialisation and Rematerialisation procedures

1) Option to hold units in dematerialized (Demat) form:

The investors shall have an option to hold the Units in demat mode. However, for SIP transactions, while the units will be allotted based on the applicable NAV as per the respective SIDs, the same will be credited to unitholder’s Demat account on T+2 post realization/ credit confirmation received from the bankers.

To hold the Units in demat mode, the investor will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/CDSL and will be required to mention in the application form, DP’s Name, DP ID and Beneficiary Account No. with the DP at the time of subscribing to the Units. The AMC will credit the Units to the Beneficiary Account of Unit holder within Three working days from the date of clearance of the investor’s cheque.

If a Unit holder desires to opt for dematerialization of units held under physical account statement at a later date, he will be required to make an application to DP in Conversion Request Form (available on the website of DPs) along with Statement of Account, a copy of Client Master Report (CMR) or Transaction Statement (only the page of Transaction Statement reflecting the name and pattern of holding) issued by its Depository Participant. Application for conversion of Units in demat mode may be submitted to Depository Participant. The AMC will credit the Units to the Beneficiary Account of Unit holder within seven days from receipt of demat request.

In case the unit holders do not provide their Demat Account details, or the demat details provided in the application form are incomplete / incorrect or do not match with the details with the Depository records, the

Units will be allotted in physical account statement mode provided the application is otherwise complete in all respect and accordingly an Account Statement shall be sent to them.

2) Re-materialisation of units held in Demat form:

Units of the Investment Strategy held in demat may be converted into physical account statement mode via rematerialisation process. Rematerialization of Units ('remat') will be in accordance with the provisions of SEBI (Depositories & Participants) Regulations, 2018. The investor will need to submit a remat request to his/her DP for re-materialisation of holdings in his/her account. If there is sufficient balance of units in the investor's account, the DP will generate a Re-materialisation Request Number (RRN) and the same is entered in the space provided for the purpose in the rematerialisation request form. The DP will then dispatch the request form to the AMC/ RTA. The AMC/ RTA accepts the request for re-materialisation prints and dispatch the account statement to the investor and send electronic confirmation to the DP. DP shall inform the investor about the changes in the investor account following the acceptance of the remat request.

3) Listing & Transfer:

Listing - The Units of the Investment strategy will be listed on National Stock Exchange of India Limited or any recognised stock exchanges as may be decided by AMC from time to time. The Units of the Investment strategy may be bought or sold on all trading days at prevailing listed price on such Stock Exchange(s)

Transfer of units –

In accordance with Paragraph 14.4.4 of SEBI Master Circular dated June 27, 2024, units of the Investment strategy will be held in demat form and hence will be transferable and will be subject to the transmission facility in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018 as may be amended from time to time.

If a person becomes a holder of the Units consequent to operation of law, or upon enforcement of a pledge, the transfer may be effected in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018, provided the transferee is otherwise eligible to hold the Units.

However, for Units of the Investment strategy held on physical form the AMC shall, on production of instrument of transfer together with relevant unit certificates / account statements, register the transfer and return the unit certificate to the transferee within 30 days from the date of such production. The cost of stamp duty paid for issuing the unit certificate in case of a transfer or otherwise will form part of the annual on-going expenses and/or may be recovered from the unit holder(s).

4) The policy regarding reissue of repurchased units (including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same:

The Investment Strategy does not propose to reissue Redeemed Units.

5) Restrictions, if any, on the right to freely retain or dispose of units being offered:

Units of the Scheme are freely transferable. Units of the Scheme are presently not proposed to be listed on any stock exchange. The Units of the Investment Strategy held in dematerialized form are transferable through off-market deals, in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018, as may be amended from time to time, as mentioned above under section "Listing & Transfer".

i. Pledge of Units:

a) Units held in demat mode:

The Units held in demat mode can be pledged as per the provisions of Depositories Act and Rules and Regulations framed by Depositories.

b) Units held in physical mode:

The Units held in physical mode under the Investment Strategy may be offered as security by way of a pledge / charge in favor of scheduled banks, financial institutions, non-banking finance companies

(NBFCs), or any other body as decided by the AMC. A standard form for this purpose is available on request at all ISCs.

The AMC / Registrar will note and record such Pledge of Units. The AMC shall mark a lien only upon receiving the duly completed form and documents as may be prescribed. Disbursement of such loans will be entirely at the discretion of the bank / financial institution / NBFC concerned (hereinafter referred to as the “Pledgee”) and the Mutual Fund/AMC assumes no responsibility thereof. The Pledgor will not be able to redeem Units that are pledged, until the Pledgee to whom the Units are pledged provides written authorisation to the Mutual Fund that the pledge / lien charge may be revoked. Further, the Pledgee will have complete authority to redeem such Units so long as the Units remain under pledge. IDCW declared on Units under lien will be paid / re-invested to the credit of the Unit Holder and not the lien holder unless specified otherwise in the lien letter.

For units of the Investment Strategy held in electronic (Demat) form, the rules of Depository applicable for pledge will be applicable for Pledge/Assignment of units of the Investment Strategy. Pledgor and Pledgee must have a beneficial account with the Depository. These accounts can be with the same DP or with different DPs.

6) How to redeem the units held in Demat mode:

Investors who intend to redeem units through dematerialised mode must either hold units in depository (electronic) mode or convert their existing units from statement of account mode to depository mode prior to placing of redemption order.

The investor is required to place an order for redemption (subject to limits prescribed by NSE/BSE from time to time) with the Participant. The investor should provide their Depository Participant on same day with Depository Instruction Slip with relevant units to be credited to Clearing Corporation pool account.

The redemption order will be entered in the system and an order confirmation slip will be issued to investor. The confirmation slip will be proof of transaction till the redemption proceeds are received from the Registrar.

Investors having demat account and purchasing and redeeming mutual fund units in demat mode through trading/clearing members, shall receive redemption proceeds (if units are redeemed) and units (if units are purchased) through trading/clearing member's pool account. Edelweiss MF/AMC will pay redemption proceeds to investor directly. Similarly, units shall be credited by Edelweiss MF/AMC/Registrar into trading/clearing member's pool account (in case of purchase) and trading/clearing member in turn will credit the units to the respective investor's demat account.

An account statement will be issued by Edelweiss Mutual Fund to investors who purchase/redeem units under this facility in demat mode. In case of investor who purchase/redeem units through this facility in dematerialized mode, his depository participant will issue demat statement showing credit/debit of units to the investor's accounts. Such demat statement given by the Depository Participant will be deemed to be adequate compliance with the requirements for dispatch of statement of account prescribed by SEBI.

Investors should note that electronic platform provided by NSE/BSE is only to facilitate purchase/redemption of units in the Investment Strategies of mutual fund. In case of non-commercial transaction like change of bank mandate, nomination etc. the Unit holders should submit such request to the Investor Services Centre of Edelweiss Mutual Fund in case of units held in physical mode. Further in case of units held in dematerialized mode, requests for change of address, bank details, nomination should be submitted to his Depository Participant.

7) Is switch-transaction permissible if the units are held in Demat:

Investors can submit switch requests for demat units through exchange platform only.

8) The procedure for change in investor's profile / bank account details etc. in respect of units held in demat mode (i.e., To whom the investor is required to approach, in case of such requests):

In case of non-commercial transaction like change of bank mandate, nomination etc. if units are held in dematerialized mode, requests for change of address, bank details, nomination should be submitted to his Depository Participant.

2. ASBA disclosures

ASBA facility will be provided to the investors during the NFOs. ASBA facility allows investors to subscribe to NFO issues by authorizing their SCSB Bank to block the application money in their bank account.

Hence, all NFOs launched by Edelweiss Mutual Fund shall provide ASBA facility, which will co-exist with the current process, wherein cheques/ demand drafts are used as a mode of payment.

ASBA is an application containing an authorization given by the Investor to block the application money in his specified bank account towards the subscription of Units offered during the NFO of the Investment Strategy of Edelweiss Mutual Fund.

Thus, for an investor who applies through ASBA facility, the application money towards the subscription of Units shall be debited from his specified bank account only if his/her application is selected for allotment of Units.

Benefits of Applying through ASBA facility

- i. Writing cheques and demand drafts is not required, as investor needs to submit ASBA application Form accompanying an authorization to block the account to the extent of application money towards subscription of Units. The balance money, if any, in the account can be used for other purposes by the investors.
- ii. Release/Unblocking of blocked funds after allotment is done instantaneously.
- iii. Unlike other modes of payment, ASBA facility prevents the loss of interest income on the application money towards subscription of Units as it remains in the bank account of the investor till the allotment is made.
- iv. Refunds of money to the investors do not arise as the application money towards subscription of Units gets blocked only on the allotment of Units.
- v. The investor deals with the known intermediary i.e. his/her own bank.
- vi. The application form is simpler as the application form for ASBA will be different from the NFO application form.

Procedure to be followed for ASBA facility is described below:

- i. An Investor intending to subscribe to the Units of the NFO through ASBA shall submit a duly completed ASBA Application Form to a Self-Certified Syndicate Bank (SCSB), with whom his/her bank account is maintained.
- ii. The ASBA Application Form towards the subscription of Units can be submitted through one of the following Modes
 - a. Submit the form physically with the Designated Branches (DBs) of the SCSB ("Physical ASBA"); or
 - b. Submit the form electronically through the internet banking facility offered by the SCSB ("Electronic ASBA").
- iii. An acknowledgement will be given by the SCSB in the form of the counter foil or specifying the application number for reference. Such acknowledgement does not guarantee, in any manner that the investors will be allotted the Units applied for.

Note: if the bank account specified in the ASBA Application Form does not have sufficient credit balance to meet the application money towards the subscription of Units, the Bank shall reject the ASBA Application form.

- iv. On acceptance of Physical or Electronic ASBA, the SCSB shall block funds available in the bank account specified to the extent of the application money specified in the ASBA Application Form.
- v. The application money towards the Subscription of Units shall be blocked in the account until (i) Allotment of Units is made or (ii) Rejection of the application or (iii) Winding up of the Investment Strategy, as the case may be.
- vi. SCSBs shall unblock the application money for (i) Transfer of requisite money to the Mutual Fund / Investment Strategy bank account against each valid application on allotment or (ii) in case the application is rejected.

The list of SCSBs and their DBs where ASBA application form can be submitted is available on the websites of BSE (www.bseindia.com), NSE (www.nseindia.com) and SEBI (www.sebi.gov.in) shall also be given in the ASBA application form.

Note: No request for withdrawal of ASBA application form made during the NFO Period will be allowed.

Grounds for Technical Rejections of ASBA application forms

ASBA Application Forms can be rejected, at the discretion of Registrar and Transfer Agent of Edelweiss Mutual Fund or SCSBs including but not limited on the following grounds:-

1. Applications by persons not competent to contract under the Indian Contract Act, 1872, including but not limited to minors, insane persons etc.
2. Mode of ASBA i.e. either Physical ASBA or Electronic ASBA, not selected or ticked.
3. ASBA Application Form without the stamp of the SCSB.
4. Application by any person outside India if not in compliance with applicable foreign and Indian laws
5. Bank account details not given/incorrect details given.
6. Duly certified Power of Attorney, if applicable, not submitted alongwith the ASBA application form.
7. No corresponding records available with the Depositories matching the parameters namely (a) Names of the ASBA applicants (including the order of names of joint holders) (b) DP ID (c) Beneficiary account number or any other relevant details pertaining to the Depository Account.

3. Portfolio Turnover Details

The Investment Strategy will endeavour to keep the portfolio turnover at a minimum. However, the portfolio turnover ratio may vary as the Investment Strategy may change the portfolio according to Asset Allocation to align itself with the objectives of the Investment Strategy. The effect of higher portfolio turnover could be higher brokerage and transaction costs.

D. Associate Transactions

- *Any underwriting obligations undertaken by the Investment strategies of SIF with respect to issues of associate companies, devolvement if any, of such commitments: Not applicable*
- *ii. Subscription by the Investment strategies in issues lead managed by associate companies: Not applicable*
- *Brokerage paid to associates/related parties/group companies of Sponsor/AMC: Not applicable*
- *Commission paid to Sponsor or its associates /employees or their relatives of the AMC: Not applicable*

The AMC, on behalf of the SIF, may utilise the services of Sponsors, group companies and any other subsidiary or associate company of the Sponsors established or to be established at a later date, in case such a company (including their employees or relatives) is in a position to provide the requisite services to the AMC. The AMC

will conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms and on arms-length basis and at a mutually agreed terms and conditions to the extent and limits permitted under the SEBI Regulations. Appropriate disclosures, wherever required, shall be made by the AMC.

The AMC will, before investing in the securities of the group companies of the Sponsor, evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Investment Strategy. Investments by the Investment Strategy in the securities of the group companies will be subject to the limits under the Regulations

(a) No Investment Strategy shall make any investment in - any unlisted security of an associate or group company of the sponsor; or - any security issued by way of private placement by an associate or group company of the sponsor; or - the listed securities of group companies of the sponsor which is in excess of 25% of the net assets.

(b) in case any Investment strategies of SIF invest more than 25% of its net assets in group companies, this shall be disclosed.

(c) Names of associates of the Sponsor or the Asset Management Company with which the SIF proposes to have dealings, transactions and those whose services may be used for marketing and distributing the Investment strategy and the commissions that may be paid to them: **Not applicable.**

E. Documents Available for Inspection

The following documents will be available for inspection at the office of Edelweiss Mutual Fund at Edelweiss House, Off. C.S.T Road, Kalina, Mumbai – 400098 during business hours on any day (excluding Saturdays, Sundays and public holidays):

- Memorandum and Articles of Association of the AMC
- Investment Management Agreement
- Trust Deed and amendments thereto, if any
- Mutual Fund Registration Certificate
- No objection from SEBI to establish SIF
- Agreement between the Mutual Fund and the Custodian
- Agreement with Registrar and Share Transfer Agents
- Consent of Auditors to act in the said capacity
- Consent of Legal Advisors to act in the said capacity
- Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments from time to time thereto.
- Indian Trusts Act, 1882.

F. Investor Grievances Redressal Mechanism

Not Applicable- No investment strategies is launched.

G. Information pertaining to Investments by the Investment Strategies of SIF

1. Derivative strategies

In accordance with clause 7.5 of the Master Circular for Mutual Funds dated May 19, 2023 permitted mutual funds to participate in derivatives trading. The following conditions shall apply to the Investment Strategy's participation in the derivatives market. Please note that the investment restrictions applicable to the Investment Strategy's participation in the derivatives market will be as prescribed or varied by SEBI or by the Trustees (subject to SEBI requirements) from time to time.

Position limit for the Fund in index options contracts:

The position limit for the Mutual Fund in index options contracts shall be as follows:

- The Fund's position limit in all index options contracts on a particular underlying index shall be Rs. 500 Crores or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.

- This limit would be applicable on open positions in all options contracts on a particular underlying index.

Position limit for the Fund in index futures contracts:

The position limit for the Mutual Fund in index futures contracts shall be as follows:

- The Fund's position limit in all index futures contracts on a particular underlying index shall be Rs. 500 Crores or 15% of the total open interest of the market in index futures, whichever is higher, per Stock Exchange.
- This limit would be applicable on open positions in all futures contracts on a particular underlying index.

Additional position limit in index derivatives for hedging of the Fund:

In addition to the position limits above, the Fund may take exposure in equity index derivatives subject to the following limits:

- Short positions in index derivatives (short futures and long puts) shall not exceed (in notional value) the Fund's holding of stocks.
- Long positions in index derivatives (long futures and long calls) shall not exceed (in notional value) the Fund's holding of cash, government securities, T-Bills and similar instruments.

Position limit for the Fund for stock based derivative contracts:

The position limit for the Mutual Fund in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts shall be as follows:

- For stocks having an applicable market-wise position limit (MWPL) of Rs. 500 Crores or more, the combined futures and options position limit shall be 20% of applicable MWPL or Rs. 300 Crores, whichever is lower and within which stock futures position cannot exceed 10% of applicable MWPL or Rs. 150 Crores, whichever is lower.
- For stocks having an applicable market-wise position limit (MWPL) less than Rs. 500 Crores, the combined futures and options position limit would be 20% of applicable MWPL and futures position cannot exceed 20% of applicable MWPL or Rs. 50 Crores whichever is lower.

Position limit for the Scheme:

The position limit / disclosure requirements for the Scheme shall be as follows:

- For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of the Scheme shall not exceed the higher of:
 - i. 1% of the free float market capitalisation (in terms of number of shares) OR
 - ii. 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts (Shares)).
- For index-based contracts, the Fund shall disclose the total open interest held by its Scheme or all Schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

These position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a stock exchange.

Exposure Limit:

1. The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the Scheme.
2. The Scheme shall not write options or purchase instruments with embedded written options.
3. The total exposure related to option premium paid shall not exceed 20% of the net assets of the Scheme.
4. Cash or cash equivalent instruments under the Scheme, with residual maturity of less than 91 days shall be treated as not creating any exposure.
5. Exposure due to hedging positions may not be included in the above-mentioned limits subject to the following:

- a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
- b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated as exposure while calculating cumulative gross exposure.
- c. Any derivative instrument used to hedge shall have the same underlying security as the existing position being hedged.
- d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which the hedge has been taken.
The Scheme shall enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions shall be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases will not exceed the value of respective existing assets being hedged by the Scheme.
Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the Scheme.
6. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be included while calculating cumulative gross exposure.
7. Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

Position	Exposure
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option bought	Option Premium Paid * Lot Size * Number of Contracts.

Investment Restrictions for Covered Call strategy:

The Scheme can write Call options only under a covered call strategy subject to the following conditions:

- a. The Scheme can write call options under a covered call strategy only for constituent stocks of NIFTY 50 and BSE SENSEX.
- b. The total notional value (taking into account strike price as well as premium value) of call options written by the Scheme shall not exceed 15% of the total market value of equity shares held in the Scheme.
- c. The total number of shares underlying the call options written shall not exceed 30% of the unencumbered shares of a particular company held in the scheme. The unencumbered shares in a scheme shall mean shares that are not part of Securities Lending and Borrowing Mechanism (SLBM), margin or any other kind of encumbrances.
- d. At all points of time the Scheme shall comply with the provisions at points (b) and (c) above. In case of any passive breach of the requirement at paragraph (b) above, the respective scheme shall have 7 trading days to rebalance the portfolio. During the rebalancing period, no additional call options can be written in the said scheme.
- e. In case the Scheme needs to sell securities on which a call option is written under a covered call strategy, it must ensure compliance with paragraphs (c) and (b) above while selling the securities.
- f. In no case, the scheme shall write a call option without holding the underlying equity shares. A call option can be written only on shares which are not hedged using other derivative contracts.
- g. The premium received shall be within the requirements prescribed in terms of SEBI circular dated August 18, 2010 i.e. the total gross exposure related to option premium paid and received must not exceed 20% of the net assets of the scheme.
- h. The exposure on account of the call option written under the covered call strategy shall not be considered as exposure in terms of paragraph 3 of SEBI Circular no. Cir/IMD/DF/11/2010, dated August 18, 2010.
- i. The call option written shall be marked to market daily and In accordance with SEBI guidelines, the following conditions shall apply to the Scheme's participation in the derivatives market. Please note that the investment restrictions applicable to the Scheme's participation in the derivatives market will be as prescribed or varied by SEBI or by the Trustees (subject to SEBI requirements) from time to time.

Investment Restrictions pertaining to Debt Derivatives:

In terms of Circular No. MFD.BC.191/07.01.279/1999-2000 and MPD. BC.187/07.01.279/1999-2000 dated November 1, 1999 and July 7, 1999 respectively issued by the RBI permitting participation by mutual funds in interest rate swaps and forward rate agreements, the Fund will use derivative instruments for the purpose of hedging and portfolio balancing. Further, the guidelines issued by the RBI from time to time for forward rate agreements and interest rate swaps and other derivative products will be adhered to by the Fund.

Interest Rate Swaps (IRS)

An IRS is an agreement between two parties to exchange stated interest obligations for an agreed period in respect of a notional principal amount. The most common form is a fixed to floating rate swap where one party receives a fixed (pre-determined) rate of interest while the other receives a floating (variable) rate of interest.

Forward Rate Agreement (FRA)

A FRA is basically a forward starting IRS. It is an agreement between two parties to pay or receive the difference between an agreed fixed rate (the FRA rate) and the interest rate (reference rate) prevailing on a stipulated future date, based on a notional principal amount for an agreed period. The only cash flow is the difference between the FRA rate and the reference rate. As is the case with IRS, the notional amounts are not exchanged in FRAs.

Example of a derivatives transaction -

Basic Structure of a Swap Bank

A has a six-month V 10 crore liability, currently being deployed in call. Bank B has a V 10 crore, six-month asset, being funded through call. Both banks are running an interest rate risk.

To hedge this interest rate risk, they can enter into a six-month MIBOR swap. Through this swap, A will receive a fixed pre-agreed rate (say 7%) and pay “call” on the NSE MIBOR (“benchmark rate”). Bank A paying at “call” on the benchmark rate will hedge the interest rate risk of lending in call. Bank B will pay 7% and receive interest at the benchmark rate. Bank A receiving of “call” on the benchmark rate will hedge its interest rate risk arising from its call borrowing.

The mechanism is as follows: -

- Assume the swap is for V 10 crore March 1, 2005 to September 1, 2005. A is a fixed rate receiver at 7% and B is a floating rate receiver at the overnight compounded rate.
- On March 1, 2005, A and B will exchange only an agreement of having entered this swap. This documentation would be based on an International Swaps and Derivatives Association (ISDA) template.
- On a daily basis, the benchmark rate fixed by NSE will be tracked by them. On September 1, 2005 they will calculate the following:
- A is entitled to receive interest on R 10 crore at 7% for 184 days i.e. V 35.28 lakh, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.
- B is entitled to receive daily compounded call rate for 184 days and pay 7% fixed.
- On September 1, 2005, if the total interest on the daily overnight compounded benchmark rate is higher than V 35.28 lakhs, A will pay B the difference. If the daily compounded benchmark rate is lower, then B will pay A the difference.
- Effectively, Bank A earns interest at the rate of 7% p.a. for six months without lending money for six months fixed, while Bank B pays interest @ 7% p.a. for six months on V 10 crore, without borrowing for six months fixed.

As per the above-mentioned RBI circulars, mutual funds are permitted to do interest rate swaps / forward rate agreements for hedging purposes only. Accordingly, the AMC would undertake the same for similar purposes only. IRS and FRAs also have inherent credit and settlement risks. However, these risks are reduced as they are limited to the interest streams and not the notional principal amounts.

Investments in derivatives will be in accordance with the SEBI Regulations / guidelines and presently derivatives shall be used for hedging and / or portfolio balancing purposes, as permitted under the Regulations. The circumstances under which such transactions would be entered into would be when, using the IRS route, it is possible to generate better returns / meet the objective of the Scheme at a lower cost. For example, if buying a two-year MIBOR based instrument and receiving the two-year swap rate yields better return than buying the two-year AAA corporate instrument, the Investment Strategy would endeavour to do that. Alternatively, the Investment Strategy would also look to hedge existing fixed rate positions if the view on interest rates is that they are likely to rise in the future.

2. Swing Pricing - Not Applicable

3. Provisions on creation of Segregated portfolio/Side pocketing

Creation of a Segregated Portfolio:

Creation of a Segregated Portfolio shall be subject to guidelines specified by SEBI from time to time and includes the following:

- 1) Segregated Portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:
 - a) Downgrade of a debt or money market instrument to 'below investment grade', or
 - b) Subsequent downgrades of the said instruments from 'below investment grade', or
 - c) Similar such downgrades of a loan rating.
- 2) In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of Segregated Portfolio shall be based on issuer level credit events as mentioned above and implemented at the ISIN level.
- 3) Creation of Segregated Portfolio is optional and is at the discretion of the AMC.

Process for Creation of Segregated Portfolio:

- a) On the date of credit event, the AMC shall decide on creation of Segregated Portfolio and once the decision is made, the AMC shall:
 - b) seek approval of Trustees prior to creation of the Segregated Portfolio;
 - c) immediately issue a press release disclosing its intention to segregate such debt/money market instrument and its impact on the investors. The AMC will also disclose that the segregation will be subject to Trustee approval. Additionally, the said press release will be prominently disclosed on the website of the AMC;
 - d) ensure that till the time the Trustee approval is received, which in no case shall exceed 1 Business Day from the day of credit event, the subscription and redemption in the Investment Strategy will be suspended for processing with respect to creation of units and payment on redemptions.
- 4) Once Trustee approval is received by the AMC:
 - Segregated Portfolio will be effective from the day of credit event;
 - AMC will issue a press release immediately with all relevant information pertaining to the Segregated Portfolio. The said information will also be submitted to SEBI;
 - An e-mail or SMS will be sent to all unit holders of the Investment Strategy;
 - The NAV of both Segregated and Main Portfolios will be disclosed from the day of the credit event;
 - All existing investors in the Investment Strategy as on the day of the credit event will be allotted equal number of units in the Segregated Portfolio as held in the Main Portfolio;
 - No redemption and subscription will be allowed in the Segregated Portfolio.
 - AMC will enable listing of Units of Segregated Portfolio on the recognized stock exchange within 10 working days of creation of Segregated Portfolio and also enable transfer of such Units on receipt of transfer requests;

- Unit holders, who wish to redeem their units under the Investment Strategy will receive redemption proceeds only for the units held under the Main Portfolio of the Investment Strategy based on its NAV and will continue to hold the Units of Segregated Portfolio. However, upon recovery of money from Segregated Portfolio, whether partial or full, it will be immediately distributed to the unit holders in proportion to their holding in the Segregated Portfolio;
- 5) If the Trustees do not approve the proposal to segregate portfolio, the AMC will issue a press release immediately informing investors of the same. In that case, subscription and redemption applications will be processed based on the NAV of Total Portfolio.

Creation of Segregated Portfolio of unrated debt or money market instruments by SIF of an issuer that does not have any outstanding rated debt or money market instruments, subject to the following:

- a) Segregated Portfolio of such unrated debt or money market instruments may be created only in case of actual default of either the interest or principal amount.
- b) The AMC is required to inform AMFI immediately about the actual default by the issuer. Upon being informed about the default, AMFI shall immediately inform the same to all AMCs. Pursuant to dissemination of information by AMFI about actual default by the issuer, the AMC may segregate the portfolio.

Valuation:

The valuation would take into account the credit event and the portfolio shall be valued based on the principles of fair valuation (i.e. realizable value of the assets) in terms of the relevant provisions of SEBI (Mutual Funds) Regulations, 1996 and Circular(s) issued thereunder.

Disclosure Requirement:

- a. A statement of holding indicating the units held by the investors in the segregated portfolio along with the NAV of both segregated portfolio and main portfolio as on the day of the credit event shall be communicated to the investors within 5 working days of creation of the segregated portfolio.
- b. Adequate disclosure of the segregated portfolio shall appear in all Investment Strategy related documents, in monthly and half-yearly portfolio disclosures and in the annual report of the mutual fund and the Investment Strategy.
- c. The Net Asset Value (NAV) of the segregated portfolio shall be declared on daily basis.
- d. The information regarding number of segregated portfolios created in a Investment Strategy shall appear prominently under the name of the Investment Strategy at all relevant places such as SID, KIM-cum-Application Form, advertisement, AMC and AMFI websites, etc.
- e. The Investment Strategy performance required to be disclosed at various places shall include the impact of creation of segregated portfolio. The Investment Strategy performance should clearly reflect the fall in NAV to the extent of the portfolio segregated due to the credit event and the said fall in NAV along with recovery(ies), if any, shall be disclosed as a footnote to the Investment Strategy performance.
- f. The disclosures at paragraph (d) and (e) above regarding the segregated portfolio shall be carried out for a period of at least 3 years after the investments in segregated portfolio are fully recovered/ written-off.
- g. The investors of the segregated portfolio shall be duly informed of the recovery proceedings of the investments of the segregated portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.

Monitoring by Trustees

- a. In order to ensure timely recovery of investments of the segregated portfolio, trustees shall ensure that:
 - a) The AMC puts in sincere efforts to recover the investments of the segregated portfolio.
 - b) Upon recovery of money, whether partial or full, it shall be immediately distributed to the investors in proportion to their holding in the segregated portfolio. Any recovery of amount of the security in the

segregated portfolio even after the write off shall be distributed to the investors of the segregated portfolio.

- c) An Action Taken Report (ATR) on the efforts made by the AMC to recover the investments of the segregated portfolio is placed in every trustee meeting till the investments are fully recovered/ written-off.
- d) The trustees shall monitor the compliance of this circular and disclose in the half-yearly trustee reports filed with SEBI, the compliance in respect of every segregated portfolio created.

b. In order to avoid mis-use of segregated portfolio during the credit event trustees have put mechanism in place to negatively impact the performance incentives of Fund Managers, Chief Investment Officers (CIOs), etc. involved in the investment process of securities under the segregated portfolio, mirroring the existing mechanism for performance incentives of the AMC, including claw back of such amount to the segregated portfolio of the Investment Strategy.

Illustration of Segregated Portfolio

Portfolio Date:	1/7/2021
NAV:	12.0000
Credit Event Date:	2/7/2021
Credit Event:	Credit Rating Downgrade of secured NCD issued by Company "C Limited" from AA+ to D
Sector of affected Security:	Infrastructure
Valuation Impact:	Affected asset to be valued at 50% of the face value
	Accrued interest has to be valued at 50%

Portfolio of Affected Investment Strategy before the Credit Event:

Security	LT Credit Rating	Type of Security	Face Value	Price	Market Value	YTM	% of Assets
A Limited	AAA	Bond	100,000,000.00	100.5	100,500,000.00	8.50%	9.90%
B Limited	AAA	Bond	100,000,000.00	100.6	100,600,000.00	8.45%	9.91%
C Limited	AA+	Bond	100,000,000.00	100.7	100,700,000.00	8.40%	9.92%
D Limited	AAA	Bond	100,000,000.00	100.8	100,800,000.00	8.35%	9.93%
E Limited	AAA	Bond	100,000,000.00	100.7	100,700,000.00	8.40%	9.92%
F Limited	AAA	Bond	100,000,000.00	100.6	100,600,000.00	8.35%	9.91%
G Limited	AAA	Bond	100,000,000.00	100.5	100,500,000.00	8.40%	9.90%
H Limited	AAA	Bond	100,000,000.00	100.4	100,400,000.00	8.45%	9.89%
I Limited	AAA	Bond	100,000,000.00	100.3	100,300,000.00	8.50%	9.88%
J Limited	AAA	Bond	100,000,000.00	100.2	100,200,000.00	8.55%	9.87%
Cash	-	TREPS	10,000,000.00	100	10,000,000.00	6%	0.98%
TOTAL			1,010,000,000.00		1,015,300,000.00		100%

Affected Security:

Security	LT Credit Rating	Type of Security	Face Value	Price	Market Value	YTM	% of Assets
C Limited	AA+	Bond	100,000,000.00	100.7	100,700,000.00	8.40%	9.92%

Old NAV of Main Portfolio prior to Segregation: Rs. 12.0000

New NAV of Main Portfolio post Segregation: Rs. 10.8098

Main Portfolio:

Security	LT Credit Rating	Type of Security	Face Value	Price	Market Value	YTM	% of Assets
A Limited	AAA	Bond	100,000,000.00	100.5	100,500,000.00	8.50%	10.99%
B Limited	AAA	Bond	100,000,000.00	100.6	100,600,000.00	8.45%	11.00%
D Limited	AAA	Bond	100,000,000.00	100.8	100,800,000.00	8.35%	11.02%
E Limited	AAA	Bond	100,000,000.00	100.7	100,700,000.00	8.40%	11.01%
F Limited	AAA	Bond	100,000,000.00	100.6	100,600,000.00	8.35%	11.00%
G Limited	AAA	Bond	100,000,000.00	100.5	100,500,000.00	8.40%	10.99%
H Limited	AAA	Bond	100,000,000.00	100.4	100,400,000.00	8.45%	10.98%
I Limited	AAA	Bond	100,000,000.00	100.3	100,300,000.00	8.50%	10.97%
J Limited	AAA	Bond	100,000,000.00	100.2	100,200,000.00	8.55%	10.96%
Cash	-	TREPS	10,000,000.00	100	10,000,000.00	6%	1.09%
TOTAL			910,000,000.00		914,600,000.00		100%

Segregated Portfolio:

Security	LT Credit Rating	Type of Security	Face Value	Price	Market Value	YTM	% of Assets
C Limited	D	Bond	100,000,000.00	50.35	50,350,000.00	-	100.00%

NAV of Segregated Portfolio: Rs. 0.5951

Net Impact on Investor:

NAV Movement	Main Portfolio	Segregated Portfolio	MTM Loss	Total
Before the Credit Event:	12.0000	NA	NA	12.0000
After the Credit Event:	10.8098	0.5951	0.5951	12.0000

Assumptions: There is no change in the valuation of the rest of assets on the day of credit event.

4. Short selling / stock lending

The Investment Strategy may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI. The Investment Strategy shall not deploy more than 20% of its net assets in stock lending and not more than 5% of the net assets of the Investment Strategy will be deployed in Stock lending to any single intermediary. This will be done if the fund management team is of the view that there exists an opportunity to make trading gains. Calls for short selling will be taken after considering the liquidity, price movement & volatility of the security by the fund management team. There can be a loss in such a transaction if the price of the security goes up instead of falling down. Provided that the Mutual Fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the Board. Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard. Further, the Mutual Fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the Board.

H. Transaction Charges and Stamp Duty

Transaction charges - SEBI vide its circular ref no. SEBI/ HO/IMD- PoD-1/P/CIR/2025/115 dated August 08, 2025, No transaction charges shall be deducted from the subscription amount for transactions /applications received through the distributors (i.e. in Regular Plan).

Levy of Stamp Duty on Mutual Fund transactions:

Pursuant to Notification No. S.O. 1226(E) and G.S.R. 226(E) dated March 30, 2020 issued by the Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, a stamp duty @ 0.005% of the transaction value would be levied on mutual fund transactions (including transactions carried through stock exchanges and depositories for units in demat mode), with effect from July 1, 2020. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions (including IDCW reinvestment and IDCW transfers) to the unitholders would be reduced to that extent.

XI. Disclosures and Reports by The Fund

1. Account Statement/Consolidated Account Statement

On acceptance of application for subscription, an Allotment Confirmation/Account Statement specifying the number of units allotted will be sent by way of SMS and/or email, to investors who have not opted to hold units in demat (electronic) mode within 5 Business Days from the date of receipt of transaction request from the Unit holder. For folios included in Consolidated Account Statements (CAS), CAS for each calendar month is to be issued on or before fifteenth day of the succeeding month to the unit holders. For folios not included in CAS, EAML shall issue Account Statement to the unit holders on a monthly basis, pursuant to any financial transaction in such folios.

For transactions during ongoing sales and repurchase:

- A Consolidated Account Statement (CAS) for each calendar month to the Unit holder(s) in whose folio(s) transaction(s) has/have taken place during the month on or before 15th of the succeeding month shall be sent by mail/email.
- The Unit holder may request for a physical Account Statement by writing/calling the AMC/ISC/R&T. The Mutual Fund/ AMC shall despatch an Account Statement within 5 Business Days from the date of the receipt of request from the Unit holder.
- In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/ Account Statement.
- The transactions viz. purchase, redemption, switch, IDCW payout, etc., carried out by the Unit holders shall be reflected in the CAS on the basis of Permanent Account Number (PAN).
- The CAS shall not be received by the Unit holders for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN.
- Unit holders who receive Account Statements by e-mail may download the documents after receiving e-mail from the Fund. Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Fund to enable the Fund to make the delivery through alternate means. It is deemed that the Unit holder is aware of all security risks including possible third-party interception of the documents and contents of the documents becoming known to third parties.
- Where the units are held in demat (electronic) mode:
 - Investors shall receive a single CAS from the Depository.
 - Consolidation of account statement shall be done on the basis of Permanent Account Number (PAN). In case of multiple holding, it shall be PAN of the first holder and pattern of holding.
 - In case an investor has multiple accounts across two Depositories, the Depository with whom the account has been opened earlier will be the default Depository.

- The CAS shall be generated on a monthly basis.
- If there is any transaction in any of the Demat accounts of the investor or in any of his Mutual Fund folios, Depositories shall send the CAS within fifteen days from the month end. In case there is no transaction in any of the mutual fund folios and demat accounts then CAS with holding details shall be sent to the investor on half yearly basis.
- In case of demat accounts with nil balance and no transactions in securities and in Mutual Fund folios, the Depository shall send holding statement in terms of regulations applicable to the Depositories.
- For Unit holders who have provided an e-mail address to the Fund or have updated the same in KYC records, CAS will be sent to such Unit holders by e-mail. However, where an investor does not wish to receive CAS through e-mail, option shall be given to such investor to receive the CAS in physical form at the address registered with the Depository.
- Investors who do not wish to receive CAS sent by Depositories have an option to indicate their negative consent. Such investors may contact the Depositories to opt out.

The dispatch of CAS by the Depositories would constitute compliance by the AMC/the Fund with the requirement under Regulation 36(4) of SEBI (Mutual Funds) Regulations, 1996.

Half Yearly Consolidated Account Statement:

- A consolidated account statement detailing holding across all Investment Strategies at the end of every six months (i.e. September/March), on or before 21st day of succeeding month, to all such Unit holders in whose folios no transaction has taken place during that period shall be sent by mail/email.
- The half yearly CAS will be sent by e-mail to the Unit holders whose e-mail address is registered with the Fund, unless a specific request is made to receive in physical.
- Unit holders who receive account statements by e-mail may download the documents after receiving e-mail from the Fund. Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Fund to enable the Fund to make the delivery through alternate means. It is deemed that the Unit holder is aware of all security risks including possible third-party interception of the documents and contents of the documents becoming known to third parties.

2. Half Yearly Disclosures/Portfolio Disclosures/Financial Results

The SIF shall disclose portfolio (along with ISIN), including derivative instruments, as on the last day of every alternate month (i.e. as on the end of May, July, September, November, January and March) for all its investment strategies (including debt based investment strategies) on the respective AMC website and on the website of AMFI within 10 days from the close of such month in a user friendly and downloadable spreadsheet format.

The Fund / SIF shall, before the expiry of one month from the close of each half year, (i.e. March 31 and September 30) shall display the unaudited financial results on <https://www.edelweissmf.com/altivasif> and the advertisement in this regards will be published by the Fund in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Fund is situated.

3. Half Yearly Results

As per SEBI Circular, Edelweiss Mutual Fund & the AMC will before the expiry of one month from the close of each half year that is on 31st March and on 30th September, publish its unaudited financial results in one national English daily newspaper and in a regional newspaper published in the language of the region where the Head Office of Edelweiss Mutual Fund is situated and EMF will also display it on its website.

4. Annual Report

The Annual Report or Abridged summary thereof in the format prescribed by SEBI will be hosted within four months from the date of closure of the relevant accounting year (i.e. March 31st each year) on AMC's website (www.edelweissmf.com) and on the website of AMFI (www.amfiindia.com). The Annual Report or Abridged Summary thereof will also be sent by way of e-mail to the Unit holder's registered e-mail address. Unit holders, who have not registered their email address, will have an option of receiving a physical copy of the Annual Report or Abridged summary thereof. The Fund will provide a physical copy of the abridged summary of the Annual Report, without charging any cost, on specific request received from a Unit holder. Physical copies of the report will also be available to the Unit holders at the registered office at all times. The Fund will publish an advertisement every year, in the all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the Investment Strategy wise annual report on the AMC's website (www.edelweissmf.com) and on the website of AMFI (www.amfiindia.com) and the modes such as SMS, telephone, email or written request (letter) through which a unitholder can submit a request for a physical or electronic copy of the of the Investment Strategy wise annual report or abridged summary thereof.

Notwithstanding anything contained in this Statement of Additional Information, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines thereunder shall be applicable.
