

NOTICE CUM ADDENDUM

MERGER OF EDELWEISS CORPORATE BOND FUND WITH EDELWEISS MONEY MARKET FUND

**Notice** is hereby given to all the Investors/Unit holders that Edelweiss Trusteeship Company Limited, the Trustee to Edelweiss Mutual Fund (“**the Fund**”), has approved the merger of Edelweiss Corporate Bond Fund (An open-ended debt scheme predominantly investing in AA+ and above rated corporate bonds) [hereinafter referred to as the “**Transferor Scheme**”] with Edelweiss Money Market Fund (An open ended debt scheme investing in money market instruments) [hereinafter referred to as “**Transferee Scheme**”]. The record date for the above merger is May 20, 2021 (“**Effective Date**”).

From the Effective Date, the Transferor Scheme will cease to exist and the Unit holders of the Transferor Scheme will become Unit holders of the Transferee Scheme in the designated Plans/Options. Further, no fresh subscription including switch-ins and registration for Systematic Investment Plan (SIP)/Systematic Withdrawal Plan (SWP)/Systematic Transfer Plan (STP)/Trigger facility will be accepted in the Transferor Scheme with effect from April 20, 2021.

The Securities and Exchange Board of India has vide its communication dated December 30, 2020 conveyed it’s no objection to the aforesaid merger.

Pursuant to SEBI circular dated June 23, 2003, the merger of Transferor Scheme with Transferee Scheme will be treated as change in fundamental attributes of the Transferor Scheme. Further, since the proposed merger shall not change the features/provisions of the Transferee Scheme and the interest of the Unit holders of the Transferee Scheme are not affected, the proposed merger will not be treated as change in fundamental attributes of Transferee Scheme in terms of SEBI circular dated October 22, 2010. Considering the portfolio and AUM of the Transferor Scheme and also to protect the interest of unitholders of Transferee Scheme, Unit holders of Transferor and Transferee Scheme will be provided with an option to exit the respective Schemes, without any exit load.

In terms of the prevailing regulatory requirements, Unit holders of the Transferor Scheme and/or the Transferee Scheme, who do not agree with the proposed merger, are given an option to exit i.e. redeem their units (fully or partly) or switch to other scheme(s) of the Fund at the Applicable NAV of the Scheme without any exit load for a period of 30 calendar days starting from April 20, 2021 till May 19, 2021 (both days inclusive) (hereinafter referred to as “**exit option period**”). Redemption/switch-out requests can be submitted at any of the Investor Service Centres of the Fund or the Registrar and Transfer Agents of the Fund viz. KFin Technologies Private Limited on or before May 19, 2021 (upto 3.00 p.m. on May 19, 2021). Unit holders who hold the units of the Transferor Scheme and / or Transferee Scheme in electronic (demat) mode need to submit the redemption request to their Depository Participant. The redemption proceeds will be paid out either electronically or by a cheque within 10 Business Days of receipt of valid redemption request to those Unit holders who choose to exercise the exit option.

Unit holders who have pledged or encumbered their units in the Transferor Scheme and / or Transferee Scheme will not have the option to exit unless they procure a release of their pledge prior to submitting the redemption request. In case the lien is marked on the units held in the Transferor Scheme and such unit holder decides to continue to remain invested i.e. does not redeem or switch out during the exit option period, then the units allotted in Transferee Scheme pursuant to merger will also be automatically subject to lien in Transferee Scheme post-merger.

In case of unit holders who are holding Units of the Transferor Scheme in electronic (demat) mode and who don’t submit redemption/switch-out request during the exit option period, such units of the Transferor Scheme will be extinguished from their demat account and proportionate units of the Transferee Scheme will be credited to their demat account after the Effective Date.

**It may however be noted that the offer to exit is purely optional and not compulsory. If the Unit holder has no objection to the aforesaid merger, no action is required to be taken and it would be deemed that such Unit holder has consented to the merger of the Scheme.**

Unit holders of the Transferor Scheme who do not exercise the exit option on or before May 19, 2021 would be deemed to have consented to the proposed merger and will be allotted units under the Plans/Options of the Transferee Scheme as stated in the table below at the Applicable NAV as on the close of business hours on Effective Date:

Plan/Option under which Units are held in the Transferor Scheme	Plan/Option under which Units will be allotted in the Transferee Scheme
Edelweiss Corporate Bond Fund - Direct Plan - IDCW (Annual Payout)	Edelweiss Money Market Fund - Direct Plan - IDCW (Annual Payout)
Edelweiss Corporate Bond Fund - Direct Plan - IDCW (Annual Reinvestment)	Edelweiss Money Market Fund - Direct Plan - IDCW (Annual Reinvestment)
Edelweiss Corporate Bond Fund - Direct Plan - IDCW (Monthly Payout)	Edelweiss Money Market Fund - Direct Plan - IDCW (Payout)
Edelweiss Corporate Bond Fund - Direct Plan - IDCW (Monthly Reinvestment)	Edelweiss Money Market Fund - Direct Plan - IDCW (Reinvestment)
Edelweiss Corporate Bond Fund - Direct Plan - IDCW (Weekly Reinvestment)	Edelweiss Money Market Fund - Direct Plan - IDCW (Reinvestment)
Edelweiss Corporate Bond Fund - Direct Plan - IDCW (Payout)	Edelweiss Money Market Fund - Direct Plan - IDCW (Payout)
Edelweiss Corporate Bond Fund - Direct Plan - IDCW (Reinvestment)	Edelweiss Money Market Fund - Direct Plan - IDCW (Reinvestment)
Edelweiss Corporate Bond Fund - Direct Plan - IDCW (Fortnightly Reinvestment)	Edelweiss Money Market Fund - Direct Plan - IDCW (Reinvestment)
Edelweiss Corporate Bond Fund - Direct Plan - Growth	Edelweiss Money Market Fund - Direct Plan - Growth
Edelweiss Corporate Bond Fund - Regular Plan - IDCW (Annual Payout)	Edelweiss Money Market Fund - Regular Plan - IDCW (Annual Payout)
Edelweiss Corporate Bond Fund - Regular Plan - IDCW (Annual Reinvestment)	Edelweiss Money Market Fund - Regular Plan - IDCW (Annual Reinvestment)
Edelweiss Corporate Bond Fund - Regular Plan - IDCW (Monthly Payout)	Edelweiss Money Market Fund - Regular Plan - IDCW (Payout)
Edelweiss Corporate Bond Fund - Regular Plan - IDCW (Monthly Reinvestment)	Edelweiss Money Market Fund - Regular Plan - IDCW (Reinvestment)
Edelweiss Corporate Bond Fund - Regular Plan - IDCW (Weekly Reinvestment)	Edelweiss Money Market Fund - Regular Plan - IDCW (Reinvestment)
Edelweiss Corporate Bond Fund - Regular Plan - IDCW (Payout)	Edelweiss Money Market Fund - Regular Plan - IDCW (Payout)
Edelweiss Corporate Bond Fund - Regular Plan - IDCW (Reinvestment)	Edelweiss Money Market Fund - Regular Plan - IDCW (Reinvestment)
Edelweiss Corporate Bond Fund - Regular Plan - IDCW (Fortnightly Reinvestment)	Edelweiss Money Market Fund - Regular Plan - IDCW (Reinvestment)
Edelweiss Corporate Bond Fund - Regular Plan - Growth	Edelweiss Money Market Fund - Regular Plan - Growth

In case of unit holders under the Transferor Scheme who had registered for Systematic investment facilities such as SIP/STP/SWP decide to continue their investments i.e. do not opt for the Exit Option, then such SIP/STP/SWP registrations will continue to be processed under the respective Plan/Option of the Transferee Scheme from the Effective Date and no fresh registration will be required.

However, unit holders who do not wish to continue the SIP/SWP/STP (unless the systematic transfer is registered as from and between the Transferor Scheme and Transferee Scheme) under the Transferee Scheme, must apply for cancellation of their registrations before the Effective Date.

The Units allotted to the unit holders in the Transferee Scheme shall be treated as fresh subscriptions in the Transferee Scheme. Further, the date of allotment at the time of subscription in the Transferor Scheme shall be considered as the allotment date for the purpose of applicability of the exit load period at the time of redemption of such units under the Transferee Scheme.

The Finance Act, 2015 amended the provisions of the Income-tax Act, 1961, providing tax neutrality on transfer of units of a scheme of a mutual fund under the process of consolidation of schemes of mutual funds as per SEBI (Mutual Funds) Regulations, 1996.

As per section 47(xviii) of the Income-tax Act, 1961, allotment of units in Transferee Scheme, pursuant to merger, to unit holders of the Transferor Scheme who decide to continue will not be considered as redemption of units in the Transferor Scheme and will not result in short term/long term capital gain / loss in the hands of the unit holders. Further, the period for which the units in the Transferor Scheme were held by the Unit holders will be included in determining the period for which such units were held by the unit holder and the cost of acquisition of units allotted in the Transferee Scheme pursuant to merger will be the cost of acquisition of units in the Transferor Scheme.

However, redemption of units from the Transferor Scheme and / or Transferee Scheme, and/or switch-out of units of the Transferor Scheme and / or Transferee Scheme to any other scheme of the Fund during the exit period option shall be considered as redemption in Transferor Scheme and / or Transferee Scheme and will result in short term/long term capital gain/loss in the hands of the unit holders depending on the period of holding of the investment. In case of NRI investors, TDS shall be deducted in accordance with applicable tax laws for redemption/switch-out of units from the Transferor Scheme and / or Transferee Scheme during the exit period and same would be required to be borne by such investor only. Securities Transaction Tax (STT) and Stamp Duty, if any, only on extinguishment of units under Transferor Scheme and allotment under the Transferee Scheme upon merger of schemes shall be borne by the AMC.

In view of the individual nature of tax consequences, unit holders are advised to consult his/her/their professional tax advisor with regard to tax and other financial implications arising out of their participation in merger of schemes.

A detailed communication in this regard will be sent to the Unit holders under the Transferor Scheme and / or Transferee Scheme as on April 15, 2021, through an appropriate mode of communication (post, courier, email etc.). Although the merger does not amount to a change in the fundamental attributes of the Transferee Scheme and the interest of the existing investors of the Transferee Scheme is not adversely affected, an exit option is available to the unit holders of the Transferee Scheme, on account of it merging with the Transferor Scheme.



Unit holders of Transferor Scheme are requested to read the detailed features of Transferee Scheme i.e. Edelweiss Money Market Fund as stated in the Scheme Information Document which is available on the website - [www.edelweissmf.com](http://www.edelweissmf.com) and at the Investor Service Centres of the Fund to take a well-informed decision.

For any further assistance/clarification, Unit holders may contact us on 1-800-425-0090 (Toll free - BSNL/MTNL lines only) or 91 040 23001181 (non MTNL/BSNL lines and mobile phone users) or alternatively, email us at [emfhelp@edelweissfin.com](mailto:emfhelp@edelweissfin.com) or visit our website [www.edelweissmf.com](http://www.edelweissmf.com).

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

Sd/-  
Radhika Gupta  
Managing Director & CEO  
(DIN: 02657595)

Place : Mumbai  
Date : April 15, 2021

Scheme Name	This product is suitable for investors who are seeking *:	Riskometer
Edelweiss Corporate Bond Fund	<ul style="list-style-type: none"><li>Regular income &amp; capital appreciation through active management across time frames.</li><li>Investment predominantly in a portfolio comprising of AA+ and above rated Corporate Bonds.</li></ul>	 <p><b>RISKOMETER</b></p> <p><i>Investors understand that their principal will be at low to moderate risk</i></p>
Edelweiss Money Market Fund	<ul style="list-style-type: none"><li>Regular income over short term</li><li>To generate returns by investing in money market instruments</li></ul>	 <p><b>RISKOMETER</b></p> <p><i>Investors understand that their principal will be at low to moderate risk</i></p>

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

For more information please contact:  
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**Tel No:** 022 4097 9900; **Toll Free No.** 1800 425 0090 (MTNL/BSNL); **Non Toll Free No.:** 91 40 23001181; **Fax:** 022 40979878  
Website: [www.edelweissmf.com](http://www.edelweissmf.com)

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