

NOTICE

NOTICE CUM ADDENDUM TO THE SCHEME INFORMATION DOCUMENT (SID) AND
KEY INFORMATION MEMORANDUM (KIM) OF THE SCHEMES OF EDELWEISS MUTUAL FUND

MERGER OF EDELWEISS CRISIL PSU PLUS SDL 50:50 OCT 2025 INDEX FUND WITH EDELWEISS BANKING AND PSU DEBT FUND

Notice is hereby given to all the Investors/Unit holders that Edelweiss Trusteeship Company Limited, the Trustee to Edelweiss Mutual Fund (“the Fund”), have approved the merger of Edelweiss CRISIL PSU Plus SDL 50:50 Oct 2025 Index Fund (An open-ended target maturity Index Fund investing in the constituents of CRISIL [IBX] 50:50 PSU + SDL Index – October 2025) [hereinafter referred to as “**Merging Scheme**”] with Edelweiss Banking and PSU Debt Fund (An open ended debt scheme predominantly investing in Debt Instruments of Banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds) [hereinafter referred to as “**Transferee Scheme**”] The details of the same are as follows:

Name of the Merging Scheme	Name of the Transferee Scheme	Effective date of merger i.e. on Maturity Date of Merging Scheme	Period for providing consent / Option
Edelweiss CRISIL PSU Plus SDL 50:50 Oct 2025 Index Fund	Edelweiss Banking and PSU Debt Fund	October 31, 2025*	Tuesday, September 30, 2025 to Wednesday, October 29, 2025 (both days inclusive) (“Consent / Exit Option Period”)

*or next Business Day, if the Effective Date happens to be declared as a non-Business Day.

Rationale for Merger:

- **Credit Quality:** The Merging and Transferee scheme have comparable credit quality. While the Merging Scheme has around ~50% of its AUM in AAA-rated CPSE bonds and remaining in State Development Loans (SDLs), the Transferee scheme has higher exposure to AAA-rated CPSE bonds and AAA-rated banks (~78%) while remaining exposure to government bonds. This combination of exposure to AAA-rated CPSE, AAA-rated banks and government bonds may offer higher level of comfort to the investors of the Merging Scheme in terms of credit quality.
- **Asset Allocation:** In terms of asset allocation, investors will get exposure to similar type of high-quality debt in the Transferee scheme in terms of exposure to AAA-rated CPSE bonds, AAA-rated bank bonds and sovereign bonds.
- **Liquidity Risk:** The Transferee scheme offers superior level of liquidity risk to investors due to its exposure to relatively more liquid segment of the CPSE bonds and liquid government bonds.
- **Reinvestment Risk Mitigation:** Target Maturity Funds have a fixed maturity date. This exposes investors to reinvestment risk. By agreeing to merge with the transferee scheme, which is an open-ended scheme without a fixed maturity date, investors will be able to mitigate the reinvestment risk.
- **Benefits of Active Management:** The active duration management based on prevailing market conditions will likely benefit investors over a longer period of time while getting exposure to AAA-rated and liquid CPSE bonds, AAA-rated banks, periodic rebalancing of assets based on market conditions among other benefits.
- **Benefits of diversification:** By providing consent to merger, the investors will get a portfolio of assets which is diversified in terms of exposure to a range of AAA-rated CPSE and bank bonds, diversification in terms of maturity buckets and diversification in terms of exposure to different segments of the CPSE universe.
- **Tax efficiency:** Following the merger, investors in the Merging Scheme can continue their investments while maintaining tax efficiency. As per section 47(xviii) of the Income-tax Act, 1961, allotment of units in Transferee Scheme, pursuant to merger, to unit holders of Merging Scheme who decide to continue will not be considered as redemption of units in Merging Scheme and will not result in short term/long term capital gain / loss in the hands of the unit holders.

The merger as envisaged above will not result in emergence of any new scheme as the Merging Scheme on its maturity date will be merged in the Transferee Scheme. Post-merger, there will be no change in features of the Transferee Scheme and the investments under the Transferee Scheme will be in accordance with the investment objective and asset allocation of the Transferee Scheme.

The Securities and Exchange Board of India has vide its email dated September 25, 2025 conveyed it’s no objection to the aforesaid merger.

Consequences of merger:

Unit holders of the Merging Scheme who provide consent for the merger will be allotted units under the Transferee Schemes at the Net Asset Value (“NAV”) on the Effective Date of the Merger. The Units allotted to the unit holders in the Transferee Scheme shall be treated as fresh subscriptions in the Transferee Scheme. A fresh account statement reflecting the new units allotted under the Transferee Scheme, will be sent to the unit holders of the merging scheme by the Fund. Upon allotment of units in the Transferee Scheme, all provisions under the Transferee Scheme will apply. However, the period of holding for the purpose of exit load, if any, will be computed from the date of allotment of corresponding original units in the merging scheme.

Consent for merger by unit holders of Merging Scheme:

Unit holders of the Merging Schemes having no objection to the proposed Merger in the Transferee Schemes and wishing to remain invested need to provide consent during Consent Option Period (i.e. **Tuesday, September 30, 2025 to Wednesday, October 29, 2025**) in the following manner:

- The consent form for merger is being sent along with the merger proposal letter. The consent form will also be made available on our website www.edelweissmf.com. Investors may submit their consent as provided above through any of the following modes:
 - i) Submitting original signed consent form at any of the Branch office of Edelweiss Mutual Fund.
 - ii) Submit through our online transaction facilities on our investor website
- **Note:** Once consent is provided, investors are deemed to have read and provided the confirmations and declarations as per the consent form. **It may however be noted that the offer to provide consent is purely optional and not compulsory.**
- Units of the unitholders who do not provide their consent for the Merger will be redeemed at applicable NAV on the Maturity Date. The maturity proceeds will be paid to the investors within T+3 working days.
 - **Note:** In case of any pledge / lien / other encumbrance marked on any units in Merging Scheme, the same shall be marked on the corresponding number of units allotted in Transferee Scheme.
- In case of consented investors, unit balance in the Merging Scheme as on the date of merger will be considered for executing the transfer into Transferee Scheme.

Exit Option for unit holders of Transferee Scheme:

- As per Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996 (“MF Regulations”) and clause 17.10 of SEBI Master Circular dated June 27, 2024 for Mutual Funds, change in fundamental attributes can be carried out only after the Unit holders of the scheme concerned have been informed of the change via written communication and an option to exit the scheme for a period of at least 30 calendar days at the prevailing NAV without any exit load is provided to them. As per clause 2.2 of SEBI Master Circular dated June 27, 2024 for Mutual Funds, merger of schemes is also considered as a change in fundamental attributes of the concerned schemes necessitating compliance with the requirements as per Regulation 18(15A) of the MF Regulations.
- Accordingly, existing Unit holders of the Transferee Scheme as on Thursday, September 25, 2025 till 3.00 p.m. i.e. date of publication of this notice cum-addendum are provided an option to exit, at the prevailing NAV without exit load, if any, for a period from **Tuesday, September 30, 2025 to Wednesday, October 29, 2025** (both days inclusive) (hereinafter referred to as “**exit option period**”), if they are not agreeable for the merger. Redemption/switch-out requests can be submitted at any of the Investor Service Centers of the Fund or the Registrar and Transfer Agents of the Fund viz. KFin Technologies Limited on or before **Wednesday, October 29, 2025** (upto 3.00 p.m.). Unit holders who hold the units of the Transferee Scheme in electronic (demat) mode need to submit the redemption request to their Depository Participant/exchange platform. The redemption proceeds will be paid out either electronically or by a cheque within 3 Business Days of receipt of valid redemption request to those Unit holders who choose to exercise the exit option.
- **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 who do not exercise the exit option on or before **Wednesday, October 29, 2025** would be deemed to have consented to the proposed merger.

Tax Consequences:

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 Merging Scheme who decide to continue will not be considered as redemption of units in Merging 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 Merging 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 Transferee Scheme pursuant to merger will be the cost of acquisition of units in Merging Scheme.

However, redemption of units from the Merging Scheme and/or switch-out of units of the Merging Scheme to any other scheme of the Fund during the exit period option shall be considered as redemption in Merging Scheme and will result in short term/long term capital gain/loss in the hands of the unit holders depending on the period and the nature 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 Merging Scheme during the exit period and same would be required to be borne by such investor only. Securities Transaction Tax (STT), if any on extinguishment of units under Merging 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 separate written communication, containing the prescribed information in this regard will also be sent to the existing Unit holders of the Merging Scheme and Transferee Scheme. In case any existing Unit holder does not receive the same, or in case of any queries or clarifications 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@edelweissmf.com or visit our website www.edelweissmf.com.

This addendum shall form an integral part of the SIDs / KIMs of the Merging Scheme and Transferee Scheme as amended from time to time.

Place : **Mumbai**
Date : **September 25, 2025**

For Edelweiss Asset Management Limited
(Investment Manager to Edelweiss Mutual Fund)
Sd/-
Radhika Gupta
Managing Director & CEO
(DIN: 02657595)

For more information please contact:
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**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS,
READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**