

## **Edelweiss Mutual Fund to disclose performance of its schemes against Total Returns**

### **Index of benchmarks**

**Mumbai, 4<sup>th</sup> September 2017:** [Edelweiss Asset Management Limited \(Ltd\)](#), a subsidiary of Edelweiss Financial Services Limited, today announced that it would be disclosing performance of its equity mutual fund schemes against the Total Return Index (TRI) of their respective benchmarks.

At Edelweiss Group, customer centricity has been paramount to us and as part of our core guiding principles, we are defined by the experience our customers have with us. We strive to make it outstanding at all times.

The mutual fund industry generally showcases its performance against a benchmark. While the performance of the mutual fund scheme is a function of dividend as well as the capital gains made on investments, returns on the Price Return Index of these benchmarks are considered without any dividend income. Total Return Index, when measuring performance, reflects the actual return on an investment which includes capital gains and dividends paid by the underlying companies over a given evaluation period.

Hence, Total Return Index is viewed as a strong measure of an investment's overall performance and an apt measure to reflect the true alpha created by mutual funds over their benchmarks.

*Ms. Radhika Gupta, CEO, Edelweiss Asset Management says, "Going forward, all equity schemes of Edelweiss Mutual Fund will be benchmarked to the Total Return Index rather than Price Return Index. We think this practice will provide an accurate picture of the performance of our funds relative to their benchmarks, both internally and externally. It is important for us to take this step today, because in our journey to build a quality asset management business, it is important to set high standards for ourselves – both in investment management and investor communication."*

Benchmarking to Total Return Indices is a practice recommended by the Global Investment Performance Standards (GIPS) prescribed by the CFA institute, and is adopted by leading global asset managers.

#### **About Edelweiss Asset Management Limited (EAML):**

EAML is among the fastest growing asset management companies, being an asset management subsidiary of Edelweiss Financial Services Ltd., one of India's leading financial services group since last 21 years with a proven track record of quality and innovation.

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

#### **About Edelweiss Financial Services**

The Edelweiss Group is one of India's leading diversified financial services company providing a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. Edelweiss's products and services span multiple asset classes and consumer segments across domestic and global geographies. Its businesses are broadly divided into Credit Business (Retail Credit comprises of Retail Mortgage, SME and Business Loans, Loan against shares, Agri and Rural Finance). Corporate Credit comprises of Structured Collateralised Credit to Corporates, Wholesale Mortgage and Distressed Credit, Franchise and Advisory Business (Wealth Management, Asset Management and Capital Markets,) and Insurance. The Balance Sheet Management Unit operations manage the liquidity and Balance Sheet. Edelweiss has an asset base of ~INR 38,700 cr with revenue of INR 6,634 cr and net profit of INR 609 cr for FY17. Its consistent performance is evidenced by a consolidated PAT CAGR of 38% over last 24 quarters.

**To learn more about the Edelweiss Group, please visit [www.edelweissfin.com](http://www.edelweissfin.com).**

**For more information please visit: [www.edelweissmf.com](http://www.edelweissmf.com)**

For further details, please contact:

**Edelweiss Financial Services Ltd.**

Mona Kwatra / Revathi Pandit / Mahak Choudhary

**Hand phone:** 9820210441 / 9820237909 / 9820612266

**Email:** [Mona.Kwatra@edelweissfin.com](mailto:Mona.Kwatra@edelweissfin.com) /

[Revathi.pandit@edelweissfin.com](mailto:Revathi.pandit@edelweissfin.com) / [mahak.choudhary@edelweissfin.com](mailto:mahak.choudhary@edelweissfin.com)

**Perfect Relations**

Sporshita Goswami / Taarika Khedekar

**Hand phone:** 9920883234 / 9820962432

**Email:** [sporshitag@perfectrelations.com](mailto:sporshitag@perfectrelations.com)/

[taarika.khedekar@perfectrelations.com](mailto:taarika.khedekar@perfectrelations.com)

Edelweiss Mutual Fund adopts the global best practice to disclose performance of equity schemes against the TRI of their respective benchmarks

## How does Total Return Index (TRI) work

Total Returns on an investment are computed as:



Capital Gains



Dividend Income



**EQUITY MUTUAL FUND**



**25.0%** PRI



**BENCHMARK**



**21.0%** PRI

**+ 1.5%** Dividend Yield

Benchmark Total Return = **22.5%**

PRI - Price Return Index

**Alpha (excess returns) = Investment Returns - Benchmark Returns**

as per PRI	25% - 21%	4%
as per TRI	25% - 22.5%	2.5%

**TRI - A more accurate measure of an investments overall performance and a better measure for capturing true alpha (excess returns)**



The above is for illustration purpose only.

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**