

**Edelweiss Alternatives announces fund raise of ~USD 425 mn (INR 3,400 cr) under
Special Situation Fund (ISAF III), targets USD 1 bn raise**

- ISAF III is the third fund in the Edelweiss Special Situations Fund series. The Series II Fund in this strategy had seen the largest fund raise in Alternatives in India in 2018
- Under this strategy, investments of more than INR 10,500 cr have been done over the last four years and the strategy has realised cash of more than INR 9,500 cr till date from its portfolio investments

Mumbai, October 4, 2022 - Edelweiss Alternative Asset Advisors (EAAA), one of the leading alternative asset management platforms in India, today announced, raising ~USD 425 mn (INR 3,400 cr) in its third Special Situations Fund (ISAF III). The Fund has received CRISIL Fund Management Grading -1 denoting “very strong” standards in investment process & management practices. It has got commitments from leading institutional global investors, which include large insurance companies and pension funds as well as HNIs and family offices from India. The Fund is targeting to raise USD 1 bn with a green shoe option of USD 500 mn.

Special Situations strategy Fund (Series II), which had seen the largest fund raise in Alternatives in India in 2018, is on track to successfully deliver superior risk adjusted returns to its investors. Series II, apart from investing over INR 10,500 cr across deals, has also exited several transactions and realized more than INR 9,500 cr from portfolio companies. The Special Situations strategy focusses on asset heavy companies and identifies viable underlying businesses that EAAA believes, have a strong turnaround potential and / or invest in situations where resolution of asset requires capital and domain expertise.

Special Situation Fund (Series III) that was launched as "ISAF III Fund" aims to create value for investors on similar lines and has seen strong investor interest. ISAF III has raised INR 3,400 cr (USD 425 mn) and invested more than INR 1,000 cr in a short period of time in two bespoke special situation opportunities. Edelweiss believes it has a strong pipeline of opportunities in this space.

Amit Agarwal, Head, Special Situations Strategy said, “Special situation opportunities provide an exciting avenue for generating superior risk adjusted returns for investors. The Fund strategy caters to both corporates looking for specialized financing solutions to turnaround their business fortunes as well as financial institutions looking to sell / resolve their existing portfolio assets. Acquisition Financing under bankruptcy process is also emerging as a good opportunity set. We believe that the Investors in special situation strategy can generate high returns, akin to equity, while mitigating downside risk as large part of fund investments that are made in the nature of covenant-heavy credit instruments.”

Edelweiss Alternative Asset Advisors pioneered private debt in India with the launch of the USD 230 mn (INR 1,000 cr) fund in 2010. With a track record of over a decade, it has built one of the largest Alternatives platforms in India with an AuM of ~USD 5 bn (NR 40,000 cr). Focused on providing high quality credit and yield opportunities to global and domestic professional investors across performing credit (corporate and real estate), special situations and infrastructure yield, its clientele comprises of Indian and global institutional investors – pension funds, insurance companies, large family offices and ultra-high net-worth individuals.

Venkat Ramaswamy, Vice Chairman, Edelweiss Group said, “We believe that the response received for ISAF III is a strong testament of the trust that our clients have in us as well as a validation of our asset management capabilities, strong investment track record, and high governance standards. The high-yield / special sits market in India continues to grow rapidly as requirement of flexible and patient capital is felt across industry segments.”

About Edelweiss Group

The Edelweiss Group is one of India's leading diversified financial services companies, 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. The Group's research driven approach and proven history of innovation has enabled it to foster strong relationships across all client segments. Its businesses include NBFC, Housing Finance, Asset Management, Asset Reconstruction, Life Insurance, General Insurance and Wealth Management. Together with strong network of Sub-Brokers and Authorized Persons, Edelweiss group has presence across all major cities in India.

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Notice: Please refer to the Private Placement Memorandum ("Memorandum") of ISAF III before making any final investment decisions, which is provided to select potential investors on a private placement basis. An investment in ISAF III entails a high degree of risk. Investors should consider all of the risk factors set forth in "Risk Factors" of the Memorandum, each of which could have an adverse effect on ISAF III and on the value of interests in ISAF III. This is a press release marketing communication. There can be no assurances or guarantees that ISAF III's investment objectives will be realized or that investors will not lose all or a portion of their investment in ISAF III. Furthermore, investors should not construe the performance of any predecessor Edelweiss-sponsored funds as providing any assurances or predictive value regarding future performance of ISAF III. As with all performance data, past performance can provide no assurance of future results. What investors receive will vary depending on conditions and timing of investment. Future performance is subject to taxation which depends on the personal situation of each investor and which may change in the future. Investors in ISAF III will be required to bear a share of certain fees, costs, expenses and liabilities incurred in connection with ISAF III, full details of which are set out in the documents which govern ISAF III.