

In difference lies an
opportunity!



Nippon India Arbitrage Fund

(An open ended scheme investing in arbitrage opportunities)

Nippon India Arbitrage Fund seeks to capture opportunities arising from price differences in equity and derivative markets.

It follows a market-neutral approach, aiming to provide returns over the short term by leveraging arbitrage opportunities while maintaining relatively lower market risk.



Seeks to generate income through arbitrage opportunities



Follows a market-neutral strategy



Aims to maintain a relatively lower risk profile

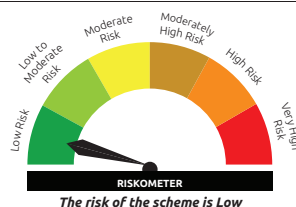
Contact your Mutual Fund Distributor | Call 1860 266 0111# 91-22-69259696# (For investors outside India) | Visit mf.nipponindiaim.com

This product is suitable for investors who are seeking*

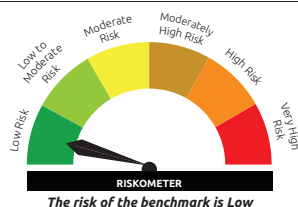
- Income over short term
- Income through arbitrage opportunities between cash and derivative market and arbitrage opportunities within the derivative segment

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

Nippon India Arbitrage Fund



AMFI Tier I Benchmark -Nifty 50 Arbitrage Index



Investment Philosophy

- ▶ A conservative arbitrage fund that aims to generate income through arbitrage opportunities arising out of pricing mismatch in a security between cash and derivative segment and with derivatives segment along with investments in debt securities and money market instruments.
- ▶ The fund portfolio is completely hedged and takes offsetting positions on various markets simultaneously. The arbitrage fund follows a market neutral strategy and carries no specific equity risk.
- ▶ In the absence of adequate arbitrage opportunities, the scheme may invest in short term debt or money market securities.

Why One Should Invest In Nippon India Arbitrage Fund?

- ▶ Generate income through arbitrage opportunities arising out of pricing mismatch in a security between different markets or as a result of special situations.
- ▶ Completely hedged positions, neutralizes market risk (volatility) and targets absolute returns irrespective of market conditions.
- ▶ The scheme will aim to provide risk adjusted and tax efficient returns
- ▶ Nippon India Arbitrage Fund may be a suitable product for those investors who want to remain conservative and invest in relatively less risky portfolio.

Investment Framework

- ▶ Fully hedged equity portfolio with focus on liquid/high quality stocks. Investment in 125-150 stocks out of 250 stocks in Futures & Options based on liquidity and spreads.
- ▶ Conservative debt portfolio with high quality* short duration investments.
- ▶ Focus on risk and tax adjusted returns in short to medium term

*primarily investing in AAA/Sov as on 31st Aug 2025

Portfolio & Scheme Features as on June 30, 2026

Asset Allocation	
Equities	69.00%
Debt, Derivatives, Cash and Other Receivables	31.00%
Benchmark	NIFTY 50 Arbitrage
Fund Manager	• Vikash Agarwal • Rohit Hashmukh Shah (Co-fund manager) • Nemish Sheth
Month end AUM as on June 30, 2026	Rs. 16,638.21 Crs.

Portfolio as on June 30, 2026

Company/Issuer	% of Assets
Equity	
Automobiles	
Maruti Suzuki India Limited*	1.94
Mahindra & Mahindra Limited	1.38
Banks	
HDFC Bank Limited*	5.55
Axis Bank Limited*	2.62
ICICI Bank Limited*	2.56
State Bank of India*	1.71
AU Small Finance Bank Limited*	1.68
Kotak Mahindra Bank Limited	1.26

Cement & Cement Products	
Grasim Industries Limited	1.54
Construction	
Larsen & Toubro Limited	1.06
Ferrous Metals	
JSW Steel Limited*	1.94
Steel Authority of India Limited	1.01
Finance	
Bajaj Finance Limited*	1.88
Jio Financial Services Limited	1.18
Metals & Minerals Trading	
Adani Enterprises Limited	1.28
Petroleum Products	
Reliance Industries Limited*	4.83
Retailing	
Eternal Limited*	2.27
Telecom - Services	
Vodafone Idea Limited	1.51
Mutual Fund units	23.13
Nippon India Money Market Fund - Direct Plan- Growth Plan	14.84
Nippon India Ultra Short Duration Fund- Direct Plan- Growth Option	7.69
Nippon India Liquid Fund - Direct Plan-Growth Plan	0.60
Debt	
Certificate of Deposit	1.45
Small Industries Dev Bank of India	1.31
Punjab National Bank	0.15
Corporate Bond	2.18
360 One Prime Limited	0.60
Poonawalla Fincorp Limited	0.56
Muthoot Finance Limited	0.54
Piramal Finance Limited	0.48
Equity Less Than 1% of Corpus	31.81
Derivatives, Cash and Other Receivables	4.23
Grand Total	100.00

* Top 10 Holdings.

Note: For complete portfolio, please refer website mf.nipponindiaim.com. Current Portfolio Allocation is based on the prevailing market conditions and is subject to changes depending on the fund manager's view of the equity markets. Sector(s) / Stock(s) / Issuer(s) mentioned above are for the purpose of disclosure of the portfolio of the Scheme(s) and should not be construed as recommendation.

Investment Objective	The investment objective of the scheme is to generate income by taking advantage of the arbitrage opportunities that potentially exists between cash and derivative market and within the derivative segment along with investments in debt securities & money market instruments.
Nature of the Scheme	An open ended scheme investing in arbitrage opportunities
Benchmark	AMFI Tier I Benchmark - Nifty 50 Arbitrage Index
Asset Allocation	Under normal circumstances, the anticipated asset allocation would be: Equities and equity related instruments, Derivatives including index futures, stock futures, index options, & stock options, etc#:- 65% to 90% (medium to high) Debt and Money market instruments** (including investments in securitized debt – 10% to 35%(low to medium) When adequate arbitrage opportunities are not available in the Derivative and Equity markets, the anticipated alternate asset allocation on defensive considerations would be in accordance with the allocation given below: However, in case no arbitrage opportunity is available, then 100% of the remaining investible corpus (to the extent not deployed in arbitrage opportunities in the asset allocation pattern mentioned above) will be deployed in short term debt and money market instruments with tenure not exceeding 91 days (including investments in securitized debt). In this scenario also, the allocation in Equities and equity related instruments, Derivatives including index futures, stock futures, index options, and stock options, etc will continue to be made in arbitrage opportunities only. Equities and equity related instruments, Derivatives including index futures, stock futures, index options, & stock options, etc (Only arbitrage opportunities)#:- 0% to 65% (medium to high) Debt and Money market instruments** (including investments in securitized debt) – 10% to 35% (low to medium) Short term Debt and Money market instruments not exceeding tenure of 91 days** (including investments in securitized debt)– 0% to 100%(low to medium) # the exposure to derivatives shown in the above asset allocation tables is exposure taken against the underlying equity investments and should not be considered for calculating the total asset allocation and/or investment restrictions on the issuer. The idea is not to take additional asset allocation with the use of derivative. The margin money deployed on these positions would be included in Money Market category. ** including securitized debt up to 30% The Scheme shall take derivatives position based on the opportunities available subject to the guidelines issued by SEBI/RBI from time to time and in line with the overall investment objective of the Scheme
Fund Manager	Vikash Agarwal, Rohit Hashmukh Shah (Co-fund manager), Nemish Sheth
Choice of Plans/Options	Direct Plan & Other than Direct Plan (a) Growth Plan - Growth Option (b) Income Distribution cum Capital Withdrawal Plan (IDCW Plan) (1) Payout of Income Distribution cum Capital Withdrawal Plan (IDCW Plan) (2) Reinvestment of Income Distribution cum Capital Withdrawal Plan (IDCW Plan) (c) Monthly Income Distribution cum Capital Withdrawal Plan (IDCW Plan) (1) Payout of Income Distribution cum Capital Withdrawal Plan (IDCW Plan) (2) Reinvestment of Income Distribution cum Capital Withdrawal Plan (IDCW Plan) Direct Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund (i.e. investments not routed through an AMFI Registration Number (ARN) Holder).
Minimum Investment	Rs. 5000 & in multiples of Re 1 thereafter
Load Structure	Exit Load: 0.25% if redeemed or switched out on or before completion of 15 days from the date of allotment of units. Nil, thereafter W.E.F. October 01, 2012, Exit Load if charged to the scheme shall be credited to the scheme immediately net of Goods and service tax, if any.

Risk factor & Disclaimer: Trading volumes and settlement periods may restrict liquidity in equity and debt investments. Investment in Debt is subject to price, credit, and interest rate risk. The NAV of the Scheme may be affected, inter alia, by changes in the market conditions, interest rates, trading volumes, settlement periods and transfer procedures. The NAV may also be subjected to risk associated with investment in derivatives, foreign securities or script lending as may be permissible by the Scheme Information Document. For further details, please refer Scheme Information Document (SID).

The views being expressed only constitute opinions and therefore cannot be considered as guidelines, recommendations or as a professional guide for the readers. Before making any investments, the readers are advised to seek independent professional advice, verify the contents in order to arrive at an informed investment decision. None of the Sponsor, the Investment Manager, the Trustee, their respective directors, employees, associates or representatives shall be liable in any way for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including on account of lost profits arising from the information contained in this material.

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