

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

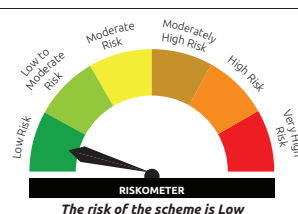
Contact your Mutual Fund Distributor | Call 1860 266 0111# 91-22-69259696# (For investors outside India) | Visit [mf.nipponindiaim.com](http://mf.nipponindiaim.com)

**This product is suitable for investors who are seeking\***

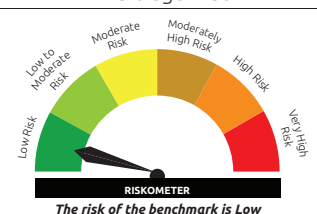
- Income over short term
- Income through arbitrage opportunities between cash and derivative market and arbitrage opportunities within the derivative segment

\*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 May 31, 2026

Asset Allocation	
<b>Equities</b>	70.15%
<b>Debt, Derivatives, Cash and Other Receivables</b>	29.85%
<b>Benchmark</b>	NIFTY 50 Arbitrage
<b>Fund Manager</b>	<ul style="list-style-type: none"> <li>• Vikash Agarwal</li> <li>• Rohit Hashmukh Shah (Co-fund manager)</li> <li>• Nemish Sheth</li> </ul>
<b>Month end AUM as on May 31, 2026</b>	Rs. 16,294.08 Crs.

## Portfolio as on May 31, 2026

Company/Issuer	% of Assets
<b>Equity</b>	
<b>Automobiles</b>	
Maruti Suzuki India Limited	1.38
Mahindra & Mahindra Limited	1.19
<b>Banks</b>	
HDFC Bank Limited*	5.84
ICICI Bank Limited*	3.53
Axis Bank Limited*	2.39
State Bank of India*	1.98
Kotak Mahindra Bank Limited	1.32
AU Small Finance Bank Limited	1.01

<b>Cement &amp; Cement Products</b>	
Grasim Industries Limited*	1.71
<b>Construction</b>	
Larsen & Toubro Limited	1.17
<b>Electrical Equipment</b>	
Bharat Heavy Electricals Limited	1.26
<b>Ferrous Metals</b>	
JSW Steel Limited*	2.22
Steel Authority of India Limited	1.54
<b>Finance</b>	
Shriram Finance Limited	1.28
Jio Financial Services Limited	1.27
<b>Metals &amp; Minerals Trading</b>	
Adani Enterprises Limited*	1.60
<b>Petroleum Products</b>	
Reliance Industries Limited*	4.59
<b>Retailing</b>	
Eternal Limited*	2.18
<b>Telecom - Services</b>	
Bharti Airtel Limited*	1.73
Vodafone Idea Limited	1.48
<b>Mutual Fund units</b>	<b>22.30</b>
Nippon India Money Market Fund - Direct Plan- Growth Plan	14.98
Nippon India Ultra Short Duration Fund- Direct Plan- Growth Option	7.32
<b>Debt</b>	
<b>Certificate of Deposit</b>	<b>1.75</b>
Small Industries Dev Bank of India	1.17
<b>Canara Bank</b>	<b>0.58</b>
Commercial Paper	1.22
Aavas Financiers Limited	1.22
<b>Corporate Bond</b>	<b>2.70</b>
Muthoot Finance Limited	0.79
Poonawalla Fincorp Limited	0.72
360 One Prime Limited	0.61
Piramal Finance Limited	0.58
<b>Zero Coupon Bond</b>	<b>0.16</b>
JTPM Metal Traders Limited	0.16
<b>Equity Less Than 1% of Corpus</b>	<b>29.47</b>
<b>Derivatives, Cash and Other Receivables</b>	<b>1.71</b>
<b>Grand Total</b>	<b>100.00</b>

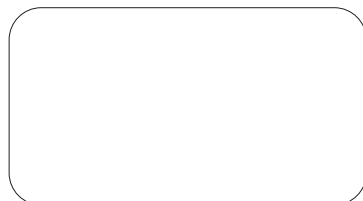
\* Top 10 Holdings.

**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.

<b>Investment Objective</b>	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.
<b>Nature of the Scheme</b>	An open ended scheme investing in arbitrage opportunities
<b>Benchmark</b>	AMFI Tier I Benchmark - Nifty 50 Arbitrage Index
<b>Asset Allocation</b>	<p><b>Under normal circumstances, the anticipated asset allocation would be:</b> Equities and equity related instruments, Derivatives including index futures, stock futures, index options, &amp; 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)</p> <p><b>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.</b></p> <p>Equities and equity related instruments, Derivatives including index futures, stock futures, index options, &amp; 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)</p> <p># 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.</p> <p>** including securitized debt up to 30%</p> <p>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</p>
<b>Fund Manager</b>	Vikash Agarwal, Rohit Hashmukh Shah (Co-fund manager), Nemish Sheth
<b>Choice of Plans/Options</b>	<p>Direct Plan &amp; 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)</p> <p>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).</p>
<b>Minimum Investment</b>	Rs. 5000 & in multiples of Re 1 thereafter
<b>Load Structure</b>	<p>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</p> <p><b>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.</b></p>

**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).

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