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Bandhan Arbitrage Fund

(An open ended scheme investing in arbitrage opportunities)

WHAT IS ARBITRAGE?

Buying in one market and selling in another simultaneously to take advantage of a temporary price differential is called arbitrage.

For instance, if you could buy A in Gujarat at ₹100 and sell it in Mumbai simultaneously at ₹101, you could make ₹1 profit at very low risk. This opportunity arises out of market inefficiency and is the basis of every arbitrage trade.

WHAT IS ARBITRAGE FUND?

- The fund invests in arbitrage opportunities in the cash and the derivative segments of the equity markets. It aims to capture the spread (Cost of Carry) between the cash and futures market by simultaneously executing buy (in the cash market) and sell (in the futures market) trades.
- The fund follows a strategy of taking market neutral (equally offsetting because the stocks are bought and sold at the same time) positions in the equity market making it a low risk product irrespective of the movements in equity market.

ADVANTAGE

- **Low risk vis-à-vis Equity Funds:**
As the fund takes market neutral stance (hedges its equity exposure) and doesn't take any directional calls, it is a low risk product versus pure equity funds.

WHO IS THIS FUND FOR?

- Investors with a low to medium risk appetite.
- Investors who want to earn similar to risk-free returns.

PORTFOLIO STANCE

As of 31st December 2023

Currently we are deployed around 72.78% in arbitrage opportunities.

^^Ms. Ritika Behera will be managing for Equity overseas investment portion of the scheme w.e.f. October 07, 2023 & Mr. Sreejith Balasubramanian will be managing overseas for Debt investment portion of the scheme. Ms. Ritika Behera has been designated as the dedicated fund manager for managing the overseas exposure in equity segment for all equity oriented schemes and hybrid schemes of Bandhan Mutual Fund ("the Fund") with effect from October 07, 2023.

*With effect from 13th March 2023, the name of "IDFC Arbitrage Fund" has changed to "Bandhan Arbitrage Fund"

FUND FEATURES:

(Data as on 31st December'23)

Category: Arbitrage

Monthly Avg AUM: ₹ 4,353.71 Crores

Inception Date: 21st December 2006

Fund Manager^^: **Equity Portion:** Mr. Nemish Sheth (w.e.f. 1st November 2021) & **Debt Portion:** Mr. Harshal Joshi (w.e.f. 20th October 2016).

Standard Deviation (Annualized):
0.63%

Benchmark: Nifty 50 Arbitrage Index[§]

Minimum Investment Amount: ₹ 100/- and any amount thereafter

Exit Load: 0.25% if redeemed / switched-out within 1 month from the date of allotment (w.e.f 01st July 2016)

SIP Dates : (Monthly/Quarterly)
Investor may choose any day of the month except 29th, 30th and 31st as the date of installment.

Options Available: Growth, IDCW[®] - (Payout, Reinvestment and Sweep (from Equity Schemes to Debt Schemes only)) - Monthly & Annual

SIP (Minimum Amount): ₹ 100/-

SIP Frequency: Monthly/Quarterly (w.e.f. 09-11-2022)

[®]Income Distribution cum capital withdrawal

Ratios calculated on the basis of 3 years history of monthly data.

The above mentioned is the current strategy of the Fund Manager. However, asset allocation and investment strategy shall be within broad parameters of Scheme Information Document.

PORTFOLIO

(31 December 2023)

| Allocation | % to NAV |
|---------------------------------|----------------|
| Total Hedged Equity | 72.78% |
| Money Market & Debt Instruments | 27.22% |
| Grand Total | 100.00% |

Income Distribution cum capital withdrawal History

| Bandhan Arbitrage Fund | | | | |
|------------------------|---------------------|--------------------------------|---------------------|--------------------------------|
| | Regular Plan | | Direct Plan | |
| Record Date | Record Date Nav (₹) | IDCW [®] Per Unit (₹) | Record Date Nav (₹) | IDCW [®] Per Unit (₹) |
| 28-Dec-23 | 13.1600 | 0.06 | 14.0472 | 0.06 |
| 29-Nov-23 | 13.1394 | 0.06 | 14.0176 | 0.06 |
| 30-Oct-23 | 13.1390 | 0.06 | 14.0093 | 0.06 |
| 27-Sep-23 | 13.1061 | 0.05 | 13.9655 | 0.06 |
| 30-Aug-23 | 13.9473 | 0.06 | 13.0965 | 0.06 |
| 28-July-23 | 13.0521 | 0.05 | 13.8915 | 0.06 |
| 30-Jun-23 | 13.0458 | 0.01 | 13.8771 | 0.01 |
| 30-May-23 | 13.0232 | 0.05 | 13.8450 | 0.06 |
| 27-Apr-23 | 12.9917 | 0.05 | 13.8030 | 0.05 |
| 29-Mar-23 | 13.0665 | 0.02 | 13.8749 | 0.02 |
| 27-Feb-23 | 13.0613 | 0.05 | 13.8616 | 0.06 |
| 30-Jan-23 | 13.0452 | 0.05 | 13.8372 | 0.06 |
| 29-Dec-22 | 13.0334 | 0.05 | 13.8163 | 0.05 |
| 29-Nov-22 | 12.9864 | 0.04 | 13.7587 | 0.04 |
| 28-Oct-22 | 12.9738 | 0.04 | 13.7371 | 0.04 |

[®]Income Distribution cum capital withdrawal

Income Distribution cum capital withdrawal have been rounded off till 2 decimals

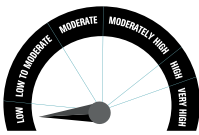
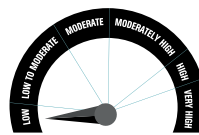
Face Value per Unit (in ₹) is 10

Income Distribution cum capital withdrawal is not guaranteed and past performance may or may not be sustained in future.

Pursuant to payment of Income Distribution cum capital withdrawal, the NAV of the scheme would fall to the extent of payout and statutory levy (as applicable).

Source: ICRA MFI Explorer

[^]First Business Receivables Trust- wt. avg. mat: 0.52 years

| Scheme risk-o-meter | This product is suitable for investors who are seeking* | Benchmark risk-o-meter |
|--|--|---|
|  <p>Investors understand that their principal will be at Low risk</p> | <ul style="list-style-type: none"> To generate low volatility returns over short to medium term Investments predominantly in arbitrage opportunities in the cash and derivative segments of the equity markets with balance exposure in debt and money market instruments. <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> |  <p>Nifty 50 Arbitrage Index</p> |