

HDFC MD

Weekend Bytes

A weekly series from HDFC Mutual Fund

Aim to build Yield Potential with Lower Volatility via the **HDFC Income Plus Arbitrage Omni FOF!**



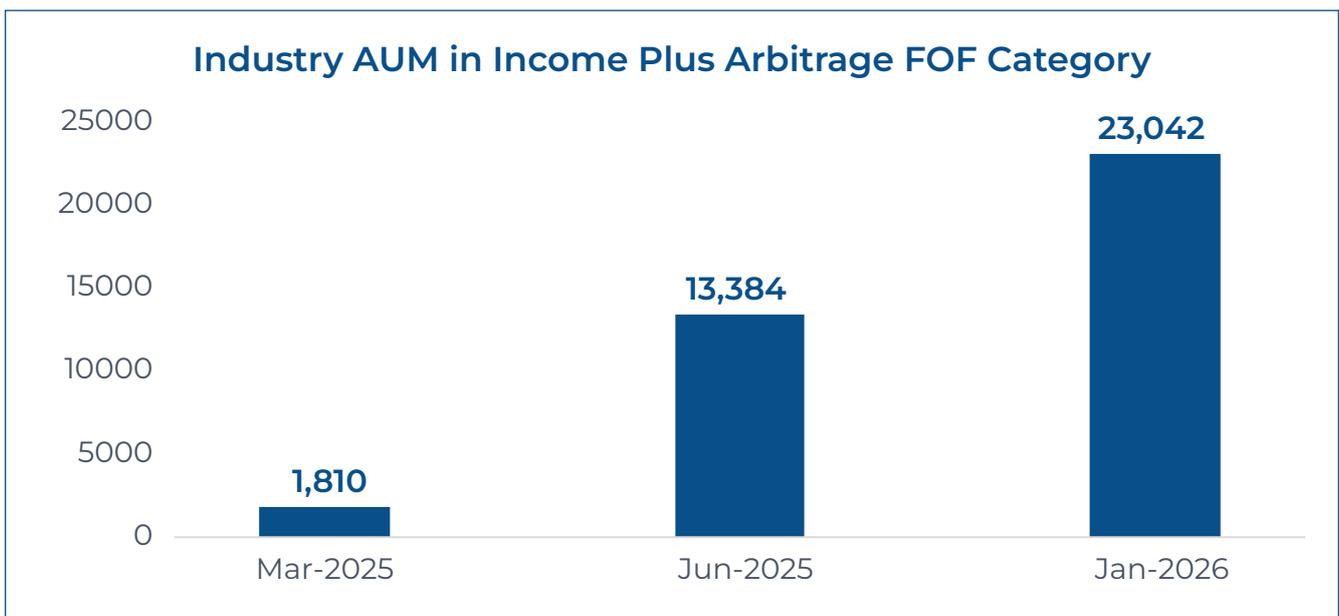
Income Plus Arbitrage FOF

Unlike pure debt-oriented schemes which invest in debt instruments, Income Plus Arbitrage FOF aims to predominantly invest in debt-oriented schemes and Arbitrage schemes. Investment in such product allows investors to get a differentiated approach to income potential in a tax-efficient manner*.

As a category, Income Plus Arbitrage FOF has gained significant attention with its AUM rising **from ~₹1,810 crore as on March 31, 2025 to ~₹23,042 crore as on January 31, 2026.**



► Total AUM of all offerings in the Income Plus Arbitrage FOF Category has risen



Source: MFI360 Explorer, internal calculations. Total month-end AUM of all offerings in the Income Plus Arbitrage FOF Category was considered for the above analysis.

What is HDFC Income Plus Arbitrage Omni FOF?

HDFC Income Plus Arbitrage Omni FOF aims to invest dynamically in units of Domestic Active / Passive Debt-oriented Schemes and Arbitrage Schemes after evaluating various parameters (mentioned in the table below) as found suitable by the Fund Manager.



► Why invest in HDFC Income Plus Arbitrage Omni FOF?

Particulars	Debt Mutual Fund Schemes	HDFC Income Plus Arbitrage Omni FOF
 Dynamism in Asset Allocation	Investments are made in debt schemes based on the categorization / investment objective	Invests dynamically in units of Arbitrage Scheme and Active/ Passive Debt-oriented Schemes after evaluating various parameters like arbitrage spreads between the cash market and Future & Options market, credit risk, interest rate risk, RBI monetary policy outlook, shape of the yield curve, liquidity risk, and others as found suitable by the Fund Manager
 Decision of switching between the Schemes	Decision lies on the Investor	Decision is taken by an experienced Fund Manager
 Taxation on Switching between Schemes	Changes in interest rate outlook, inflation pattern, economic environment and other factors could lead to incurrence of taxation on switching between schemes	No taxation incurred when switching between schemes
 Taxation of Capital Gains	Investor's Income Tax Slab Rate irrespective of any holding period	12.5% [^] tax rate for holding period exceeding 24 months → Makes HDFC Income Plus Arbitrage Omni FOF tax-efficient

[^]Surcharge as applicable + Health and Education Cess applicable at 4% on aggregate of base tax + surcharge. Investors are requested to take professional advice while making investment decisions.

► Taxation of Fund of Funds investing <65% towards Debt Mutual Fund Schemes**

For Units redeemed on or after April 01, 2025		
Particulars	Short-Term [@] Capital Gains Tax	Long-Term [@] Capital Gains Tax
Debt Mutual Fund Schemes	Investor's Income Tax Slab Rate [^]	Investor's Income Tax Slab Rate [^]
**Fund of Funds which invest less than 65% of its total proceeds in units of Debt Mutual Fund Schemes	Investor's Income Tax Slab Rate [^]	12.5% [^]

@Short-term period: Period of holding less than or equal to 24 months, Long-term period: Period of holding greater than 24 months. [^]Surcharge as applicable + Health and Education Cess applicable at 4% on aggregate of base tax + surcharge. Investors are requested to take professional advice while making investment decisions.

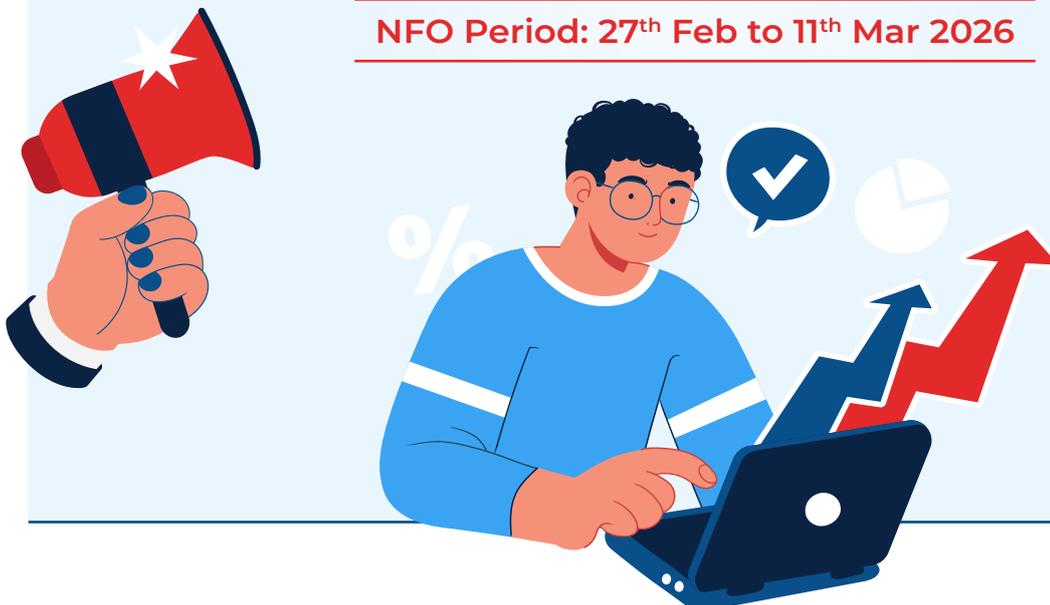
*Tax-related Disclaimer: The information set out is neither a complete disclosure of every material fact of the Income-tax Act, 1961 nor does it constitute tax or legal advice. Investors should be aware that the fiscal rules/ tax laws may change and there can be no guarantee that the current tax position may continue indefinitely. In view of the individual nature of the tax consequences, each investor is advised to consult his/ her own professional tax advisor. The information / data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy and should not be construed as investment advice. Neither HDFC Mutual Fund nor HDFC Asset Management Company Limited nor any person connected with it accepts any liability arising from the use of this information. The investors should before investing in the Scheme(s) of HDFC Mutual Fund make his/their own investigation and seek appropriate professional advice.

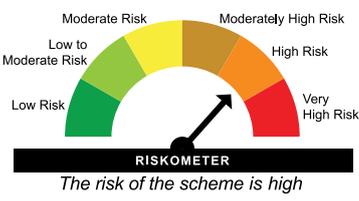
Conclusion

Individuals with a higher risk appetite wanting to invest in Debt Mutual Fund Schemes with higher non-AAA exposure in a professionally managed and tax-efficient manner can consider investing in the

HDFC Income Plus Arbitrage Omni FOF

NFO Period: 27th Feb to 11th Mar 2026



<p>HDFC Income Plus Arbitrage Omni FOF (An open-ended Fund of Fund Scheme investing in units of Domestic Arbitrage Schemes and active/passive Debt-oriented Schemes) is suitable for investors who are seeking*:</p>	<p style="text-align: center;">Riskometer#</p>  <p style="text-align: center;">RISKOMETER <i>The risk of the scheme is high</i></p>
<ul style="list-style-type: none"> • Capital appreciation / generate income over long term • Investments in units of Domestic Arbitrage Schemes and active/passive Debt-oriented Schemes 	
<p>*Investors should consult their financial advisers, if in doubt about whether the product is suitable for them. #The product labeling assigned during the NFO is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made. For latest riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. www.hdfcfund.com</p>	

Investors in the Scheme shall bear the recurring expenses of the Scheme in addition to the expenses of other schemes in which this Fund of Funds scheme makes investment (subject to regulatory limits)

HDFC Bank (Sponsor of HDFC Mutual Fund) is not liable or responsible for any loss or shortfall resulting from the operations of the scheme.

Views expressed above are indicative and should not be construed as investment advice or as a substitute for financial planning. Due to the personal nature of investments, investors are advised to seek professional advice before investing.

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