

Regd. Office: HDFC House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020.
Phone: 022 66316333 • Toll Free Nos: 1800-3010-6767 / 1800-419-7676
• e-mail: hello@hdfcfund.com • Visit us at: www.hdfcfund.com

NOTICE-CUM-ADDENDUM TO THE SCHEME INFORMATION DOCUMENT (SID) / KEY INFORMATION MEMORANDUM (KIM) OF HDFC ARBITRAGE FUND

MERGER OF WHOLESALE AND RETAIL PLANS, NORMAL AND MONTHLY IDCW OPTIONS, AND RENAMING OF THE SURVIVING PLANS / OPTIONS OF HDFC ARBITRAGE FUND, AN OPEN ENDED SCHEME INVESTING IN ARBITRAGE OPPORTUNITIES (“THE SCHEME”)

Notice is hereby given that HDFC Trustee Company Limited (“the Trustees”), Trustees to HDFC Mutual Fund (“the Fund”) has decided the following:

- i. Merger of Retail Plan with and into Wholesale Plan of the Scheme.
- ii. Merger of Normal Income Distribution cum Capital Withdrawal (IDCW) Options with and into Monthly IDCW Options under the Wholesale Plan of the Scheme.
- iii. Renaming of the Surviving Plans / Options under the Scheme.

The above changes will be effective from close of business hours of **May 22, 2026** (“Effective Date”).

I. Rationale for Merger:

- i. In line with Clause 3.3 of SEBI Master Circular for Mutual Fund (i.e. offering a single plan under a scheme), new investments under the Retail Plan of the Scheme were discontinued since March 26, 2014. Accordingly, investments/subscriptions, currently are accepted only under the Wholesale Plan of the Scheme. The Average Assets under Management (AAUM) of the Scheme is ₹24,459 crores for the quarter ended March 2026. The AAUM for the Retail Plan of the Scheme is 0.02% of the total AAUM viz. ₹4 crore. Further, the folio count of the Retail Plan of the Scheme is 0.9% of the total folio count. Hence, the proposed merger of Retail Plan with and into Wholesale Plan of the Scheme is expected to bring simplicity for investors and operational efficiency.
- ii. The IDCW Options, currently available, under Regular and Direct Plans of the Wholesale Plan of the Scheme are “Normal IDCW Option” and “Monthly IDCW Option”. Keeping in view the nature of the Scheme, IDCW is declared on a Monthly basis even under the Normal IDCW Option. Thus, the proposed merger of Normal IDCW Option with and into Monthly IDCW Option under the Wholesale Plan of the Scheme will bring simplicity for investors from a decision-making standpoint as also bring about operational efficiencies.
- iii. The proposed merger shall not in any manner change the existing features/provisions of the Scheme and no new Plans/Options will come into effect. Accordingly, interest of unitholders of the Scheme shall not be adversely affected on account of the proposed merger.

The following table depicts the aforesaid proposal and revised names of the Plans & Options in the Scheme:

Merging Plans/ Options	Surviving Plans/ Options	Revised names of Plans/ Options
HDFC Arbitrage Fund - Retail Plan - Direct Plan - Growth Option	HDFC Arbitrage Fund - Wholesale Plan - Direct Plan - Growth Option	HDFC Arbitrage Fund - Direct Plan - Growth Option
HDFC Arbitrage Fund - Retail Plan - Regular Plan - Growth	HDFC Arbitrage Fund - Wholesale Plan - Regular Plan -	HDFC Arbitrage Fund - Regular Plan - Growth Option

Option	Growth Option	
HDFC Arbitrage Fund - Retail Plan - Direct Plan - Quarterly IDCW Payout Option	HDFC Arbitrage Fund - Wholesale Plan - Direct Plan - Monthly IDCW Payout Option	HDFC Arbitrage Fund - Direct Plan - Monthly IDCW Payout Option
HDFC Arbitrage Fund - Wholesale Plan - Direct Plan - Normal IDCW Payout Option		
HDFC Arbitrage Fund - Retail Plan - Direct Plan - Quarterly IDCW Reinvestment Option	HDFC Arbitrage Fund - Wholesale Plan - Direct Plan - Monthly IDCW Reinvestment Option	HDFC Arbitrage Fund - Direct Plan - Monthly IDCW Reinvestment Option
HDFC Arbitrage Fund - Wholesale Plan - Direct Plan - Normal IDCW Reinvestment Option		
HDFC Arbitrage Fund - Retail Plan - Regular Plan - Quarterly IDCW Payout Option	HDFC Arbitrage Fund - Wholesale Plan - Regular Plan - Monthly IDCW Payout Option	HDFC Arbitrage Fund - Regular Plan - Monthly IDCW Payout Option
HDFC Arbitrage Fund - Retail Plan - Regular Plan - Monthly IDCW Payout Option		
HDFC Arbitrage Fund - Wholesale Plan - Regular Plan - Normal IDCW Payout Option		
HDFC Arbitrage Fund - Retail Plan - Regular Plan - Quarterly IDCW Reinvestment Option	HDFC Arbitrage Fund - Wholesale Plan - Regular Plan - Monthly IDCW Reinvestment Option	HDFC Arbitrage Fund - Regular Plan - Monthly IDCW Reinvestment Option
HDFC Arbitrage Fund - Wholesale Plan - Regular Plan - Normal IDCW Reinvestment Option		

II. Requisite Corporate and Regulatory Approvals:

The proposed merger tantamounts to a change in fundamental attribute of the Scheme and has accordingly been approved by the respective Board of Directors of HDFC Asset Management Company Limited (“the **AMC**”) and the Trustees to the Fund. The Securities and Exchange Board of India (“**SEBI**”) has also vide its communication dated **March 02, 2026** granted it’s no objection to the said merger.

III. Exit Option Period for Merger: -

We are offering an exit window (“**Exit Option**”) to the **Unit holders of the Scheme** as on April 13, 2026 for 30 calendar days from **April 22, 2026 to May 21, 2026** (both days inclusive and upto 3.00 pm on May 21, 2026 (“**Exit Option Period**”). During the Exit Option Period, unit holders of the Scheme not consenting to the change may either switch to any other scheme of HDFC Mutual Fund or redeem their investments at applicable Net Asset Value without payment of exit load subject to provisions of applicable cut-off time as stated in the SID. All redemption/switch out requests received on or after **May 21, 2026** post 3.00 pm will be subject to applicable exit load (if any), under the Scheme.

1. The above information is also available on the website of HDFC Mutual Fund viz., www.hdfcfund.com.

2. Redemption / Switch requests, if any, may be lodged at any of the Official Points of Acceptance of HDFC Mutual Fund.
3. Unit holders who have pledged / encumbered their units will not have the option to exit unless they submit a letter of release of their pledges / encumbrances prior to submitting their redemption / switch requests.
4. In case units / folio have been frozen / locked pursuant to an order of a government authority or a court or on account of non-compliance with any applicable law, such Exit Option can be executed only after the freeze / lock is vacated or revoked through order / upon compliance with the applicable law, by submitting the redemption request within the Exit Option Period.
5. Unit holders should ensure that any changes in address or pay-out bank details required by them, are updated in Fund's records at least 10 (Ten) working days before exercising the Exit Option. In case of any change in address, unitholders are advised to get their updated in the KRA records. Unit holders holding Units in dematerialized form may approach their depository participant (DP) for such changes.
6. In case investors, who had registered for Systematic investment facilities such as SIP/STP/SWAP in the Merging Plans/Options of the Scheme, decide to continue their investments i.e. do not opt for the Exit Option, then such SIP/STP/SWAP registrations will continue to be processed under the respective Surviving Plans/Options of the Scheme from the Effective Date and no fresh registration will be required. Further, investors who have registered for Systematic investment facilities and who do not wish to continue their future investment facilities must apply for cancellation of such registrations.
7. The redemption proceeds will be credited to the unit holders bank account (as registered in the records of the Registrar) within 3 working days from the date of receipt of redemption request.
8. **It may be noted that the offer to exit is purely optional and not compulsory. If the Unit holder has no objection to the proposed merger, no action is required to be taken and it would be deemed that such Unit holder has consented to the proposed merger.**
9. Please note that unit holders who do not opt for redemption on or before **May 21, 2026 (upto 3 p.m.)** shall be deemed to have consented to the proposed merger and shall continue to hold units in the Scheme.
10. The option to redeem the Units without exit load during the Exit Option Period can be exercised in the following manner:
 - (a) Unit holders can submit redemption / switch out requests online or via duly completed physical application form / redemption form at any official points of acceptance/Investor Service Centres of the Fund or to the DP (in case of units held in Demat mode).
 - (b) The redemption/ switch requests shall be processed at applicable NAV as per time stamping provisions contained in the SID of the Scheme.
 - (c) Unit holders should ensure that any changes in address or pay-out bank details required by them, are updated in HDFC Mutual Fund's records at least 10 (Ten) working days before exercising the Exit Option. Unit holders holding Units in dematerialized form may approach their DP for such changes.

IV. The expenses related to the proposed merger and other consequential changes as outlined above will not be charged to the unit holders of the Schemes.

V. Consequences of Merger:

On the Effective Date of the merger, the Merging Plans/Options shall cease to exist and the Unit holders of such Merging Plans/Options as at the close of business hours will be allotted units under the corresponding option of the respective Surviving Plans/Options at the last applicable Net Asset Value ("NAV") on the Effective Date. Provided that, where units are held without distributor code in

the Merging Plans/Options, such Unit holders will be allotted units of equivalent value in the Direct Plans/Options of the respective Surviving Plans/Options. In case of any pledge/ lien/ other encumbrance marked on any units in the Merging Plans/Options, the same shall be marked on the units of equivalent value allotted in the respective Surviving Plans/Options.

Post the merger of Normal IDCW Options into Monthly IDCW Options, subscriptions will be received only under the Monthly IDCW Options and existing registrations of systematic transactions under Normal IDCW Options will be processed under the Monthly IDCW Options.

Illustration on Basis of Allotment of units upon Merger for a consenting Unitholder:

Effective Date of Merger May 22, 2026		
NAV per unit of the Plan / Option of the Merging Plans/Options	(A)	₹20.000
Units outstanding in Merging Plans/Options	(B)	50.000
Outstanding value in Merging Plans/Options	(A) X (B) = (C)	₹1000.00
NAV of the corresponding Surviving Plans /Options	(D)	₹25.000
Units allotted in the corresponding Surviving Plans /Options	(C) / (D) = (E)	40.000
Value of the units allotted in the Surviving Plans /Options	(D) X (E) = (F)	₹1000.00

Please note that the aforesaid is only an illustration and the actual number of units to be allotted under Surviving Plans/Options will be determined by the value of units held in Merging Plans/Options and the NAVs of Merging Plans/Options and Surviving Plans/Options on the last date of the Exit Option Period.

VI. Unclaimed IDCW and Redemptions:

Details of unclaimed IDCW and redemption amounts in the Merging Plans/Options and the Surviving Plan/Options as on March 31, 2026:

Merging Plans/Options:

Scheme	Unclaimed IDCW (Rs.)	Unclaimed Redemption (Rs.)
HDFC Arbitrage Fund - Retail Plan - Direct Plan - Growth Option	0	0
HDFC Arbitrage Fund - Retail Plan - Regular Plan - Growth Option	0	0
HDFC Arbitrage Fund - Retail Plan - Direct Plan - Quarterly IDCW Payout Option	0	0
HDFC Arbitrage Fund - Wholesale Plan - Direct Plan - Normal IDCW Payout Option	59,040.61	28.09
HDFC Arbitrage Fund - Retail Plan - Direct Plan - Quarterly IDCW Reinvestment Option	0	0
HDFC Arbitrage Fund - Wholesale Plan - Direct Plan - Normal IDCW Reinvestment Option	0	0
HDFC Arbitrage Fund - Retail Plan - Regular Plan - Quarterly IDCW Payout Option	6206.71	0.00
HDFC Arbitrage Fund - Retail Plan - Regular Plan - Monthly IDCW Payout Option	1,642.45	0
HDFC Arbitrage Fund - Wholesale Plan - Regular Plan - Normal IDCW Payout	3,944.03	0

Option		
HDFC Arbitrage Fund - Retail Plan - Regular Plan - Quarterly IDCW Reinvestment Option	0	0
HDFC Arbitrage Fund - Wholesale Plan - Regular Plan - Normal IDCW Reinvestment Option	5867.55	12.33

Surviving Plans/Options

Scheme	Unclaimed (Rs.)	IDCW	Unclaimed (Rs.)	Redemption
HDFC Arbitrage Fund - Wholesale Plan - Direct Plan - Growth Option	0		16,242.58	
HDFC Arbitrage Fund - Wholesale Plan - Regular Plan - Growth Option	0		1,44,563.48	
HDFC Arbitrage Fund - Wholesale Plan - Direct Plan - Monthly IDCW Payout Option	932.79		4.51	
HDFC Arbitrage Fund - Wholesale Plan - Direct Plan - Monthly IDCW Reinvestment Option	0		0	
HDFC Arbitrage Fund - Wholesale Plan - Regular Plan - Monthly IDCW Payout Option	2,67,258.99		3,117.72	
HDFC Arbitrage Fund - Wholesale Plan - Regular Plan - Monthly IDCW Reinvestment Option	0		0	

VII. Tax Consequences:

Pursuant to merger, any transfer of units held by the unit holder in the Merging Plans/Options in consideration of the units allotted in the Surviving Plans/Options who decide to continue their investments, will not be considered as redemption of Units in Merging Plans/Options and will not result in short term / long term capital gain / loss in the hands of the Unit holders. Furthermore, the period for which the units in the Merging Plans/Options were held by the Unit holder will be included in determining the period for which corresponding units were held in the Surviving Plans/Options by the Unit holder and the cost of acquisition of units allotted in the Surviving Plans/Options** pursuant to merger will be the cost of acquisition of original units in Merging Plans/Options.

**Finance Act, 2018 has enacted certain amendments for determination of cost of acquisition of the units for the purpose of computing long term capital gains.

Redemption / switch-out of units from the Scheme may entail capital gain/loss in the hands of the unitholder. For unit holders who redeem their investments during the Exit Option Period, the tax consequences as set forth in the Statement of Additional Information of HDFC Mutual Fund and Scheme Information Document of the scheme of HDFC Mutual Fund would be applicable. In case of NRI investors, TDS shall be deducted from the redemption proceeds in accordance with the prevailing income tax laws. In view of the individual nature of tax consequences, Unitholders are advised to consult their professional tax advisors for tax advice. The redemption / switch-out of units from the Scheme are liable for deduction of Securities Transaction Tax (STT), wherever applicable; however, such STT shall be borne by AMC and will not be borne by the investor.

Please note that the aforesaid tax neutrality on consolidation/ merger of similar mutual fund schemes or of plans/options of similar mutual fund schemes is subject to compliance of SEBI (Mutual Funds) Regulations, 2026 and Units being held as 'Capital assets' as defined under the Income Tax Act, 1961. The above tax consequences are as per prevailing tax laws. In view of individual nature of tax consequences, Unit holders are advised to

consult their financial and tax advisors with respect to tax and other financial implications arising out of their participation in merger of schemes.

VIII. Other Information:

For latest portfolio details and the monthly performance of the Scheme, unit holders can refer to the website www.hdfcfund.com

A separate written communication, containing the prescribed information in this regard is being sent to the existing Unit holders of the Scheme. In case any existing Unit holder does not receive the same, or in case of any queries or clarifications, please call us on 1800 3010 6767/ 1800 419 7676 or email us on hello@hdfcfund.com . You may also visit any of the Investor Service Centres (ISC) of HDFC MF or visit www.hdfcfund.com for any other information.

This addendum shall form an integral part of the SID/KIM of the Scheme as amended from time to time.

This Notice-Cum-Addendum is dated April 13, 2026.

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