

HDFC Arbitrage Fund: Fund Positioning

HDFC Arbitrage Fund seeks to generate income through arbitrage opportunities such as Index/Stock Spot vs Index/Stock Futures or Index Futures vs Stock Futures or Futures of same stock with different expiry months or ADR/GDR vs underlying shares etc. The Scheme invests a minimum 65% into fully hedged equity positions. The Scheme also uses corporate action or event driven strategies where there is a potential opportunity for arbitrage in cash or derivate market such as dividend arbitrage or buy-back arbitrage or merger etc.

The scheme is an ideal investment vehicle during volatile or sustained bull markets as arbitrage opportunities offer risk adjusted returns due to market inefficiencies during such market cycles. The overall risk that the Scheme would carry would be that of being market neutral, i.e., no specific equity risk as the fund takes no directional bets. The ideal time horizon for investment is 6 months or more.

Investment Objective

To generate income through arbitrage opportunities and debt & money market instruments. There is no assurance that the investment objective of the Scheme will be achieved.

Top 10 Portfolio Holdings (as on August 31, 2026)

Name of Instrument	Industry/Rating	% to NAV
HDFC Bank Ltd.₹	Banks	5.05
ICICI Bank Ltd.	Banks	4.86
Reliance Industries Ltd.	Petroleum Products	3.51
Bharti Airtel Ltd.	Telecom - Services	3.28
Axis Bank Ltd.	Banks	2.96
JSW Steel Ltd.	Ferrous Metals	2.37
State Bank of India	Banks	2.36
Canara Bank	Banks	1.72
Bajaj Finance Ltd.	Finance	1.58
Indian Overseas Bank	CARE - A1+	1.52

\$ Sponsor. For complete monthly portfolio details, please refer to the fund website, www.hdfcfund.com

Portfolio Classification by Rating Class(%)

Equity	75.47
AAA/AAA(SO)/A1+/A1+(SO) & Equivalent	6.46
Cash, Cash Equivalents and Net Current Assets	18.07
Average for Month of August, 2026 (in Rs. Crore)	25,229.15

Portfolio Details (as on August 31, 2026)

Residual Maturity*	146 Days
Macaulay Duration*	145 Days
Annualized Portfolio YTM #*	6.58 %

semi annual YTM has been annualised.

* Calculated on amount invested in debt securities (including accrued interest), deployment of funds in TREPS and Reverse Repo and net receivable/ payable.

Fund Features

Category of Scheme	Arbitrage Fund
Fund Manager*	Anil Bamboli (Debt Assets) February 01, 2022/Arun Agarwal (Arbitrage Assets) August 24, 2020/Nandita Menezes (Arbitrage Assets) March 29, 2025
Inception Date	October 23, 2007
Benchmark	NIFTY 50 Arbitrage Index (Total Returns Index)
Investment Plans/Options	Wholesale Plan - Regular. Wholesale Plan - Direct. Options under each plan: Growth & Income Distribution cum Capital Withdrawal (IDCW) option. Income Distribution cum Capital Withdrawal (IDCW) Option offers Monthly & Normal Income Distribution cum Capital Withdrawal (IDCW) Option with Payout and Reinvestment facility.
Exit Load [^]	In respect of each purchase / switch-in of Units, an Exit load of 0.25% is payable if Units are redeemed / switched-out within 15 days from the date of allotment of units. No Exit Load is payable if Units are redeemed/switched-out after 15 days from the date of allotment (w.e.f June 29, 2026).

* Dedicated fund manager for overseas investments: Mr. Gopal Agrawal (w.e.f- September 01, 2026)

[^]EXIT LOAD : (i) No Exit Load shall be levied for switching between Plans / Options within the Scheme. However, exit load will be applicable if the units are switched-out / redeemed from the Scheme within the exit load period from the initial date of purchase. (ii) No Exit load will be levied on bonus Units and on units allotted on Re-investment of Income Distribution cum Capital Withdrawal. (iii) No Exit load will be levied on Units allotted in the Target Scheme under the Transfer of Income Distribution cum Capital Withdrawal (IDCW) Plan Facility (TIP Facility). (iv) In case of Systematic Transactions such as Systematic Investment Plan (SIP), Flex Systematic Investment Plan (Flex SIP), Systematic Transfer Plan (STP), HDFC Flex Systematic Transfer Plan (Flex STP), HDFC Swing Systematic Transfer Plan (Swing STP), HDFC Flexindex Plan (Flexindex) etc., Exit Load, if any, prevailing on the date of registration / enrolment shall be levied.

Product Labelling

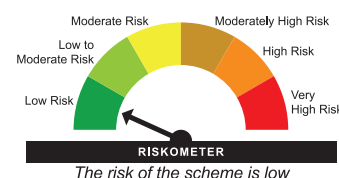
This product is suitable for investors who are seeking*

- 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 advisers, if in doubt about whether the product is suitable for them.

For latest Riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. www.hdfcfund.com

Riskometer as on 31 August, 2026
(current risk as per latest month end portfolio)



Disclaimer:

For further details, refer Scheme Information Document and Key Information Memorandum available on www.hdfcfund.com. The views expressed herein are as of 23 September, 2026 and are based on internal data, publicly available information and other sources believed to be reliable. The document is given in summary form and does not purport to be complete. The document does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this document. The information/ data herein alone are not sufficient and should not be used for the development or implementation of an investment strategy. The statements contained herein are based on our current views and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.** HDFC AMC / HDFC Mutual Fund is not guaranteeing / offering / communicating any indicative yield on investments made in the scheme(s). Neither HDFC AMC and HDFC Mutual Fund (the Fund) nor any person connected with them, accepts any liability arising from the use of this document. The recipient(s) before acting on any information herein should make his/her/their own investigation and seek appropriate professional advice.