

HDFC Arbitrage Fund

(An open ended scheme investing in arbitrage opportunities. No investment in InvITs is permitted)

HDFC Arbitrage Fund endeavors to generate income through arbitrage opportunities arising out of pricing mismatch in a security between different markets or as a result of special situations.

The Fund at all point of time maintains completely hedged positions, neutralizes market risk and targets absolute returns irrespective of market conditions.

This Fund is an ideal investment with respect to Balance of safety, returns and liquidity.

Investors should seek professional advice while investing. Returns are not assured.

Arbitrage Funds – Key F&O Highlights

- Market (NIFTY 50 Futures) was down by 1.5% in the month of October 2026
- On the last day of current series, market-wide rollovers stood at 91.47% (vs average rollovers of ~91.62% in last 6 series)
- Stock Futures Rollovers stood at 91% (vs average rollovers of ~90% in last 3 series)
- Open Interest Position as on the day of expiry increased to ~3,21,16,377 compared to ~3,10,03,417 seen in last expiry

Source : Phillip Capital as on October 27, 2026 (October End Expiry).

HDFC Arbitrage Fund Roll Update

- The Gross Roll Spreads for October 2026 expiry on the arbitrage book was approximately **0.54% (~7.04% annualized – 28 days till November Expiry [24th November 2026])**
- The Gross Annualized Yield on Debt and Money Market Instruments was approximately 7.20%
- As on October 27, 2026, the fund maintained a cash future arbitrage exposure at 66.6% and remaining 33.4 % in Debt and Money Market Instruments including Net Current Assets

Details as on October 27, 2026

HDFC Mutual Fund: SEBI Registration Number: MF/044/00/6

HDFC Arbitrage Fund – Case for Investing

- The Fund maintains a completely hedged position with no naked exposure to equities and managed a market neutral portfolio
- The Fund follows a conservative approach in stock selection, i.e Large Caps v/s Mid & Small Cap stocks. The stock selection is based on liquidity, spreads and rollover volumes
- Active management by experienced Fund Management Team to capitalize on the best of arbitrage opportunities

This is current investment strategy which may change from time to time. Investors must refer to Scheme Information Document for Asset Allocation pattern and investment strategies in various scenarios.

As on October 27, 2026

Conclusion

The returns in the Arbitrage Funds tend to move in line with money market rates.

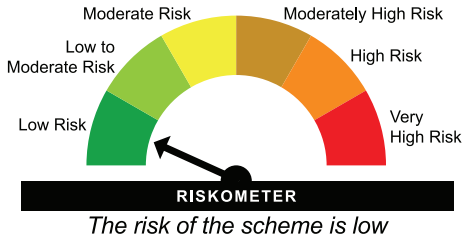
We believe that Arbitrage Funds may offer better returns when compared with returns in fixed income products, due to the equity taxation advantage available in the category.

In view of individual nature of the tax consequences, each investor is advised to consult his/her own professional tax advisor. The AMC / Mutual Fund is not guaranteeing or promising or forecasting any returns

HDFC Arbitrage Fund
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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

Riskometer#



The risk of the scheme is low

*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**
Scheme Riskometer as on September 30, 2026.

Date of Release: October 28, 2026

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

Mission: To be the wealth creator for every Indian

Vision: To be the most respected asset manager in the world