

Bajaj Finserv Arbitrage Fund

(An open ended scheme investing in arbitrage opportunities)

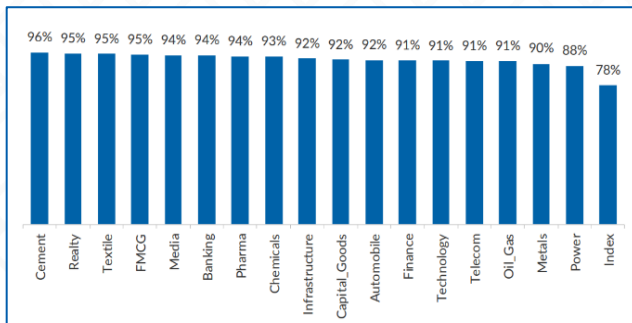
Spreads Update:

- Arbitrage rollover spreads happened at around 68-70 bps in Aug 2023.
- The spreads traded around 65 bps for majority of time in Aug 2023.
- Net flows in the arbitrage category were positive on the back of attractive spreads.
- Fresh arbitrage spreads are available at around 70-72 bps owing to the positive run-in equity markets and higher short term interest rates.

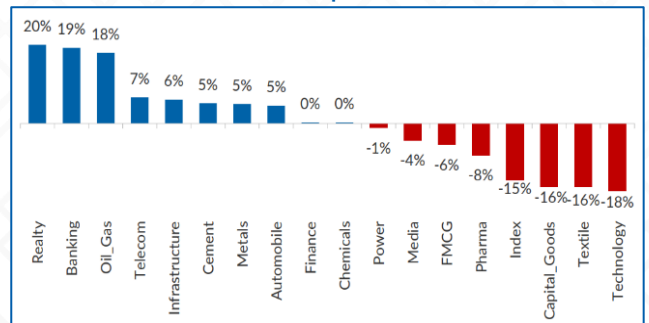
August Series Highlight:

- Nifty retreated off record high, losing 2% it broke four series' winning streak.
- Losing 3.7% on expiry-on-expiry (EoE), Bank Nifty was the dragger; throughout the series it failed to surpass levels of 46000.
- IT index stood out as an out-performer (up ~5% EoE)
- Mid-Smallcap 100 indices continued their upward trajectory at all-time higher zone, both moved up more than 5%, thereby outperforming the benchmark index.
- Continuing prior month's throwback, FMCG index remained weak (down 2.7%)

Sector-wise Rollover



Sector-wise Open Interest



Source: Bloomberg, NSE, YES Securities; Data as on 31st Aug 2023.

Arbitrage spreads in the coming months would be largely dependent on inflows (higher demands would suppress the spread and vice-versa), short term rates movements and market direction (bullish markets may result in higher spreads).

In conclusion, it would be a good opportunity to invest in arbitrage funds for 3 months and above.

Past performance may or may not be sustained in future

Introducing Bajaj Finserv Arbitrage Fund

Bajaj Finserv Arbitrage Fund shall endeavor to be a fully hedged portfolio, hence giving advantage:

- Short term risk minimizing
- Locking the profits
- Endurance in volatile markets

Within the debt portion, the fund endeavors to minimize the credit and duration risk by investing in short term debt instruments that are highly rated. The allocation to debt instruments would be largely based on the interest rate and demand supply outlook to invest across the short end of the curve.

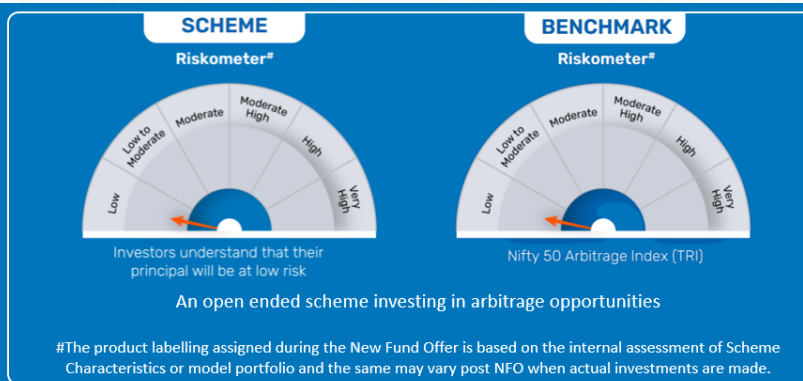
The fund offers added advantages of low volatility vis-a-vis equity funds and equity taxation. This fund is an investment proposition for risk averse investors seeking for alternatives to park surplus fund in Liquid Funds or Bank Deposits.

Product Label

This product is suitable for investors who are seeking*:

- Short term income generation
- Income through arbitrage opportunities in the cash and derivatives segments of the equity markets

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



Disclaimer:

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully