

# JioBlackRock Arbitrage Fund

NFO dates : 9 Dec 2025 - 11 Dec 2025

One click. Smart short-term investing starts here.



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

# What is Arbitrage?

Arbitrage means buying something at a lower price in one place and selling it at a higher price somewhere else to make a profit.

## Analogy

Imagine you're a mango trader. You notice that Alphonso mangoes are selling for ₹100 per kilo in Market A, but people in Market B are willing to pay ₹102 per kilo for the same mangoes.

So, you:

 **Buy mangoes in Market A at ₹100**

 **Immediately agree to sell them in Market B at ₹102**

 **₹2 profit per kilo**

You have the potential to make ₹2 profit per kilo without waiting or guessing whether mango prices will go up or down. You're simply taking advantage of the price differential between two markets.

## Now, how does it work in an arbitrage fund?

Let's say a company's stock is priced ₹100 today (in the cash market). The same stock may be priced ₹102 in a futures market (a deal to sell it later).

Similarly, in an arbitrage fund, the fund manager may:

 **Buy the stock at ₹100 in the cash market**

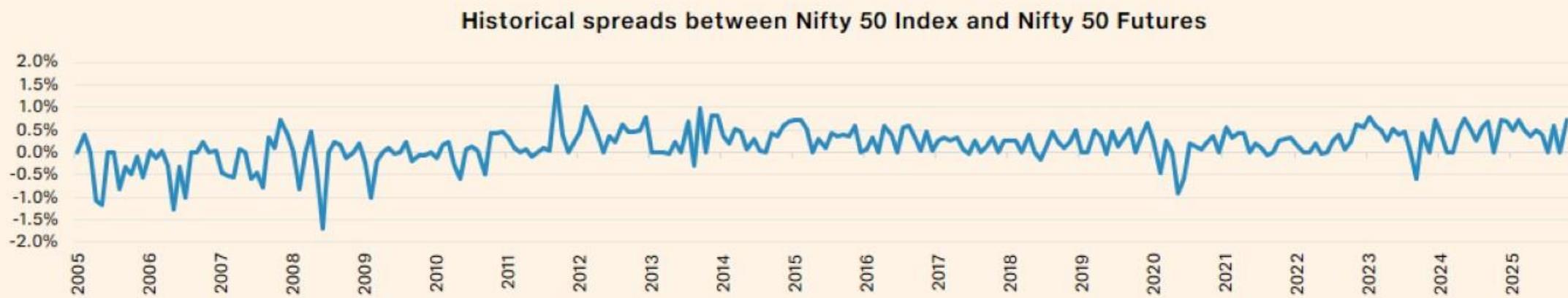
 **Agree to sell it in the futures market at ₹102**

 **Fund earns ₹2 profit per share**

The price differential between cash market price and future market price is called **spread**.

# Spreads determine potential returns in an arbitrage fund

Wider spreads mean **better arbitrage** opportunities.



## Factors driving spreads

**Volatile markets:** Arbitrage funds thrive in volatile markets. When markets are volatile, these price gaps widen, creating more opportunities for arbitrage and potentially higher returns.

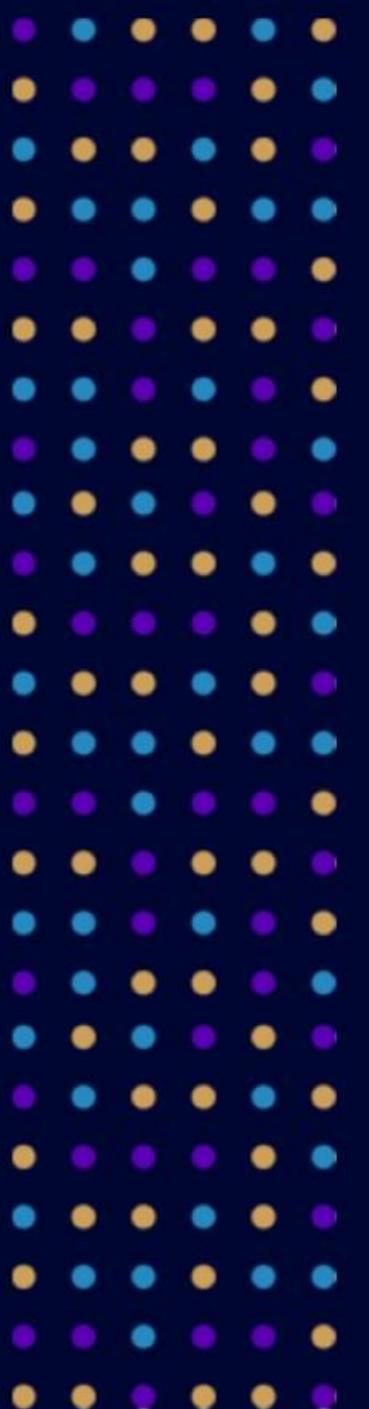
**Positive outlook:** In the near-term increases buying of futures, which widens cash-futures spreads and improves arbitrage opportunities.

**Interest rate environment:** Arbitrage funds may invest part of the fund in short-term debt instruments or money market securities. Higher short-term rates can potentially increase the spreads.



BlackRock.

# JioBlackRock Arbitrage Fund



# Aladdin: The engine behind functional efficiency

## Why does this matter to you?

By leveraging BlackRock's decades of expertise, we aim to offer the same technology and processes to manage investments efficiently.

### Powered by Aladdin®



Portfolio-wide view combines data from all asset classes into one system, giving fund managers a clear picture of risk across strategies and assets.



Centralized dashboard for real-time data from multiple sources, helping them make quick, informed decisions.



Provides operational efficiency by combining trading, accounting, and risk management into one system to cut complexity.



Fund managers have access to get real-time intraday views, including placed margins, through integrated operations improving efficiency.



Centralized compliance helps automate orders and trades, flags issues, and ensures all rules are followed.

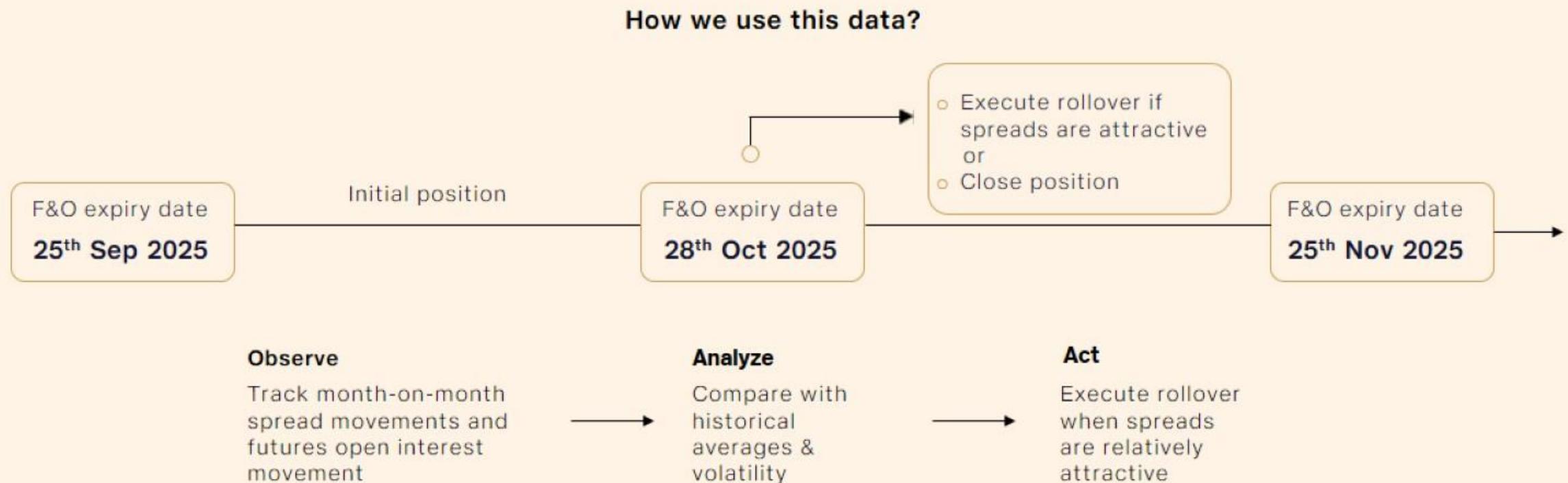


Ongoing monitoring & scalability with tools like Explore and Position Roller helps fund manager analyze portfolio performance and handle large order volumes efficiently.

# Optimizing roll spreads through quantitative analysis

Since futures contracts have an expiration date, the fund manager may "rollover" the futures position. Rollover analysis is a critical process of determining the best time and terms for this roll.

We aim to bring a unique edge by applying quantitative analysis to rollover decisions, ensuring data-driven and optimized outcomes.



**Spreads change even in calm markets. Our data-driven approach helps choose smarter rollover timing by empowering fund managers to act swiftly at scale.**

# Cost efficiency you can trust: The TER advantage

## Why does this matter to you?

We believe that our efficient execution processes could help lower costs and potentially increase your portfolio returns



## Global quality and cost efficiency

Our intention is to provide top-tier, international-quality investment management services at reasonable prices.



## Investment process and technology

Our scalable process powered by Aladdin® can allow us to offer competitive TER prices without compromising on performance.

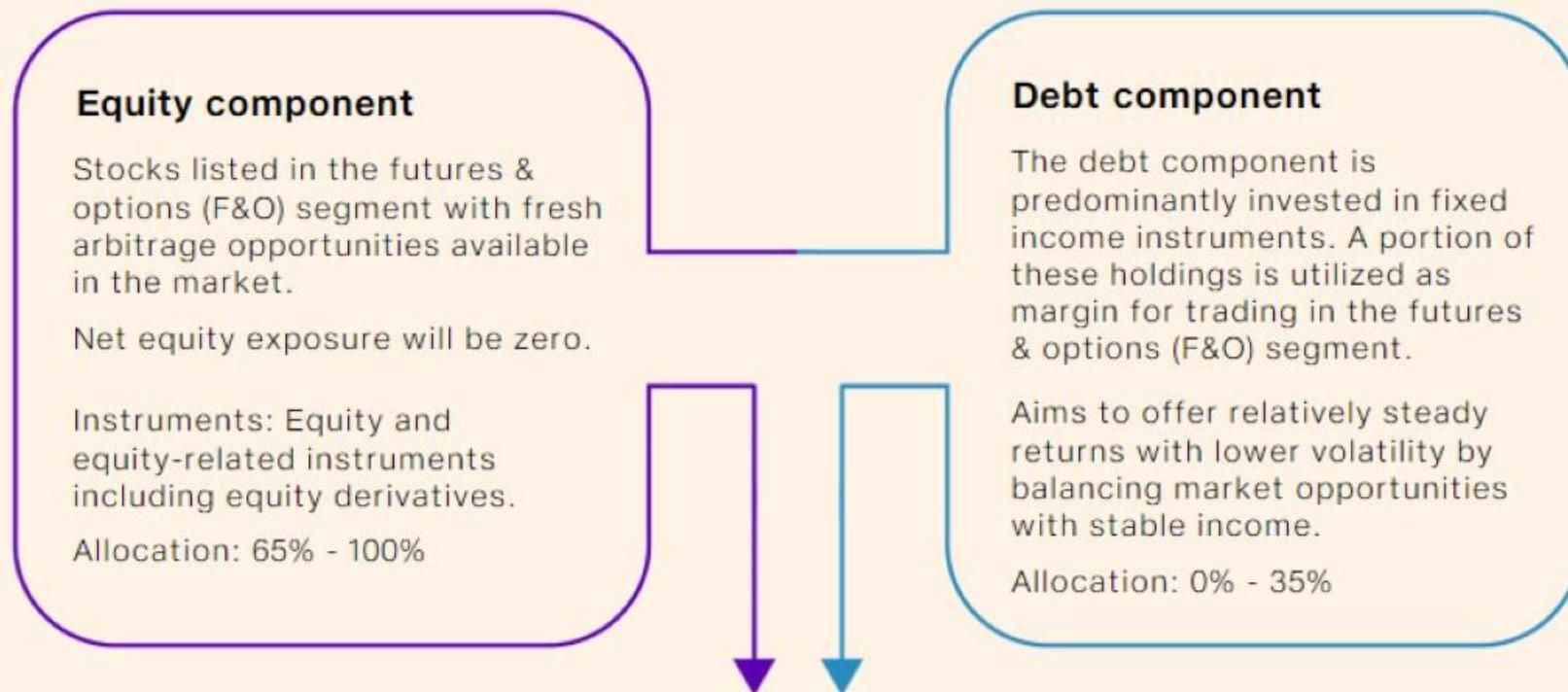
## How does it impact your investments?

Small difference in cost can lead to a big difference in returns over time

Potential savings on ₹10 Crore in Nifty 50 Arbitrage over 1 year at 40BPS compared to 30BPS and 35BPS



# The portfolio mix



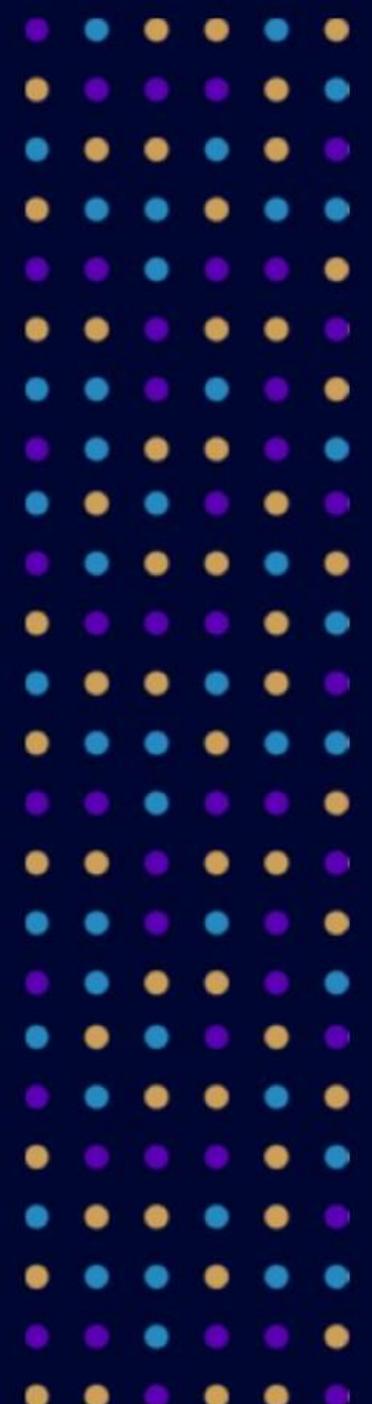
## JioBlackRock Arbitrage Fund

**Short term solution + Liquidity + Tax efficiency**



BlackRock.

Why does it  
matter to you?



# Historic trends show spreads are better in the month of December

December month typically witness an elevated arbitrage spreads due to a combination of seasonal factors and year-end market dynamics.

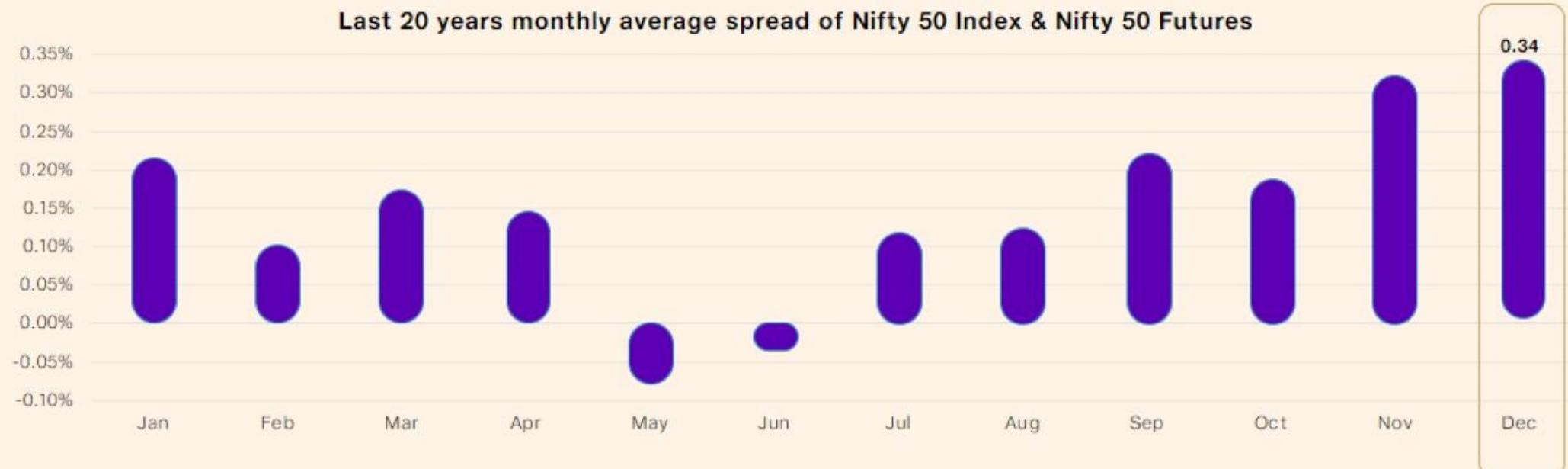
## Here's why this trend usually persist

### Seasonal strength

Positive sentiment during the festive season (Diwali to New Year) drives strong participation from local investors, including retail and HNIs.

### Year-end dynamics of FPIs

FPIs often scale back or close positions in December to book profits and plan for the new year. With less FPI money chasing arbitrage, spreads face less pressure and tends to stay higher.



# Arbitrage funds are gaining momentum now

Expanded F&O market, favorable market spreads, strong investor demand has made arbitrage funds notably attractive in the current context



- Expanded arbitrage universe
- Improved liquidity and execution
- Better portfolio optimization
- Higher probability of price differentials

## Investor interest driving arbitrage category AUM



# Tax treatment of arbitrage funds

Arbitrage funds qualifies for equity taxation making them tax efficient as compared to debt funds and other traditional deposits, thus making it an appealing option for investors in higher tax brackets seeking efficient short term investment opportunities.

	Short term capital gains (Holding ≤ 1 year)	Long term capital gains (Holding > 1 year)
<b>Arbitrage fund</b>	20%	12.5%* (On gains exceeding 1.25 lakh in a financial year)
<b>Debt fund</b>	30%	30%
<b>Traditional investments</b>	30%	30%

Short-term capital gains: Holding period ≤ 1 year. Long-term capital gains: Holding period > 1 year. Long-term capital gains up to ₹1.25 lakh in a financial year are exempt from income tax as mentioned above. Surcharge and other cess (as applicable) are not considered and will apply as per the investor's tax bracket in addition to this. The above illustration is based on the highest tax rates applicable to Individuals/HUFs/Domestic Companies under the Finance Act, 2025 read with Taxation Laws, and is for illustrative purposes only. It should not be construed as a guarantee of minimum returns or protection of capital. Investors are advised to consult their tax advisor. Unlike traditional savings instruments, mutual fund investments are subject to market risks, and past performance may not be strictly comparable.

# Tax analysis

	Nifty 50 Arbitrage Index			NIFTY Liquid Index A-I		
	3 month	6 month	> 1 year	3 month	6 month	1 year
Amount invested	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000
Returns	4.24%	6.37%	7.72%	5.65%	5.99%	7.30%
Redemption Value	1,01,060	1,03,184	1,07,719	1,01,413	1,02,997	1,07,298
Tax rate	20.0%	20.0%	12.5%	30.0%	30.0%	30.0%
Tax amount	212	637	965	424	899	2189
Post-tax value	1,00,848	1,02,547	1,06,754	1,00,989	1,02,098	1,05,108
Post-tax returns (Annualized* for < 1Y)	<b>3.39%</b>	<b>5.09%</b>	<b>6.75%</b>	<b>3.96%</b>	<b>4.20%</b>	<b>5.11%</b>

Returns for Nifty 50 Arbitrage Index & Nifty Liquid Index A-I for 3M & 6M are annualized and > 1 year is CAGR. Returns for Nifty Liquid Index A-I >1 year refer to 1.11.2023 to 31.10.2025. Tax rates are excluding surcharge and education cess as applicable. The chart is for illustration purpose only. Calculation is internal. Past performance may or may not be sustained in future and is not a guarantee of any future returns. Investors can consult their financial advisors before making any investment related decisions.

# Who should invest?

## **Risk-averse investors**

Aims for steady returns and want to avoid the ups and downs of the stock market.

## **Income focused savers**

May suit investors seeking relatively stable income with limited exposure to interest rate or credit-related risks

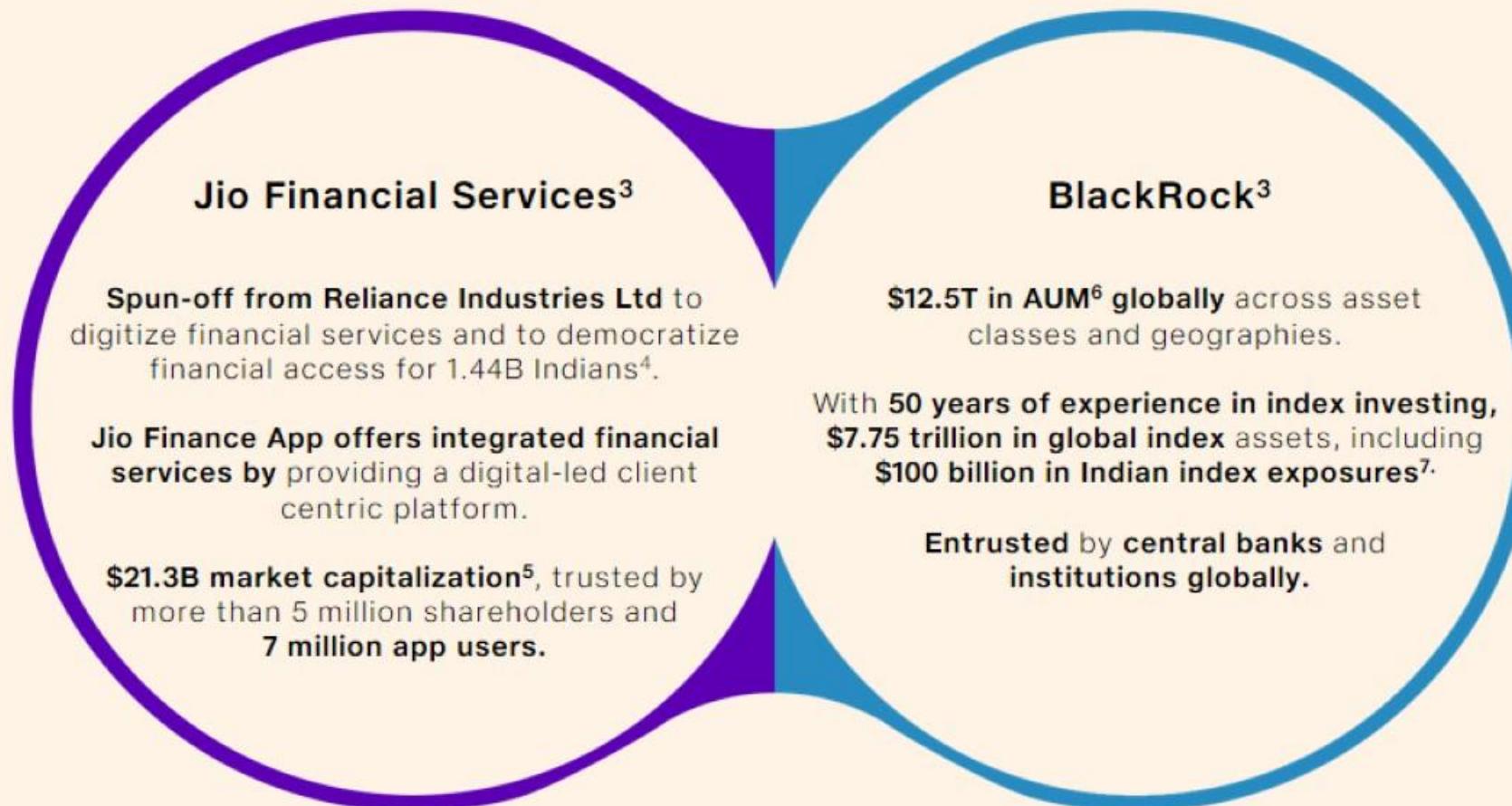
## **Short term investors**

Alternative to traditional investments.

## **Tax savvy individuals**

Focused on maximizing post tax gains and seeking investments with favorable tax treatment.

We bring together the capabilities of the world's largest asset manager<sup>1</sup> and India's strongest brand<sup>2</sup>



(1) As of 31<sup>st</sup> March 2025, [BlackRock Financials, ADV Ratings](#) (2) [Jio](#) (3) Jio Financial Services Ltd and BlackRock Financial Management Inc. (wholly owned subsidiary of BlackRock Inc.) are the sponsors for the JioBlackRock Mutual Fund (4) World Bank 2023 data (5) As of 30<sup>th</sup> May 2025, Bloomberg. (6) As of 30<sup>th</sup> June 2025 – Q2 Report [BlackRock](#). (7) [Annual Earnings Report](#).

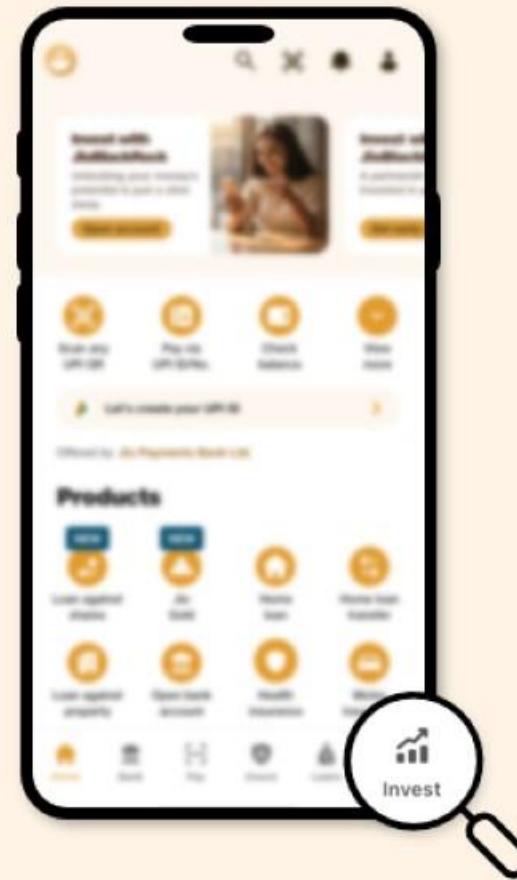
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# Market experts managing your money

## Why does this matter to you?

Empowering local investors with global expertise, process and tools to manage your money.



**Sid Swaminathan**  
**MD & CEO**  
20 years of experience



**Rishi Kohli**  
**Chief Investment Officer**  
24 years of experience



**Amit Bhosale**  
**Chief Risk Officer**  
23 years of experience

### Equity Fund Managers



**Sahil Chaudhary**  
14 years of experience



**Tanvi Kacheria**  
14 years of experience



**Haresh Mehta**  
18 years of experience



**Anand Shah**  
23 years of experience

### Debt Fund Managers



**Vikrant Mehta**  
30 years of experience



**Arun Ramachandran**  
19 years of experience



**Siddharth Deb**  
19 years of experience

# JioBlackRock Arbitrage Fund

An open ended scheme investing in arbitrage opportunities

Built for today's investor



**Low-risk, market-neutral strategy**

Captures price differences between cash and futures markets, aiming for stable returns regardless of market direction



**Tax-efficient returns** Enjoys equity taxation benefits, making it relatively more attractive than many traditional short-term debt funds



**Smart parking for short-term surplus**

Ideal for investors seeking liquidity and potential returns on idle cash without taking high market risk

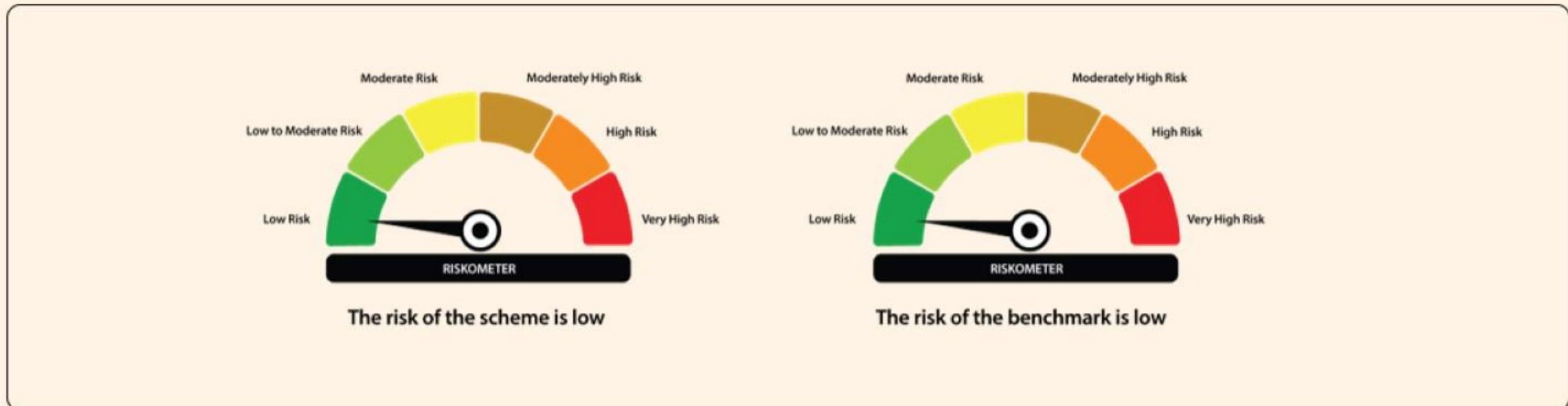
## Fund

<b>Investment objective</b>	The investment objective of the scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and derivatives segment of the equity market, and by investing the balance in debt and money market instruments. There is no assurance that the investment objective of the scheme will be achieved.
<b>Scheme category</b>	Hybrid Scheme – Arbitrage Fund
<b>Benchmark</b>	Nifty 50 Arbitrage (TRI)
<b>Total Expense Ratio (TER)*</b>	0.30%
<b>Exit load</b>	Exit load of 0.25% is payable if units are redeemed / switched-out on or before 15 days from the date of allotment
<b>Fund managers</b>	Mr. Anand Shah, Mr. Haresh Mehta, Mr. Siddharth Deb & Mr. Arun R

\*TER shown above is for indicative purposes only and does not reflect the actual TER. Please refer to the Scheme Information Document for the maximum permissible TER chargeable by the scheme. Post NFO, Investors are suggested to visit AMC's website for the actual TER of the Scheme.

# Risk-o-Meter & other details

Fund	This product is suitable for investors who are seeking*	Benchmark
JioBlackRock Arbitrage Fund (An open ended scheme investing in arbitrage opportunities)	<ul style="list-style-type: none"> <li>Income over short term</li> <li>Investment predominantly in arbitrage opportunities in cash and derivative segment of the equity market</li> </ul>	Nifty 50 Arbitrage (TRI)



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

The above product labelling assigned during the New Fund Offer (NFO) is based on an internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

# Disclaimer

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Investors are advised to read all scheme-related documents carefully before investing. Investment in mutual funds involves risks, including the possible loss of principal.

The recipient(s) before acting on any information herein should make his/her/their own investigation and seek appropriate professional advice and shall alone be fully responsible / liable for any decision taken on the basis of information contained herein.

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