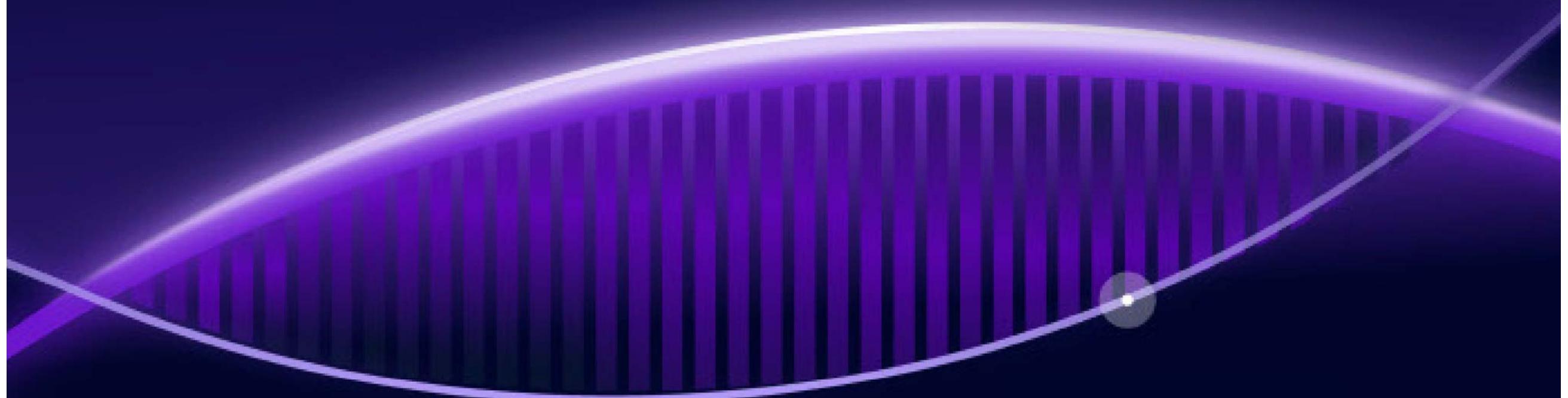


JioBlackRock Arbitrage Fund



One click.
Smart short-term investing
starts here.

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.

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 gain (Holding ≤ 1 year)	Long term capital gains (Holding > 1 year)
Arbitrage fund	20%	12.5%* (On gains exceeding 1.25 lakh in a financial year)
Debt fund	30%	30%
Traditional investments	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			
	3 month	6 month	> 1 year
Amount invested	1,00,000	1,00,000	1,00,000
Returns	4.24%	6.37%	7.72%
Redemption Value	1,01,060	1,03,184	1,07,719
Tax rate	20.0%	20.0%	12.5%
Tax amount	212	637	965
Post-tax value	1,00,848	1,02,547	1,06,754
Post-tax returns (Annualized* for < 1Y)	3.39%	5.09%	6.75%

NIFTY Liquid Index A-I			
	3 month	6 month	> 1 year
Amount invested	1,00,000	1,00,000	1,00,000
Returns	5.65%	5.99%	7.30%
Redemption Value	1,01,413	1,02,997	1,07,298
Tax rate	30.0%	30.0%	30.0%
Tax amount	424	899	2189
Post-tax value	1,00,989	1,02,098	1,05,108
Post-tax returns (Annualized* for < 1Y)	3.96%	4.20%	5.11%

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.

The portfolio mix

Equity component

Stocks listed in the Futures & Options (F&O) segment with fresh arbitrage opportunities available in the market.
Net equity exposure will be zero.

Instruments: Equity and equity-related instruments including equity derivatives.

Allocation: 65% - 100%

Debt component

The debt component is predominantly invested in fixed income instruments. A portion of these holdings is utilized as margin for trading in the futures & options (F&O) segment.

Aims to offer relatively steady returns with lower volatility by balancing market opportunities with stable income.

Allocation: 0% - 35%

JioBlackRock Arbitrage Fund

Short term solution + Liquidity + Tax efficiency

Aladdin: The engine behind functional efficiency

Powered by Aladdin®

-  Fund managers have access to get real-time intraday views, including placed margins, through integrated operations improving efficiency.
-  Provides operational efficiency by combining trading, accounting, and risk management into one system to cut complexity.
-  Centralized dashboard for real-time data from multiple sources, helping them make quick, informed decisions.

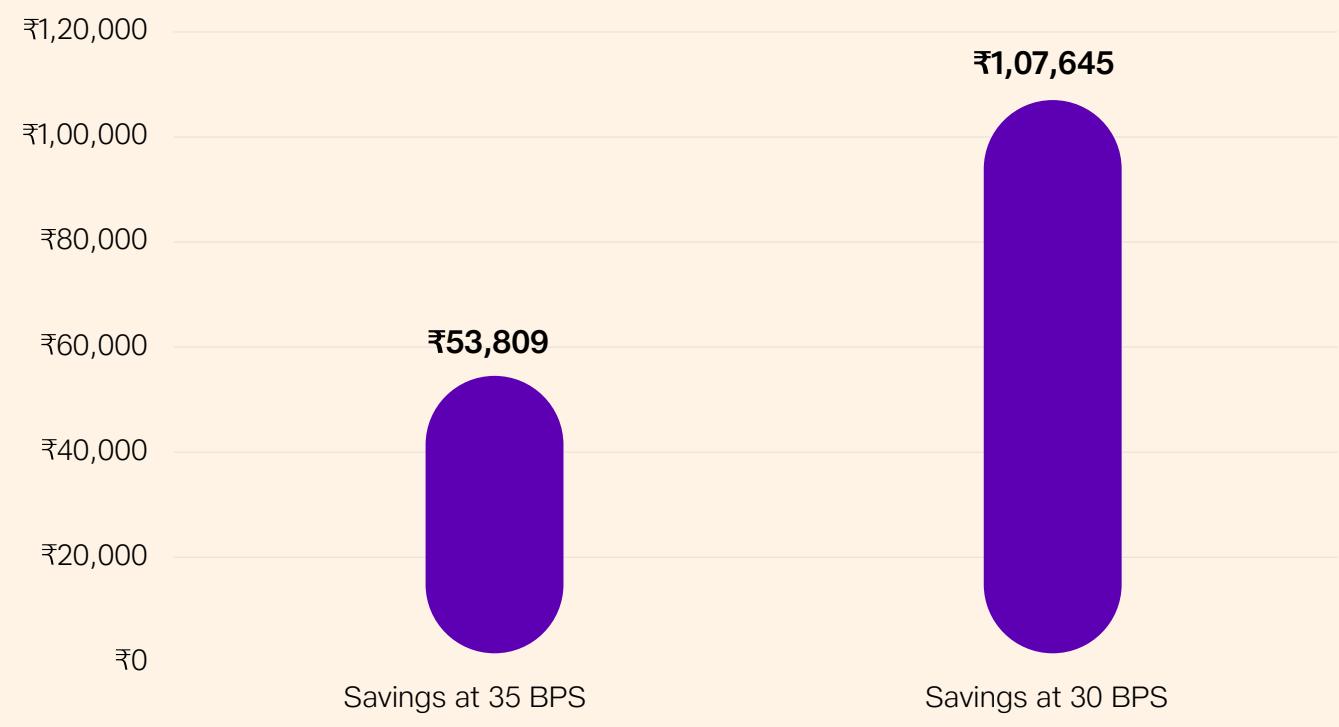
Cost efficiency you can trust: The TER advantage

Our efficient execution processes could help lower costs and potentially increase your portfolio returns.

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.



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Nifty 50 Arbitrage Index values considered for the time period Nov 2024 - Nov 2025. BPS = Basis points. Past performance may or may not be sustained in future is not a guarantee of any future returns. The graphs are for illustrative and understanding purposes only. Investors should consult their financial advisors before making any investment-related decisions.

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Risk-o-Meter & other details

Scheme	JioBlackRock Arbitrage Fund (An open ended scheme investing in arbitrage opportunities)
This product is suitable for investors who are seeking*	<ul style="list-style-type: none">Income over short termInvestment predominantly in arbitrage opportunities in cash and derivative segment of the equity market
Scheme Risk-o-meter:  <p>The risk of the scheme is low</p>	Benchmark Risk-o-meter: Nifty 50 Arbitrage (TRI)  <p>The risk of the benchmark is low</p>

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

For latest Riskometer, please visit our website www.jioblackrockamc.com

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