

NFO Period:

3<sup>RD</sup> JULY - 15<sup>TH</sup> JULY, 2025



***Stop rewarding  
your savings account.***

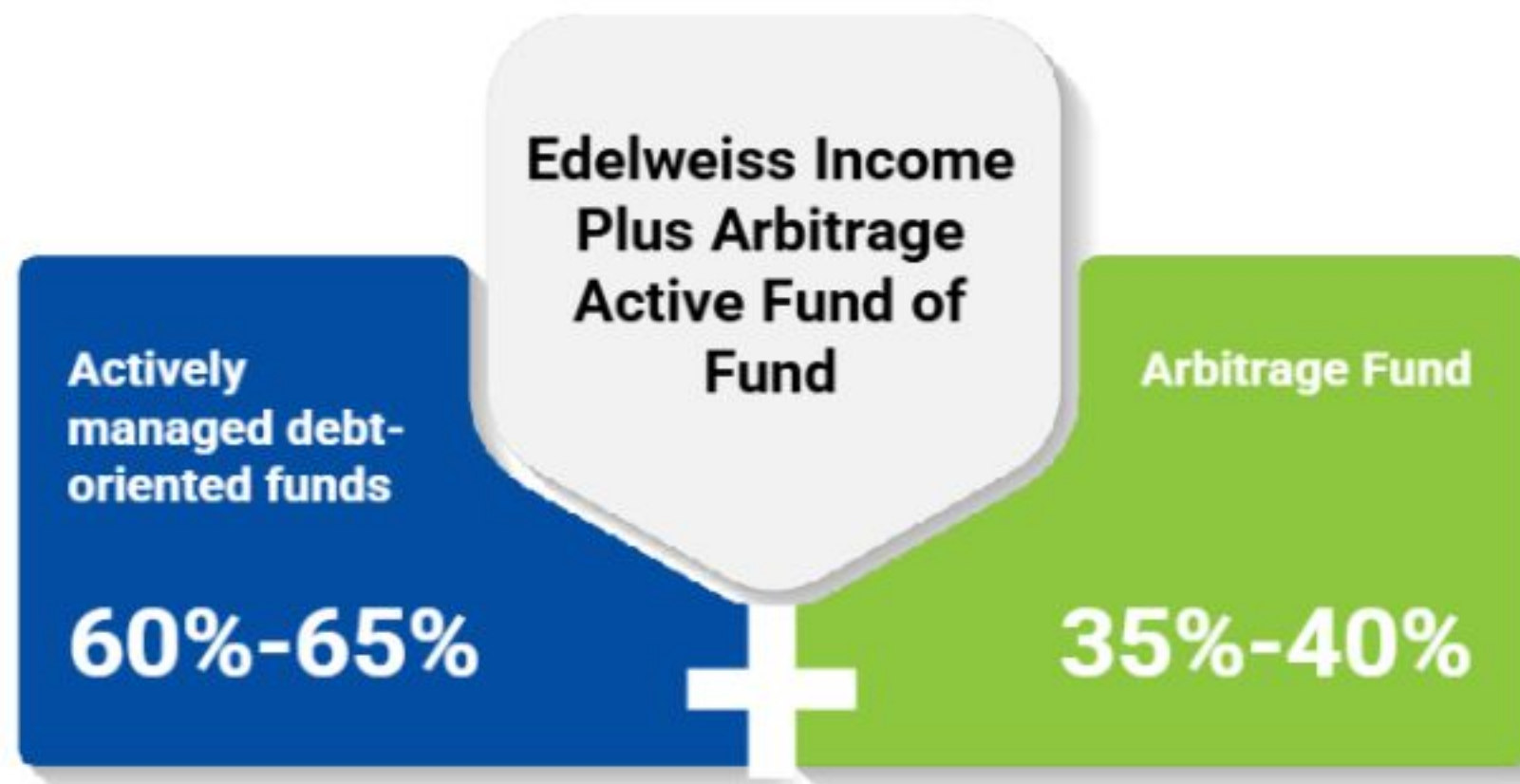
***Presenting***

## **EDELWEISS INCOME PLUS ARBITRAGE ACTIVE FUND OF FUND**

(An open-ended fund of funds scheme investing in units of actively managed debt oriented mutual fund schemes and actively managed arbitrage mutual fund schemes)

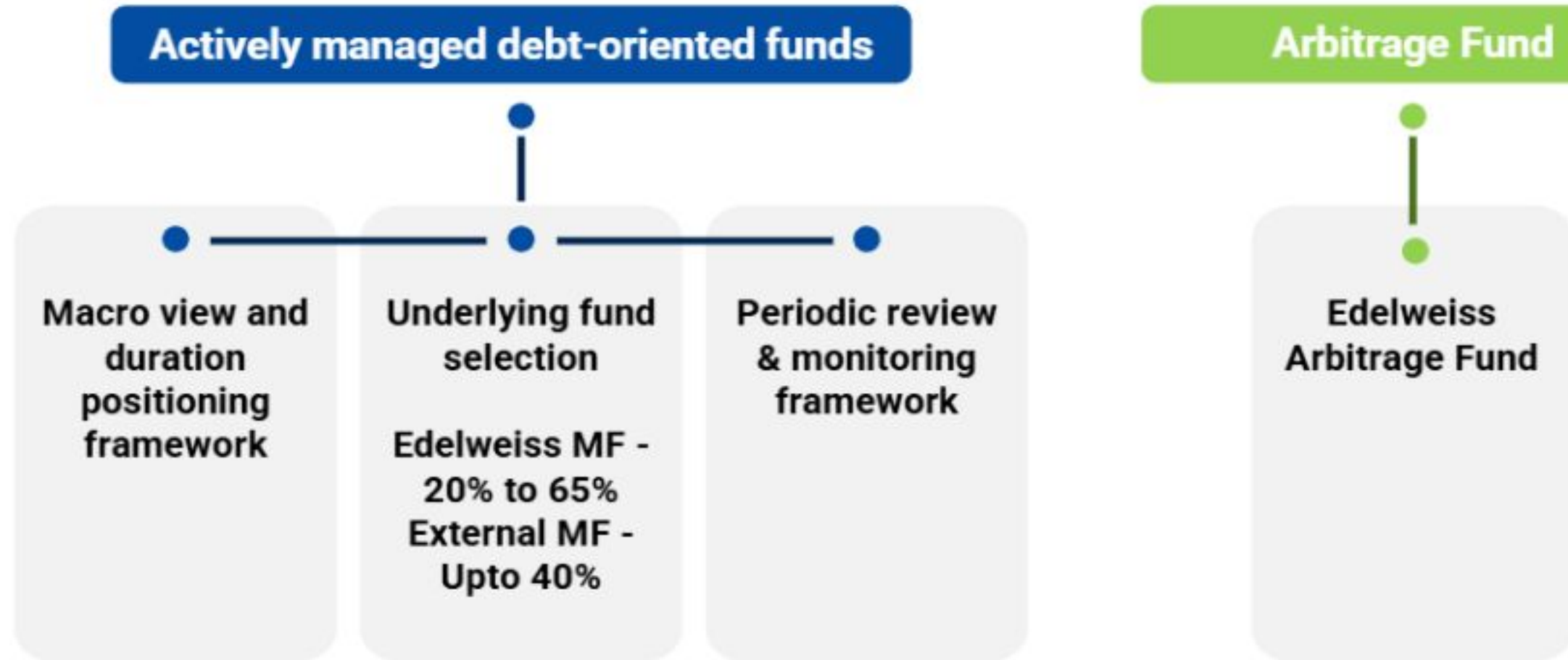
**Low volatility | No long lock-ins | No tax surprises  
Just calm, consistent returns.**

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



*For a 2-year horizon, the FoF offers potential for higher returns than arbitrage funds and better tax-adjusted outcomes than traditional debt funds.*

# Fund selection approach





# Macro view and duration positioning framework

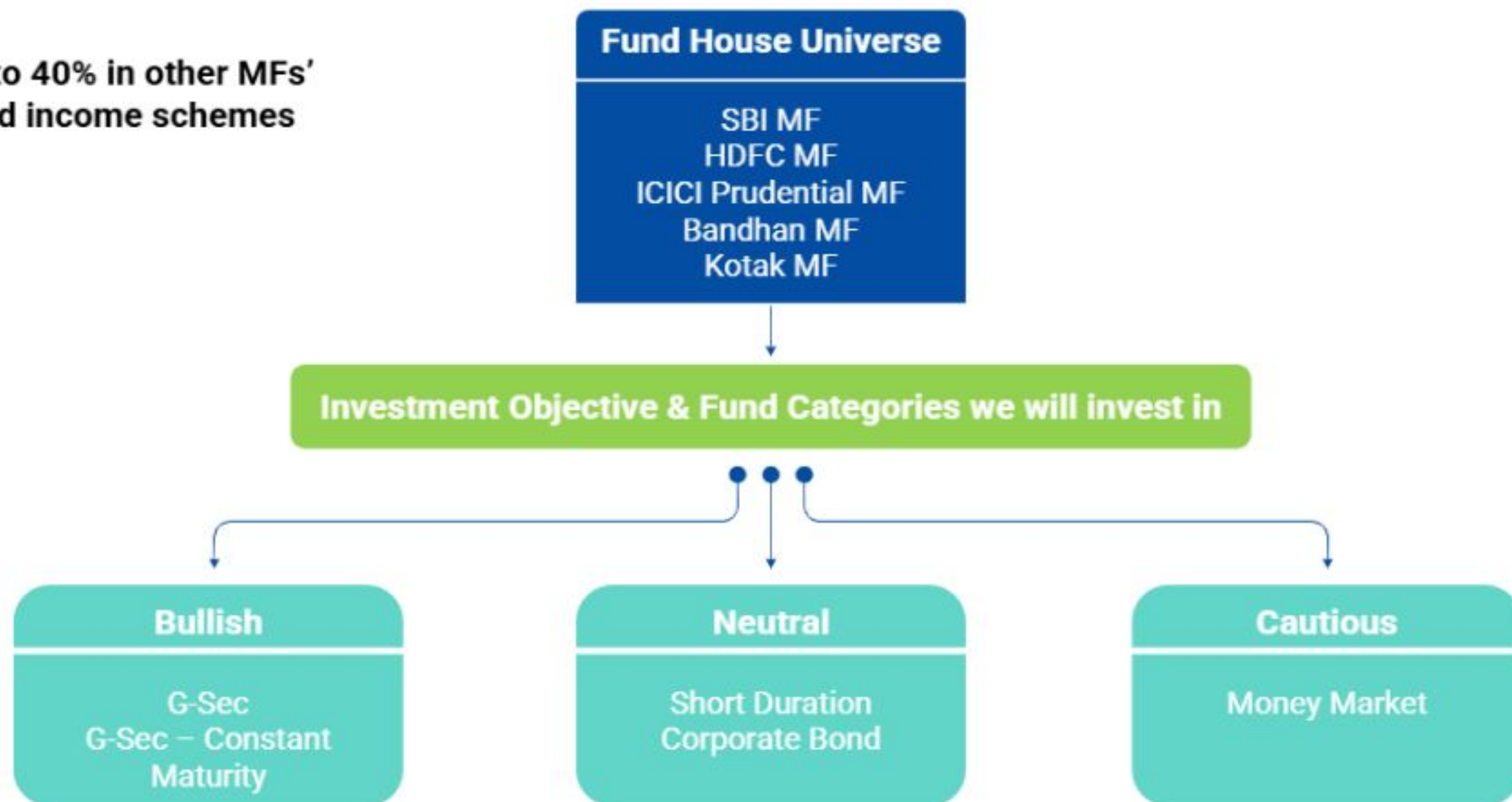
Macroeconomic Parameter	Duration Increase	Duration Decrease
Monetary Policy	Easing / Likely to Ease	Tightening / Likely to Tighten
Fiscal Policy	Consolidation	Expansionary
Inflation	Benign / Declining	Trending Up
Crude Oil Prices	Stable / Falling	Rising
INR/USD Exchange Rate	Stable / Appreciating	Volatile / Depreciating
Global Market Sentiment	Risk-off	Risk-on

# Positioning aligned with debt market outlook

	Bullish	Neutral	Cautious
<b>Portfolio Strategy:</b>	Higher duration	Focus on accrual	Lower duration
<b>Preferred Funds:</b>			
Predominant credit quality	Sovereign, AAA	Sovereign, AAA	Sovereign, AAA
Duration range	5 to 10 years	1 to 5 years	Upto 1 year
Strategies	G-Sec, G-Sec – Constant Maturity, Corporate Bond	Short duration, Banking & PSU, Corporate Bond	Money Market, Low Duration

# External mutual funds selection criteria

Up to 40% in other MFs'  
fixed income schemes



# Portfolio criteria for external fund selection



## **Philosophy & Positioning**

Alignment with macro view and consistency in investment style



## **Credit quality**

Predominant AAA portfolios



## **Operational efficiency**

Ensure liquidity, scalability, and exit flexibility.



# Periodic review & monitoring framework

## Real time

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FoF portfolio alignment with credit & duration view, risk-return profile

## Bi-monthly / Monthly

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Underlying fund performance consistency, quality, and risk alignment

## Quarterly

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Overall external MF evaluation

## Event-Triggered

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**Macro / Market events:**  
RBI policy changes, inflation surprises, sharp yield movements, liquidity stress events

**AMC-specific developments:**  
Investment team changes

**Fund-specific triggers:**  
Change in fundamental attributes



# Our current market view

## MPC outcome

- Repo rate cut by 50 bps to 5.5%
- CRR cut by 100 bps to 3%
- Policy stance shifted to neutral

## Market reaction

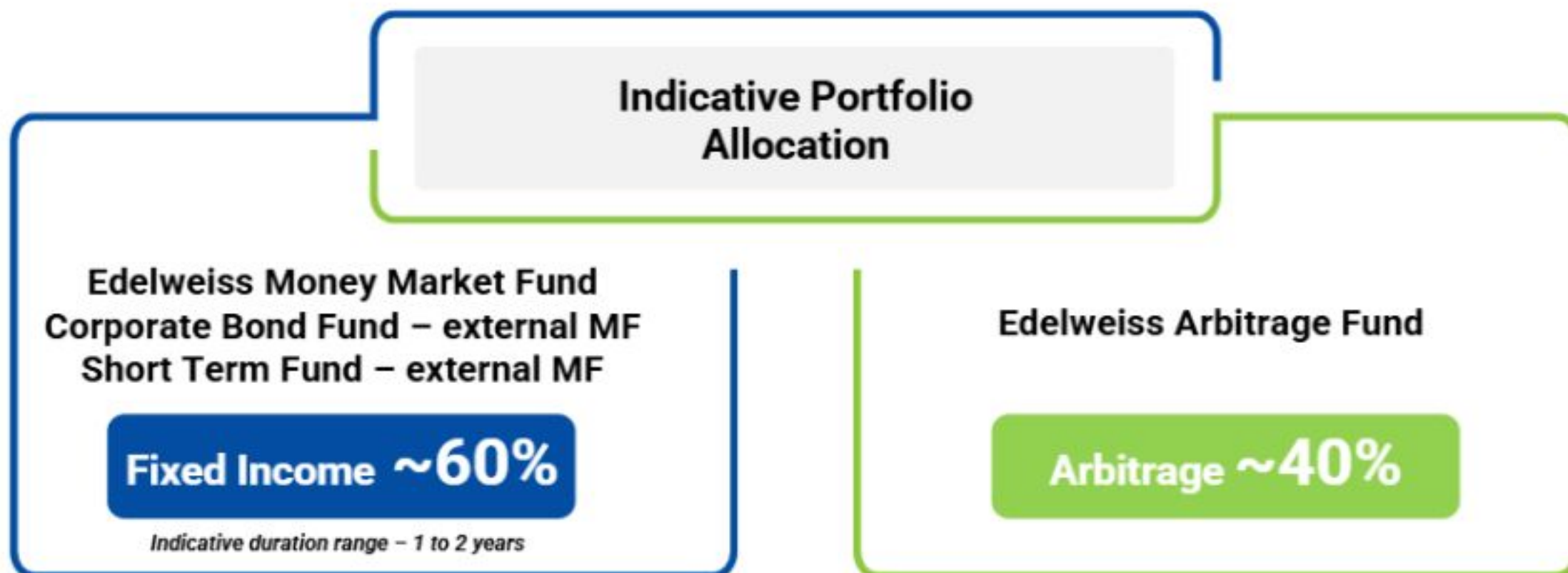
- Money Market: curve steepening
- Corporate Bond: curve steepening and spread widening
- Gsec: curve steepening, long term yields trending up

## Our view

- Policy rates to be kept steady for the next 24 months



## Current Market View: Neutral



## Applicable Tax rate

Holding Period	Income Plus Arbitrage Active FoF	Debt Funds
Upto 24 months	Investors Income Tax Slab rate	Investors Income Tax Slab rate
More than 24 months	<b>12.5 %</b>	Investors Income Tax Slab rate

Source: As per Finance Act 2025

\*Assuming investor falls in 30% tax slab; The above illustration does not account for cess and surcharge in the tax calculation. Note: The above is for illustrative purpose only, not indicative of future performance. Past performance may or may not be sustained in the future.

Particulars	Income Plus Arbitrage Active FoF	Debt Fund
Investment amount (₹)	1,00,000	1,00,000
Return Assumption	7%	7%
Holding Period	24 months	24 months
Value at the end of tenure	1,14,490	1,14,490
<b>Pre- Tax Gains</b>	<b>14,490</b>	<b>14,490</b>
Applicable Tax Rate	12.50%	30%*
Tax Payable (₹)	1,811	4,347
<b>Post- Tax Gains</b>	<b>12,679</b>	<b>10,143</b>
Post-Tax Value (₹)	1,12,679	1,10,143
<b>Post- Tax returns</b>	<b>6.15%</b>	<b>4.95%</b>



# Rolling returns analysis

2 years rolling returns (post –tax) for last 11 years

	<b>Income Plus Arbitrage Active FoF Strategy*</b>	<b>Nifty Short Duration Debt Index^</b>	<b>Edelweiss Arbitrage Fund</b>
Median	<b>6.53%</b>	5.19%	5.98%
Minimum	<b>3.23%</b>	2.62%	3.57%
Maximum	<b>9.49%</b>	7.17%	7.28%

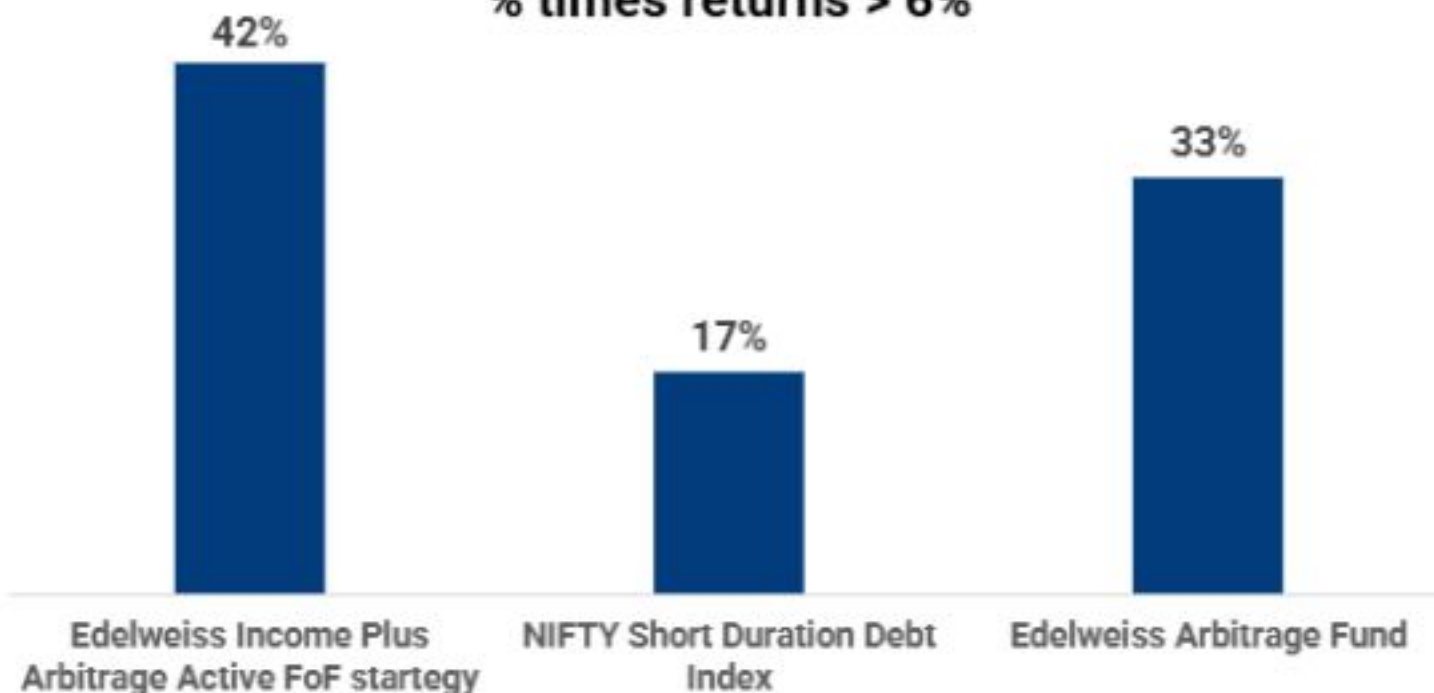
Source : AceMF

Note : \*For back testing, the Edelweiss Income Plus Arbitrage Active Fund of Fund strategy is constructed with Direct plans of Edelweiss Banking & PSU Fund (60%) and Edelweiss Arbitrage Fund (40%). Rolling returns computed after reducing expense of 10 bps and quarterly rebalancing. Period considered since inception of Edelweiss Arbitrage Fund i.e. 27<sup>th</sup> June 2014 to 25<sup>th</sup> June 2025. ^Assuming investor falls under the maximum tax bracket of 30%. 12.5% tax applied for the FoF and Arbitrage Fund. The above calculation is basis back-tested data and is for illustration purposes only, not indicative of future performance. Past performance may or may not be sustained in the future.

Debt & Arbitrage combination can potentially offer better tax-adjusted returns

2 years rolling returns (post -tax) over last 11 years

% times returns > 6%



Source : AceMF

Note : \*For back testing, the Edelweiss Income Plus Arbitrage Active Fund of Fund strategy is constructed with Direct plans of Edelweiss Banking & PSU Fund (60%) and Edelweiss Arbitrage Fund (40%). Rolling returns computed after reducing expense of 10 bps and quarterly rebalancing. Period considered since inception of Edelweiss Arbitrage Fund i.e., 27<sup>th</sup> June 2014 to 25<sup>th</sup> June 2025. \*Assuming investor falls under the maximum tax bracket of 30%. 12.5% tax applied for the FoF and Arbitrage Fund. The above calculation is basis back-tested data and is for illustration purposes only, not indicative of future performance. Past performance may or may not be sustained in the future.

# Better return potential vs arbitrage over a 2 year period



Note : For back testing, the Edelweiss Income Plus Arbitrage Active Fund of Fund strategy is constructed with Direct plans of Edelweiss Banking & PSU Fund (60%) and Edelweiss Arbitrage Fund (40%). Rolling returns computed after reducing expense of 10 bps and quarterly rebalancing. Period considered since inception of Edelweiss Arbitrage Fund i.e. 27<sup>th</sup> June 2014 to 25<sup>th</sup> June 2025. The above calculation is basis back-tested data and is for illustration purposes only, not indicative of future performance. Past performance may or may not be sustained in the future.



# Better tax-adjusted return potential vs debt over a 2 year period



Source : AceMF

Note : \*For back testing, the Edelweiss Income Plus Arbitrage Active Fund of Fund strategy is constructed with Direct plans of Edelweiss Banking & PSU Fund (60%) and Edelweiss Arbitrage Fund (40%). Rolling returns computed after reducing expense of 10 bps and quarterly rebalancing. Period considered since inception of Edelweiss Arbitrage Fund i.e., 27<sup>th</sup> June 2014 to 25<sup>th</sup> June 2025. \*Assuming investor falls under the maximum tax bracket of 30%. 12.5% tax applied for the FoF and Arbitrage Fund. 12.5% tax applied for the FoF and Arbitrage Fund. The above calculation is basis back-tested data and is for illustration purposes only, not indicative of future performance. Past performance may or may not be sustained in the future.

# Edelweiss MF offerings

		Edelweiss Liquid Fund	Edelweiss Money Market Fund	Edelweiss Low Duration Fund	Edelweiss Banking & PSU Fund	Edelweiss Government Securities Fund
YTM		5.81%	6.24%	6.35%	6.61%	6.74%
Modified Duration		53 days	0.7 years	0.8 years	4.1 years	9.4 years
Average Maturity		53 days	0.7 years	0.9 years	5.1 years	20.6 years
Macaulay Duration		56 days	0.7 years	0.9 years	4.3 years	9.99 years
Portfolio Construct	CP	62%	26%	17%	-	-
	CD	16%	60%	38%	-	-
	T-Bill/G-sec	19%	13%	12%	19%	97%
	NCD	2%	-	27%	78%	-



# Fixed income and Arbitrage Investment Team

## - cumulative experience of ~150 years



**Mr. Dhawal Dalal**  
Chief Investment  
Officer, Fixed Income  
28 years | 8+ years\*



**Mr. Bhavesh Jain**  
Co-Head- Factor  
investing  
16 years | 16 years\*



**Mr. Bharat Lahoti**  
Co-Head- Factor  
investing  
18 years | 10 years\*



**Pranavi Kulkarni**  
Fund Manager &  
Credit Analyst  
Exp : 15 years



**Rahul Dedhia**  
Fund Manager  
Exp : 16 years



**Hetul Raval**  
Dealer & Fund Manager  
Exp : 12 years



**Riya Shah**  
Assistant manager  
Exp : 1 year



**Amit Vora**  
Head Dealing &  
Fund Manager  
Exp : 20 years



**Aniruddh  
Shrikhande**  
Equity Dealer  
Exp : 13 years



**Pranav Gupta**  
Equity Dealer  
Exp : 8 years



**Pratik Jaware**  
Equity Dealer  
Exp : 6 years



# Fund Features

<b>Category</b>	Hybrid Fund of Funds – Income plus Arbitrage Active FoF
<b>Fund Manager</b>	<b>For equity portion :</b> Mr. Bhavesh Jain Mr. Bharat Lahoti  <b>For debt portion :</b> Mr. Rahul Dedhia Mr. Hetul Raval
<b>Benchmark</b>	60% Nifty Short Duration Debt Index + 40% Nifty 50 Arbitrage TRI
<b>Investment Objective</b>	The scheme shall seek to generate long-term capital appreciation by investing in units of actively managed debt oriented mutual fund schemes and actively managed arbitrage mutual fund schemes.  There is no assurance that the investment objective of the scheme will be achieved.
<b>Minimum Application Amount</b>	Minimum Rs. 100/- and in multiples of Re. 1/- thereafter.

Investments	Indicative Allocation (% to net assets)	
	Minimum	Maximum
Units of Mutual Fund schemes out of which:	95%	100%
a) Units of actively managed Debt oriented schemes	35%	65%
a) Units of actively managed Arbitrage schemes	35%	65%
Money Market Instruments	0%	5%
<b>Exit load</b>	Nil	

# Risk-o-meter & Disclaimer

**Edelweiss Income plus Arbitrage Active Fund of Fund is suitable for investors who are seeking\*:**

- Long-term capital appreciation
- Investments in units of actively managed debt oriented mutual fund schemes and actively managed arbitrage mutual fund schemes

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

**Edelweiss Income plus Arbitrage  
Active Fund of Fund**



The risk of the scheme is Moderate

**60% Nifty Short Duration Debt Index +  
40% Nifty 50 Arbitrage TRI**



The risk of the benchmark is Moderate




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



# Risk-o-meter & Disclaimer

## Edelweiss Liquid Fund

Product Label	Scheme Riskometer	Tier 1: Benchmark Riskometer	Tier 2: Benchmark Riskometer
<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> <li>Income Over Short Term</li> <li>Investments in money market and debt securities</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>Edelweiss Liquid Fund</p>  <p>The risk of the scheme is Low to Moderate</p>	<p>CRISIL Liquid Debt A I Index</p>  <p>The risk of the benchmark is Low to Moderate</p>	<p>NIFTY Liquid Index A-I</p>  <p>The risk of the benchmark is Low to Moderate</p>




Potential Risk Class Matrix			
Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)		B-I	
Moderate (Class II)			
Relatively High (Class III)			

## Edelweiss Low Duration Fund

Product Label	Scheme Riskometer	Tier 1: Benchmark Riskometer
<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> <li>Income over short term</li> <li>Investment in debt and money market instruments such that Macaulay duration of the portfolio is between 6 – 12 months</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>Edelweiss Low Duration Fund</p>  <p>The risk of the scheme is Low to Moderate</p>	<p>CRISIL Low Duration Debt A-I Index (Tier 1)</p>  <p>The risk of the benchmark is Low to Moderate</p>

Potential Risk Class Matrix			
Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)		B-III	

## Edelweiss Money Market Fund

Product Label	Scheme Riskometer	Tier 1: Benchmark Riskometer	Tier 2: Benchmark Riskometer
<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> <li>Regular income over short term fund</li> <li>To generate returns by investing in money market instruments</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>Edelweiss Money Market Fund</p>  <p>The risk of the scheme is Low to Moderate</p>	<p>CRISIL Money Market A I Index</p>  <p>The risk of the benchmark is Low to Moderate</p>	<p>NIFTY Money Market Index A-I</p>  <p>The risk of the benchmark is Low to Moderate</p>

Potential Risk Class Matrix			
Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)		B-I	
Moderate (Class II)			
Relatively High (Class III)			

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# Risk-o-meter & Disclaimer

## Edelweiss Banking & PSU Debt Fund

Product Label	Scheme Riskometer	Tier 1: Benchmark Riskometer	Tier 2: Benchmark Riskometer
<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> <li>Income Over short to medium term</li> <li>Investment in Debt Securities and Money Market Instruments issued by Banks, PSUs and PFIs</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>Edelweiss Banking &amp; PSU Debt Fund</p>  <p>The risk of the scheme is Moderate</p>	<p>CRISIL Banking &amp; PSU Debt A II Index</p>  <p>The risk of the benchmark is Low to Moderate</p>	<p>Nifty Banking &amp; PSU Debt Index - A-III</p>  <p>The risk of the benchmark is Moderate</p>

Potential Risk Class Matrix			
Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)	A-III		

## Edelweiss Government Securities Fund

Product Label	Scheme Riskometer	Tier 1: Benchmark Riskometer	Tier 2: Benchmark Riskometer
<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> <li>Credit risk free returns over medium to long term</li> <li>Investments in Government Securities.</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>Edelweiss Government Securities Fund</p>  <p>The risk of the scheme is Moderate</p>	<p>CRISIL Dynamic Gilt Index</p>  <p>The risk of the benchmark is Moderate</p>	<p>NIFTY G-Sec Index - A-III</p>  <p>The risk of the benchmark is Moderate</p>

Potential Risk Class Matrix			
Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)	A-III		

## Edelweiss Arbitrage Fund

Product Label	Scheme Risk-o-meter	Benchmark Risk-o-meter As per AMFI Tier I Benchmark - Nifty 50 Arbitrage PR Index
<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> <li>To generate income by predominantly investing in arbitrage opportunities</li> <li>Investments predominantly in arbitrage opportunities in the cash and derivative segments of the equity markets and the arbitrage opportunities available within the derivative segment and by investing the balance in debt and money market instruments.</li> </ul>	 <p>The risk of the scheme is Low</p>	 <p>The risk of the benchmark is Low</p>

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

# Performance Disclosure

Period	Edelweiss Arbitrage Fund Dir (G)		Edelweiss Arbitrage Fund Reg (G)		Benchmark (Nifty 50 Arbitrage TRI)		Additional benchmark (CRISIL 1 year T-bill Index)	
	Returns*	Value of Rs. 10,000 invested	Returns*	Value of Rs. 10,000 invested	Returns*	Value of Rs. 10,000 invested	Returns*	Value of Rs. 10,000 Invested
1 Year	7.80%	10,778	7.07%	10,705	7.56%	10,753	8.01%	10,799
3 Years	7.53%	12,435	6.79%	12,178	7.08%	12,279	7.11%	12,288
5 Years	6.14%	13,472	5.39%	13,005	5.55%	13,101	5.52%	13,086
10 Years	6.61%	18,987	5.91%	17,763	5.54%	17,152	6.36%	18,546
Since inception	6.87%	20,670	6.19%	19,273	5.79%	18,501	6.55%	20,016

**Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.**

- CAGR Return for greater than 1 year and absolute return for less than 1 year.
- Different plans shall have different expense structure. The performance details provided herein are of the Direct and Regular Plan of Edelweiss Mid Cap Fund. Returns are for Growth Option only. In case the start/end date is non-business day, the NAV of previous day is used for computation. Since inception return of benchmark is calculated from inception of regular plan.
- The scheme is currently managed by Bhavesh Jain (managing this fund from June 27, 2014), Mr. Amit Vora (managing this fund from November 6, 2024) , Ms. Pranavi Kulkarni (Managing this fund from July 01, 2024). & Mr. Rahul Dedhia (managing this fund from August 01, 2024).
- Data Source: ACE MF, **Data as of 30<sup>th</sup> May, 2025**, In case the start/end date is non-business day, the NAV of previous day is used for computation.
- Please refer pages 76-78 of the factsheet for the performance of other funds managed by the fund manager.

**Thank you!**





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