

Edelweiss Arbitrage Fund

(An open ended scheme investing in arbitrage opportunities)

FUND INSIGHTS: August 31, 2020

About the Fund :

The investment objective of the Scheme is to generate income by predominantly investing in arbitrage opportunities in the cash and the 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. However, there is no assurance that the investment objective of the Scheme will be realized.

Source: ACE MF and Internal

Equities made a thumping comeback in April series. The rub-off effect of positive global cues was evident in full fervour as Nifty displayed enormous strength gaining 14.1%; highest monthly gains in past 11 years (since May 2009) and Bank Nifty posted monthly gains of 9.8%. Infact Nifty open interest (shares) is at multi-year low. Reduction of 19% in Nifty futures open interest in this series can be attributed to short covering.

On the last day of April series, market-wide rollovers stand at 90% (vs. average rollovers of 84% seen in last three series). Stock futures rollovers stands at 93% (vs. average rollovers of 88% seen in last three series)


with roll levels of around ~40-45bps (cost to long rollers) in most of the names. Roll levels at the start of the expiry week was 50-55bps and during the course of the week levels came down.

SSF May series Open Interest started with INR 75674 crores, increased from INR 57938 crores at start of April series.

One of the key reasons behind the relief rally world over has been the optimism surrounding re-opening post lockdowns in big economies and potential drug discoveries to curb the covid-19 pandemic. Back home confidence building measures initiated by the central bank to boost systemic liquidity and expectations of a fiscal stimulus have kept the spirits high.


However key monitorable going forward for India will be the developments surrounding the lockdown in terms what measures government implements to relax it gradually across the country. Apart from this the IIPs, PMIs, unemployment and retail sales numbers of major economies will be closely monitored to assess the impact of pandemic.

 AUM of scheme ₹ 3,509.31 Crore

 Benchmark
Nifty 50 Arbitrage Index


For Debt Portion

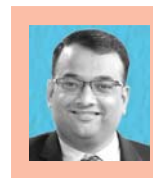
YTM (%)	3.30%
Average Maturity (Years)	0.25
Modified Duration (Years)	0.24
Macaulay Duration (Years)	0.25

 Total Expense Ratio

Regular Plan	1.09%
Direct Plan	0.37%

 Entry Load Nil

 Exit Load
If the units are redeemed / switched out on or before 30 days from the date of allotment - 0.10%
If the Units are redeemed / switched out on after 30 days from the date of allotment - Nil



Bhavesh Jain
Fund Manager - Equity Portion

Experience : 11 years
Managing scheme since:
June 27, 2014



Dhawal Dalal
Fund Manager - CIO - Fixed Income

Experience : 21 years
Managing the scheme from
December 22, 2016

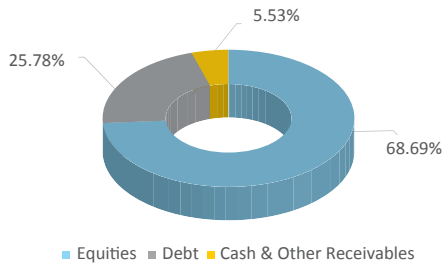
Top Sector (%)

Financial Services	14.32%
Pharma	9.41%
Oil & Gas	8.61%
Consumer Goods	8.59%
IT	4.46%

Top Stocks (%)

Reliance Industries Ltd.	6.07%
Housing Development Finance Corp Ltd.	4.97%
Adani Ports & Special Economic Zone Ltd.	2.73%
ICICI Bank Ltd.	2.65%
Hindustan Unilever Ltd.	2.31%

Asset Allocation



Dividend History

SL. No.	Record Date	Dividend Per Unit (in ₹)	Cum-Dividend NAV (in ₹)
1	29-Jan-19	0.0531	12.2950
2	26-Feb-19	0.0531	12.2968
3	26-Mar-19	0.0531	12.2912
4	30-Apr-19	0.0531	12.3211
5	27-May-19	0.0531	12.3287
6	24-Jun-19	0.0531	12.2634
7	22-Jul-19	0.0531	12.3227
8	26-Aug-19	0.0531	12.3491
9	23-Sep-19	0.0531	12.3300
10	29-Oct-19	0.0531	12.3444
11	25-Nov-19	0.0531	12.3271
12	24-Dec-19	0.0531	12.3072
13	28-Jan-20	0.0531	12.3107
14	24-Feb-20	0.0531	12.3073
15	18-Mar-20	0.3719	12.3178

Dividend is declared on the face value of ₹ 10/- per unit. Dividend is paid subject to availability of distributable surplus. After payment of dividend the NAV of the Dividend Option of the Scheme falls to the extent of the dividend pay out and statutory levy if any. Past Performance may or may not be sustained in the future.

Key Information

1 Minimum Investment: ₹ 5,000/- per application plus in multiples of ₹ 1/- thereafter.

2 INCEPTION DATE
27th June 2014

3 OPTIONS AVAILABLE

- Growth
- Dividend
- Monthly Dividend

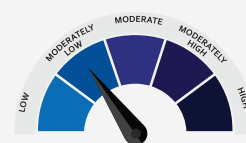
4 PLANS:
Regular Plan & Direct Plan

This product is suitable for investors who are seeking*:

- To generate income by predominantly investing in arbitrage opportunities.
- 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.

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

Riskometer



Investors understand that their principal will be at Moderately low risk