

Bank of India Arbitrage Fund – Expiry update - April 2025

Bank of India Arbitrage Fund aims to generate income through arbitrage opportunities between cash and derivative segments of the equity market and arbitrage opportunities within the derivative segment and by deployment of surplus cash in debt securities and money market instruments.

Bank of India Arbitrage Fund

- An open-ended scheme investing in arbitrage opportunities between cash and futures prices of exchange traded equities
- Suitable for investors with ideal investment horizon of 6 months – 12 months
- Tax advantage of an equity fund and risk-return opportunity similar to debt fund
- All positions are completely hedged – No directional exposure to equity markets

Update on the Arbitrage Market Trend

*The arbitrage spread details is as below:

Parameters	Details as of March 27, 2025	Details as of April 24, 2025
Market wide rollovers %	88.85%	89.86%
Total Future Open Interest Value (Rs Cr)	4,50,943	4,49,715
Nifty rollovers %	67.17%	70.93%
Total Single Stock Future Open Interest	88.89%	89.89%
Stock Future Open Interest Value (Rs Cr)	3,99,111	4,038,81

*Source: NSE, Bloomberg.

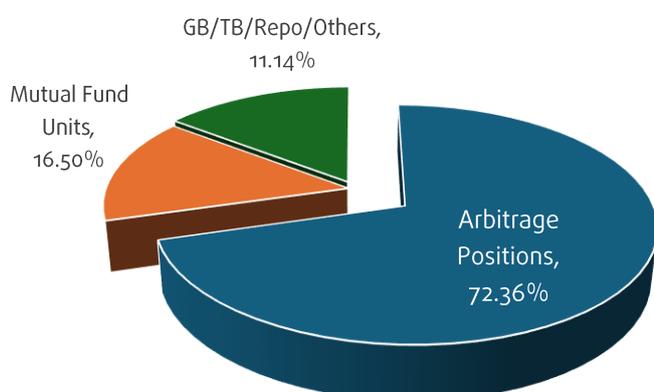
*Portfolio Highlights:

The single stock roll spread ranged between 60-69 bps. Our average spread is approximately 60bps (Gross average spread of 65bps less cost 5bps). Hence, on annualised basis equity portion average yield is approximately 6.25% and debt portion approximate yield is 6.05%. Therefore, the weighted average yield (blended yield is 6.15- 6.21 %).

*Source: Internal. Data as of April 24, 2025.

Note: The blended yield referred to here is the weighted average yield of the arbitrage portion and the debt portion of the portfolio. It does not in any manner indicate the performance of the scheme and does not in any manner indicate any potential return of the scheme. This also does not include expenses incurred by the scheme. Note: With limited arbitrage opportunities, the spread may shrink in case of large flow into arbitrage category. Also, factors such as inflows/outflows, transaction charges and expense ratio also contribute to deviation.

Portfolio break-up (as of March 31st, 2025):



We have maintained cash future Arbitrage exposure at ~72.4%. The rest ~27.6% of corpus is invested in debt and money market instruments.

- Average/ Maturity: 0.22 Years
- Macaulay Duration: 0.22 Years
- Modified Duration: 0.22 Years
- Annualised Yield: 6.76%

Way Forward:

Markets have rallied in past 10 days based on which some possibility of profit booking is visible. The recent heightened tension between India and its neighbour could increase volatility in the market. High volatility could provide potential arbitrage opportunity way forward.

Who should invest?

- Individuals with low-risk appetite
- Retail / HNIs / Cash Rich Corporates looking for short term deployment of surplus funds
- Those looking for investment opportunities that provide risk-return profile like debt fund along with tax advantages of an equity fund

Important Definitions:

- Spot Price - The price of the underlying stock / index in cash segment of the exchange
- Future Price - The agreed upon price for future delivery of the stock/index
- Spread - The difference between spot price and future price
- Margin - The amount that must be paid to the exchange while entering a futures Margin contract
- Expiry Date - The date on which a futures contract expires and all outstanding positions expiry date in the contract are settled - the last Thursday of the month

Fund details:

Investment Objective	The scheme seeks to generate income through arbitrage opportunities between cash and derivative segments of the equity market and arbitrage opportunities within the derivative segment and by deployment of surplus cash in debt securities and money market instruments. However, there is no assurance or guarantee that the investment objective of the scheme will be realized.
Type	An open-ended scheme investing in arbitrage opportunities
Benchmark[^]	NIFTY 50 Arbitrage Index
Fund Manager	Mr. Firdaus Ragina: (w.e.f. October 1, 2024) Around 20 years of experience in the mutual fund industry
Date of Allotment	July 18, 2018

Fund performance:

Bank of India Arbitrage Fund - Growth Option - PERFORMANCE (As on March 31, 2025)

Fund Manager - Firdaus Ragina					Current Value of Standard Investment of ₹ 10000			
Period ^o	Scheme Returns (%) ^		Benchmark Returns (NIFTY 50 Arbitrage Index) (%)	Additional Benchmark Returns (CRISIL 1 Year T-bill Index) (%)	Scheme Returns (₹)		Benchmark Returns (NIFTY 50 Arbitrage Index) (₹)	Additional Benchmark Returns (CRISIL 1 Year T-bill Index) (₹)
	Regular Plan*	Direct Plan*			Regular Plan*	Direct Plan*		
1 year	6.89%	7.58%	7.65%	7.54%	10,689	10,758	10,765	10,754
3 years	5.78%	6.38%	6.99%	6.39%	11,838	12,042	12,249	12,043
5 years	4.40%	5.02%	5.41%	5.51%	12,401	12,774	13,014	13,079
Since inception	4.63%	5.27%	5.54%	6.11%	13,600	14,175	14,420	14,957

^ Past performance may or may not be sustained in the future. * Date of Allotment - June 18, 2018.

Above returns are in Compounded Annual Growth Rate (CAGR).

@ In case, the start date or the end date of the concerned period is a non-business day, the NAV of the previous business day is considered for computation of returns.

1. Mr. Firdaus Ragina has been managing the Scheme since October 01, 2024.

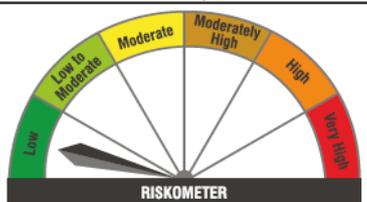
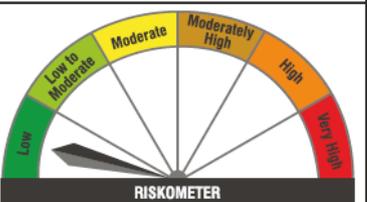
2. Period for which scheme's performance has been provided is computed basis on last working day of the Month-end preceding the date of publication.

3. Different plans shall have a different expense structure.

4. Benchmark and Additional Benchmark performance is computed as on 28th March, 2025, since values for 31st March 2025 are not available.

Mr. Firdaus Ragina manages only 1 scheme, the performance of which is given above.

PRODUCT LABEL:

This product is suitable for investors who are seeking*:	Risk-o-meter is based on the scheme portfolio as on March 31, 2025	Benchmark Risk-o-meter as on March 31, 2025 [^]
<ul style="list-style-type: none"> Income over short to medium term. Income through arbitrage opportunities between cash and derivative segments of the equity market and arbitrage opportunities within the derivative segment. 	 <p>RISKOMETER Investors understand that their principal will be at low risk</p>	 <p>RISKOMETER Benchmark riskometer is at low risk</p>

*Investors should consult their financial advisor if they are not clear about the suitability of the product.

Statutory disclaimer:

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