

It's a  
win-win-win  
situation

## Mahindra Manulife Arbitrage Yojana

[An open ended scheme investing in  
arbitrage opportunities]

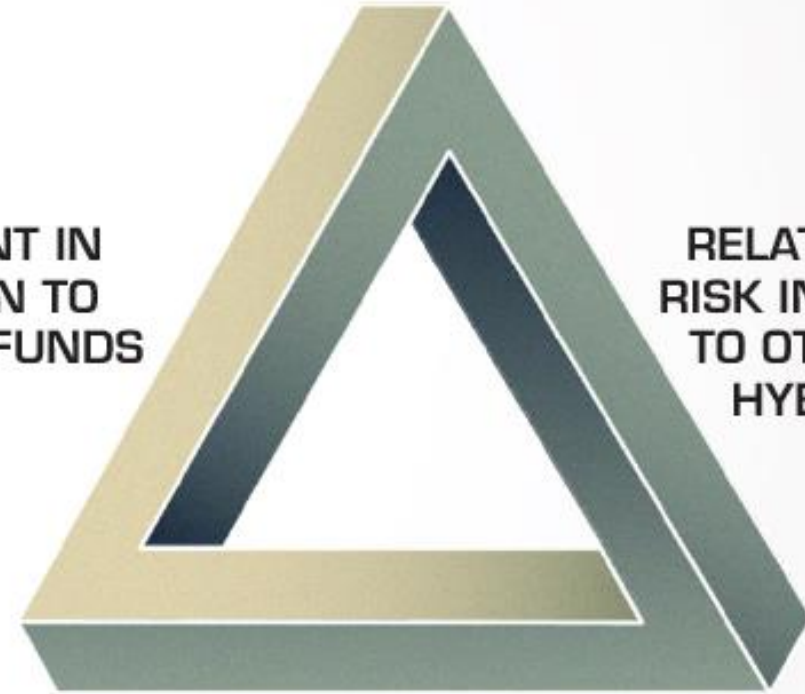
New Fund Offer Opens On  
**August 12, 2020**

New Fund Offer Closes On  
**August 19, 2020**

Scheme reopens for continuous sale and repurchase from  
August 25, 2020

TAX EFFICIENT IN  
COMPARISON TO  
LIQUID/DEBT FUNDS

RELATIVELY LOWER  
RISK IN COMPARISON  
TO OTHER EQUITY/  
HYBRID FUNDS



BENEFIT FROM THE PRICE  
DIFFERENCE BETWEEN MARKETS

Use the **price difference** between markets in your favour

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# Arbitrage Strategy

It is a strategy that takes advantage of price differences of an underlying asset in different markets/ scenarios to lock-in profits. Here are a few arbitrage strategies:

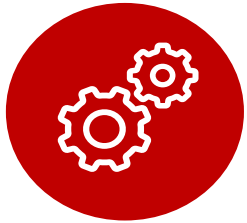
Exchange  
Arbitrage

Cash &  
Carry  
Arbitrage

Basket of  
Stock  
Arbitrage

Corporate  
Action Driven  
Arbitrage

# Features of Arbitrage Funds



A fully hedged portfolio that is managed actively to find suitable opportunities



Lower risk, by locking in returns through simultaneous opposite trades



Better post tax returns compared to short term debt funds, such as liquid funds



Suitable for investment across market cycles, as it doesn't take a directional call

Please consult your tax advisor before taking any investment decision

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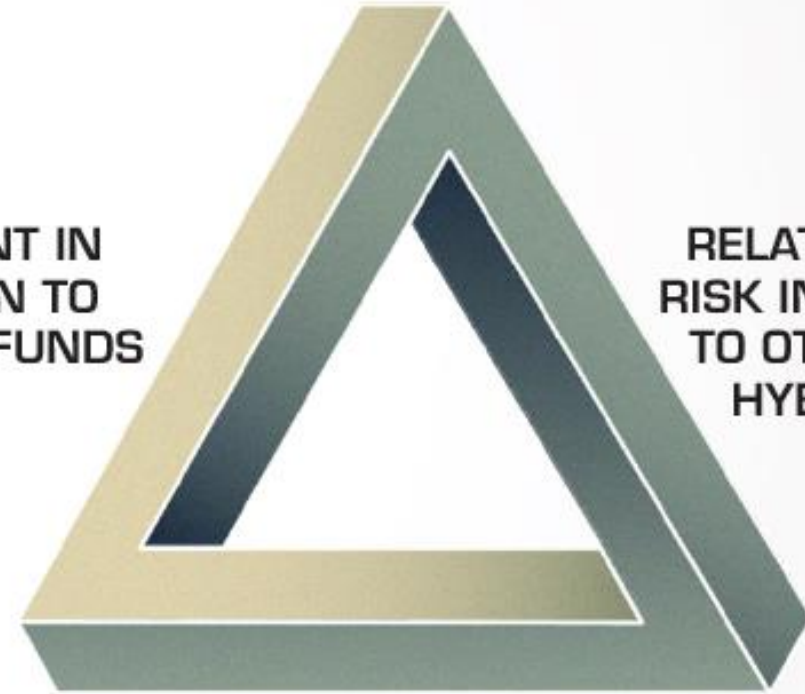
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## Reasons to Invest

- 1** Relatively lower risk as arbitrage strategy focuses on **protecting downside risk** by capturing market spreads
- 2** Better **tax efficiency** on returns compared to short term debt funds
- 3** One of the **least volatile hybrid schemes** that is suitable for investment across market cycles

Please consult your tax advisor before taking any investment decision

# Arbitrage Strategy Hedges Risks Completely

Buy Stock @ Rs 1000 & Sell Futures @ Rs 1080	When Stock Price MOVES UP To Rs 1020	When Stock Price REMAINS STEADY At Rs 1000	When Stock Price GOES DOWN To Rs 900
Profit in Cash Market (Rs)	20	0	-100
Profit in Futures Market (Rs)	60	80	180
<b>Overall Profit (Rs)</b>	<b>80</b>	<b>80</b>	<b>80</b>

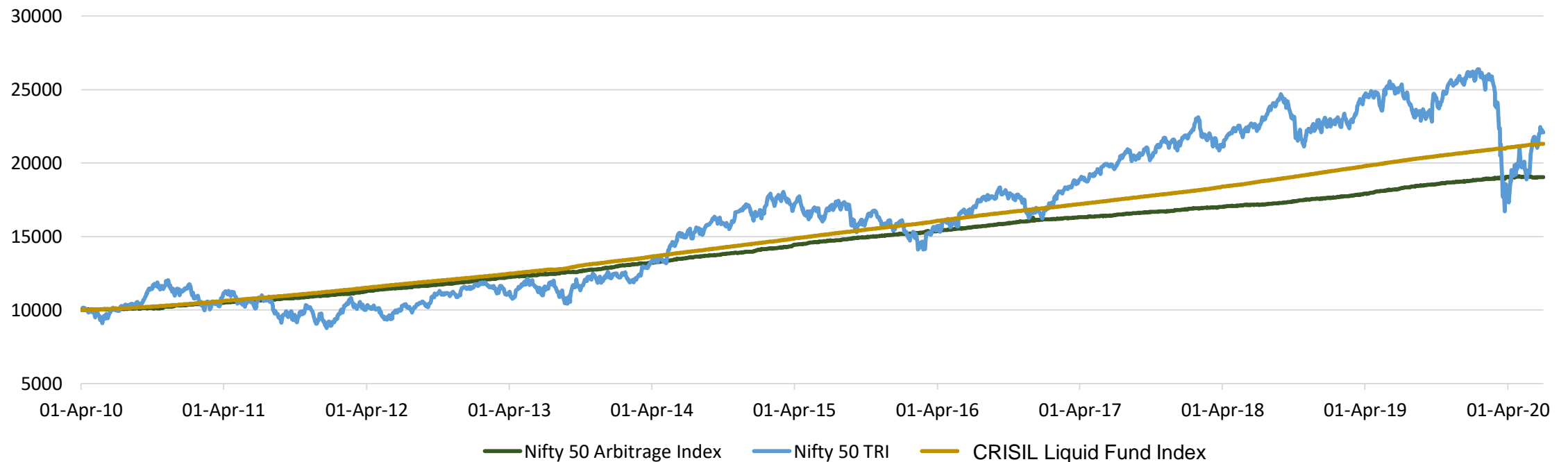
**RETURNS ARE LOCKED-IN**

This is for illustration purposes only and to explain the concept of various arbitrage strategies

# Manages the Volatility

## Comparison with Debt and Equity Indices

**Low Volatility** compared to Equity Schemes as represented by spot market benchmark index Nifty 50 TRI



The above graph shows the movement of Rs 10000 invested in the indices on 1 April 2010 Data period - 1 April 2010 – 30 June 2020. Data Source: MFI. The data provided above is for illustrative purpose only and should not be construed as a promise on minimum returns and safeguard of capital. Mahindra Manulife Investment Management Private Limited (Formerly known as Mahindra Asset Management Company Private Limited)/Mahindra Manulife Mutual Fund is not guaranteeing or forecasting any returns. **Past performance may or may not be sustained in future.**



# Tax Efficiency –Individuals

	Liquid Fund (Crisil Liquid Fund Index)	Arbitrage Fund (Nifty 50 Arbitrage Index)
Invested Amount (Rs)	10000	10000
1 Year Return (%)	7.48%	6.81%
1 Year Return (Rs)	748	681
Effective Tax Rate^ (%)	34.32% (STCG Tax)	11.44% (LTCCG Tax)
Tax on Returns (Rs)	256.71	77.91
Returns Post Taxation (Rs)	491.29	603.09
Net Amount (Rs)	10491.29	10603.09
Net Returns (%)	<b>4.91%</b>	<b>6.03%</b>

^ Includes CESS and surcharge. 1 year returns % provided above are on the basis of historical average rolling returns of respective benchmark indices, representing categories given above. Data period 1 April 2010 – 29 June 2020| Data Source: MFI. The data provided above is for illustrative purpose only the same has been prepared in line with prevailing Income Tax Laws and Finance Act, 2020 and should not be construed as a promise on minimum returns and safeguard of capital. STCG Tax rates @30% assuming Individual is in Tax bracket 50 Lakh and 1 Cr and LTCCG tax @10% on gains exceeding Rs. 100,000 in a financial year, provided STT has been paid on transfer of units. In case STT is not paid, tax @20% with indexation benefit would apply. In view of individual nature of the tax consequences, the investor is advised to consult his/her own professional tax advisor. Mahindra Manulife Investment Management Private Limited (Formerly known as Mahindra Asset Management Company Private Limited)/Mahindra Manulife Mutual Fund is not guaranteeing or forecasting any returns. **Past performance may or may not be sustained in future.**

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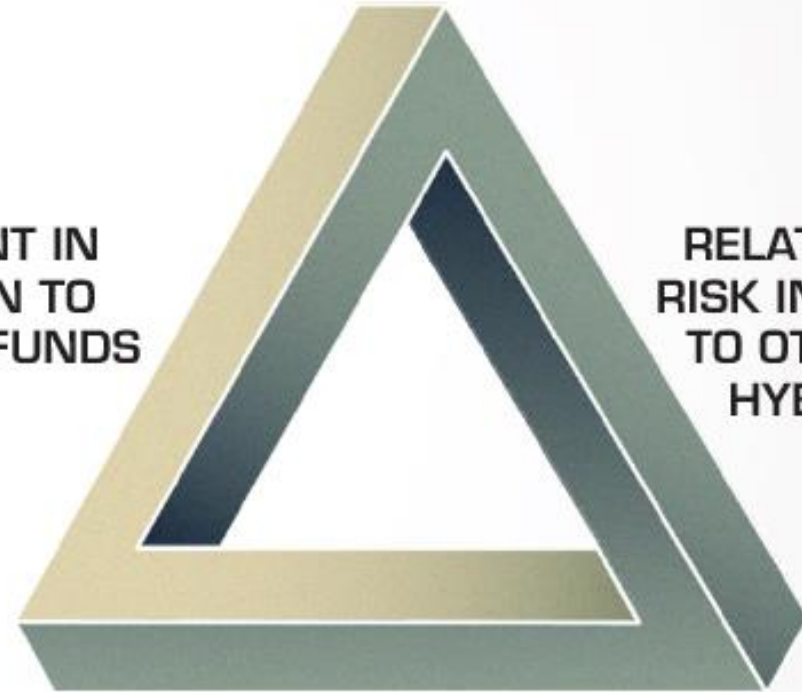
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# Scheme Details

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Instruments	Indicative Allocation (% of assets)		Risk Profile
	Normal Circumstances	Defensive Circumstances <sup>#</sup>	High/Medium/Low
Equity & Equity related instruments including Equity Derivatives*	65-100	0-65	Medium to High
Debt and Money Market Securities (including TREPS (Tri-Party Repo), Reverse Repo)	0-35	35-100	Low to Medium
Units issued by REITs & InvITs	0-10	0-10	Medium to High

\*The Scheme will use derivatives (including index futures, stock futures, index options and stock options) as part of the arbitrage strategy of the Scheme and subject to guidelines issued by SEBI from time to time.

# If the arbitrage opportunities in the market are not available / negligible or returns are lower than alternative investment opportunities as per the allocation pattern, then the Fund Manager may choose to follow an alternate asset allocation, keeping in view the interest of the unitholders. For Detailed Asset Allocation refer SID available online at [www.mahindramanulife.com](http://www.mahindramanulife.com) or visit nearest ISC

**Benchmark:** Nifty 50 Arbitrage Index TRI

**Exit Load:**

- An exit load of 0.25% is payable if Units are redeemed / switched-out on or before completion of 30 days from the date of allotment of Units;
  - Nil - If Units are redeemed / switched-out after completion of 30 days from the date of allotment of Units.
- Redemption /Switch-Out of Units would be done on First in First out Basis (FIFO).

# Scheme Details

Minimum Application/ Additional Purchase Amount	Minimum Switch-in Amount	Minimum Redemption/ Switch-out Amount
Rs. 1,000/- and in multiples of Re. 1/- thereafter	Rs. 1,000/- and in multiples of Re. 0.01/- thereafter	Rs. 1,000/- or 100 units or account balance, whichever is lower

## Available Plans for subscription by investors

- Regular
- Direct (D)

## Available Option under each plan

- Growth (D)
- Dividend

## Available Facilities under Dividend option

- Dividend Payout
- Dividend Reinvestment (D)

(D) - Default

# Fund Managers



**Srinivasan Ramamurthy**  
**Fund Manager – Equity**

Mr. Srinivasan Ramamurthy is a Fund Manager with Mahindra Manulife Investment Management Private Limited [Formerly known as Mahindra Asset Management Company Private Limited]. Prior to joining us, he was with IDBI Federal Life Insurance managing the equity funds for the company. He has handled varied roles within the investment function including fund management, research and investment strategy. He has over 13 years experience in the field of equities equally split between buy side and sell side. His previous stints also include financial sector equity research at IIFL Capital & Credit Suisse. He has also been a strategy consultant with KPMG advising clients on the financial services space prior to his foray into investment field. He is an engineer by qualification from Jadavpur University and has done his MBA from IIM - Calcutta.

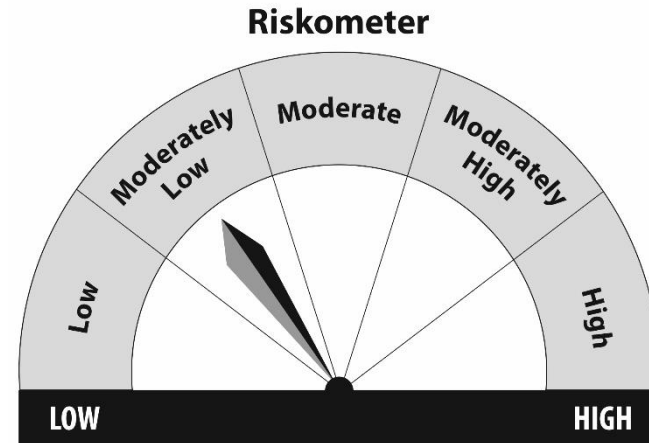


**Rahul Pal**  
**Head – Fixed Income**

Mr. Rahul Pal is a Chartered Accountant. Prior to joining Mahindra Manulife Investment Management Private Limited [Formerly known as Mahindra Asset Management Company Private Limited], he was associated with Taurus Asset Management Company Limited as 'Head – Fixed Income'. He has also worked with Sundaram Asset Management Company Limited as 'Fund Manager – Fixed Income'. In these roles, he was responsible for managing and overseeing the Fixed Income Portfolios.

**This product is suitable for Investors who are seeking\*:**

- Income over short term
- Income through arbitrage opportunities between cash and derivative market and arbitrage opportunities within the derivative segment.



Investors understand that their principal will be at moderately low risk

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

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