

Navigate volatility with confidence



TRUST
MUTUAL
FUND
CLEAR ★ CREDIBLE ★ CONSISTENT

LAUNCHING

TRUSTMF Arbitrage Fund

(An open-ended scheme investing in arbitrage opportunities)

NFO Period: 18th August 2025 - 22nd August 2025

For Riskometer & Product Labelling, please refer to slide no. 24



Presentation Flow

Sr.No	Slide	Slide No
1	TRUST Group: Promoters	3
2	TRUST AMC: Management Team	4
3	TRUST AMC: Fund Management Team	5
4	Concept of Arbitrage	6
5	Various Arbitrage Strategies	7
6	Why Arbitrage Funds?	8
7	What is Spot (Cash)-Future Arbitrage?	9
8	Arbitrage Illustration	10-13
9	How does Spot-Future Arbitrage work?	14
10	Factors impacting returns in Arbitrage	15

Sr.No	Slide	Slide No
11	Risk Return Matrix Arbitrage Fund v/s Debt Funds	16
12	Arbitrage Fund Taxation	17
13	Tax Efficiency of Arbitrage Fund	18
14	Better Post Tax Returns in Arbitrage Fund v/s Liquid Fund	19
15	Who should Invest in Arbitrage Funds?	20
16	Why to invest in TRUSTMF Arbitrage Fund?	21
17	Arbitrage Spread Trends	22
18	Scheme Features	23
19	Risk Factors and Disclaimer	24

TRUST Group: Promoters



UTPAL SHETH
Mentor, TRUST Group

- **Former CEO & Senior Partner at RARE Enterprises**, a multi-billion-dollar proprietary asset management firm, founded by the late billionaire investor Rakesh Jhunjhunwala
- **Founder and Mentor of TRUST Group**, a leading financial services entity specializing in investment banking solutions, capital market services and wealth & asset management
- **Extensive expertise across various facets of finance**, including Investment Management, Fundraising, Mergers & Acquisitions (M&A) & Corporate Advisory
- **Key Board Positions** at Star Health, Metro Brands, NCC, Aptech, Kabra Extrusion
- **Focuses on Terminal Value Investing**, which is at heart of his investment strategy



NIPA SHETH
Founder & Managing
Director, TRUST Group

- Under her leadership, **TRUST Group emerged as a full-service finance house**, pioneering numerous innovative bond structures
- Excellent academic track record – **Rank-holding Chartered Accountant** as well as a Chartered Financial Analyst (ICFAI)
- Chairperson of **Bond Market committee** of FICCI and ASSOCHAM
- Member, **Confederation of Indian Industry (CII)** Bond Market Committee

TRUST AMC: Management Team



SANDEEP BAGLA
Chief Executive Officer

- Associated with TRUST Group since 2014; successfully headed verticals like Debt PMS, Foreign Institutional relationships, & New Initiatives
- Member of the AMFI Board
- Holds Honors in Economics and PGDM in Finance, Nearly 3 decades of experience in investment management
- Worked with I-sec PD, AIG, Reliance Mutual Fund & Principal Mutual Fund



MIHIR VORA
Chief Investment Officer

- Over 30 years of experience in Fund Management across various verticals in financial services industry
- Worked as Senior Director & Chief Investment Officer at Max Life Insurance managing INR 1.3 Lac Cr AUM
- Held senior roles at Abu Dhabi Investment Authority, HSBC Mutual Fund, ICICI Prudential Mutual Fund, SBI Mutual Fund and others
- Proven track record across various asset classes including equity, fixed income, real estate, and alternative investment funds



SANDHIR SHARMA
Chief Business Officer

- Extensive experience in financial services & asset management, with deep expertise in retail distribution
- Held senior leadership roles at Invesco Mutual Fund and TATA Mutual Fund, driving business growth and market expansion
- Played key roles in sales and distribution at Franklin Templeton MF, Principal MF, JM MF, and Birla Sun life Distribution Ltd.
- Consistently delivered strong retail growth through strategic initiatives and relationship-driven sales

TRUST AMC: Fund Management Team



Mihir Vora
Chief Investment Officer

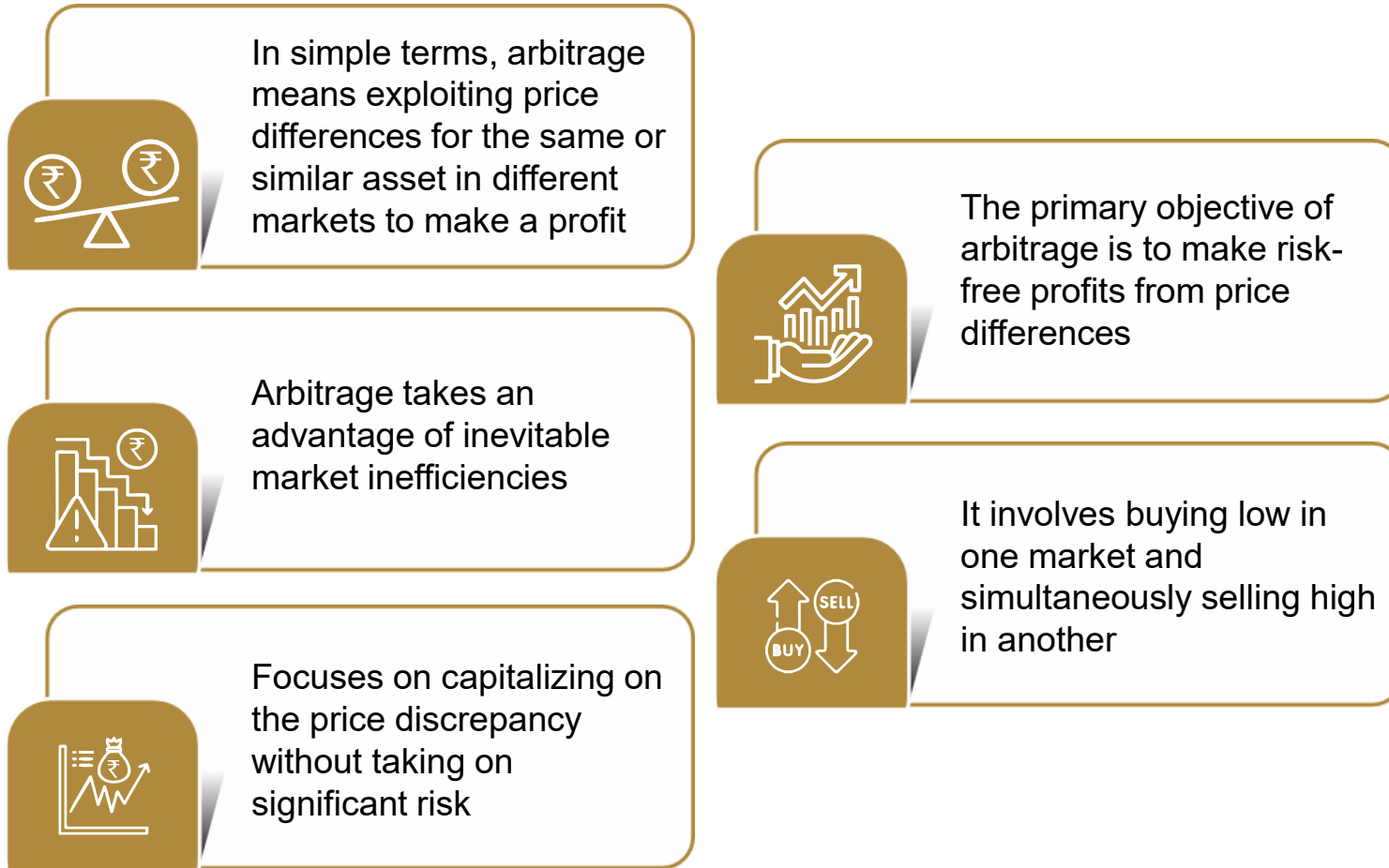
- Over 30 years of experience in Fund Management across various verticals in financial services industry
- Worked as Senior Director & Chief Investment Officer at Max Life Insurance managing INR 1.3 Lac Cr AUM
- Held senior roles at Abu Dhabi Investment Authority, HSBC Mutual Fund, ICICI Prudential Mutual Fund, SBI Mutual Fund and others
- Proven track record across various asset classes including equity, fixed income, real estate, and alternative investment funds



Sachin Parekh
Fund Manager & Dealer

- Over 20 years of experience in the financial services industry, with a focus on broking and mutual funds, out of which over 6 years of experience as a Fund Manager
- Worked with leading institutions including Tata Asset Management, BOI AXA Investment Managers, IDFC Securities, Sharekhan Ltd., and Systematix Shares & Stocks.

Concept of Arbitrage



Arbitrage in simple term



Various Arbitrage Strategies



Cash and Futures Arbitrage : Exploiting price differences between the Cash (Spot) market and Futures contracts to secure risk-free profits.

Index Arbitrage: Capitalizing on differences between the price of an index and the aggregate value of its underlying stocks.

Buy-Back Arbitrage: Profiting from differential between the buy-back price and the traded price, when a company announces a buy-back of its own shares.

Dividend Arbitrage: Fund managers exploit dividend arbitrage by buying a stock before it goes ex-dividend and selling it in the futures market. This helps capture the dividend while limiting market risk.

Corporate Driven Arbitrage: Profiting from price inefficiencies created by corporate actions such as mergers, acquisitions, or restructuring.

The above strategies are just examples, and the fund manager may adopt other strategies as well, depending on market conditions and regulatory compliance. The portfolio will be managed as per the investment objective, investment strategy, & asset allocation stated in the Scheme Information Document (SID) & is subject to the changes of the provisions mentioned therein.

Why Arbitrage Funds?

Risk-adjusted returns with low volatility

Arbitrage trades are market-neutral that seek to gain from price differences without relying on the broader market direction.



Non-correlation with equity market

Arbitrage funds are not directly linked to equity market movements, making them a good diversifier, especially during market volatility.



Tax efficient

Arbitrage funds are classified as equity-oriented schemes for tax purposes. Their favorable tax treatment makes them an attractive option for investors in higher tax brackets.



Minimal Credit Risk

Arbitrage trades involve minimal credit risk, as they rely on market inefficiencies rather than counterparty obligations.



Lowest risk in equity segment

Arbitrage strategies offer probably the lowest risk in equities due to their market-neutral approach, making them ideal for risk-averse investors.



Low exit load/ period

Arbitrage funds often have low or no exit loads, offering greater liquidity and flexibility to investors.



What is Spot (Cash) - Futures Arbitrage?



Price difference opportunity leverages on price difference between stock's spot (cash) and Futures (derivative segment) market



Low risk strategy aims to generate near risk-free returns though price convergence at future expiry



Simultaneous transactions: Involves buying of a stock in the spot market and selling its futures with an aim to lock risk-free profits

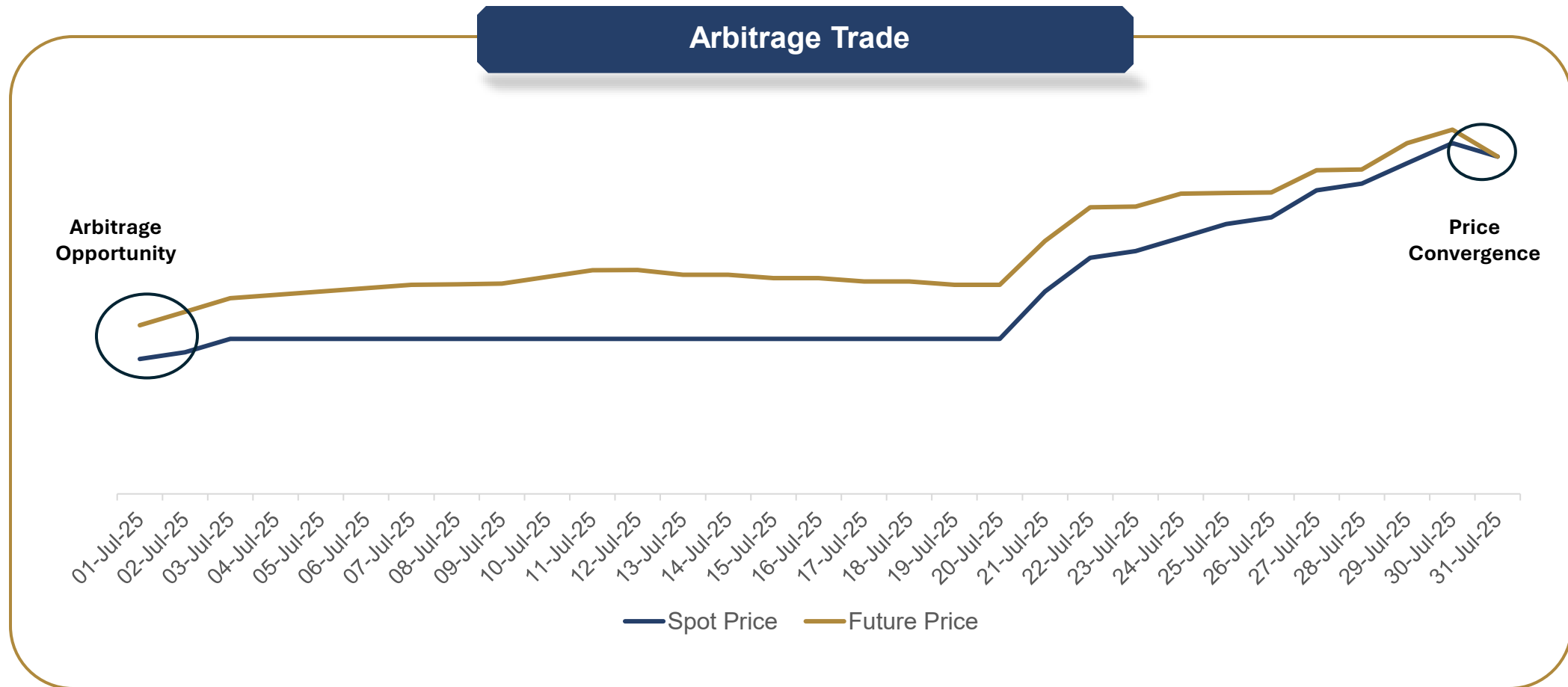


Profit from convergence: Gains are made as the futures price converges with the spot price on expiry



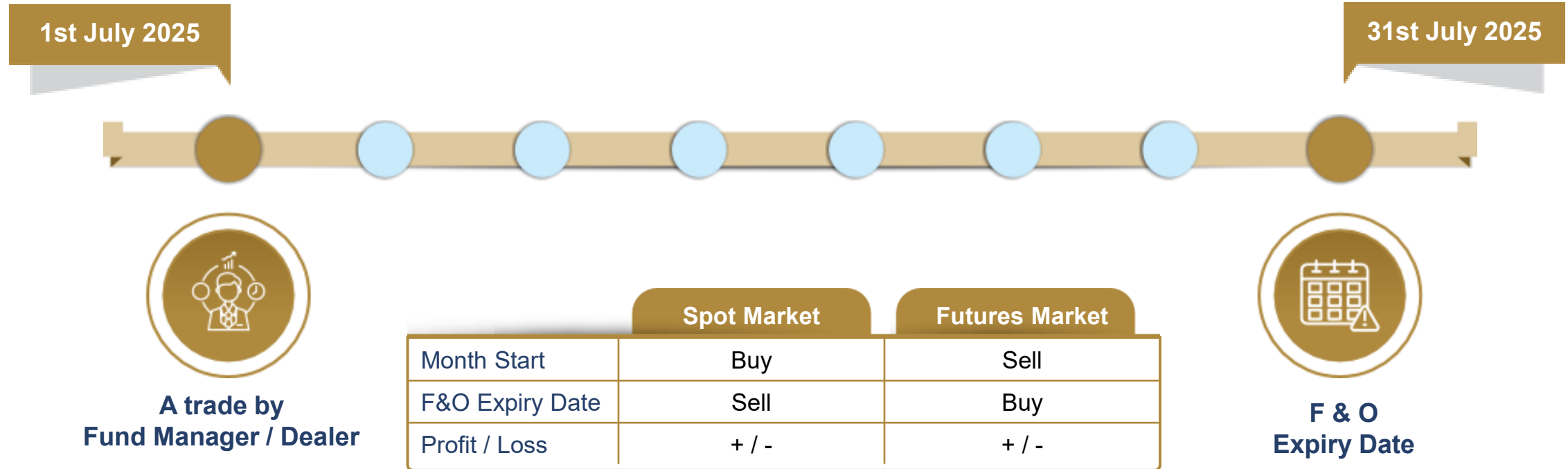
Market neutral: Offsetting positions (long in one market and short in other), helps neutralizing the market risks which ensures a risk-free returns

Arbitrage Illustration - Exploiting the Price Difference between Future and Spot Market Price

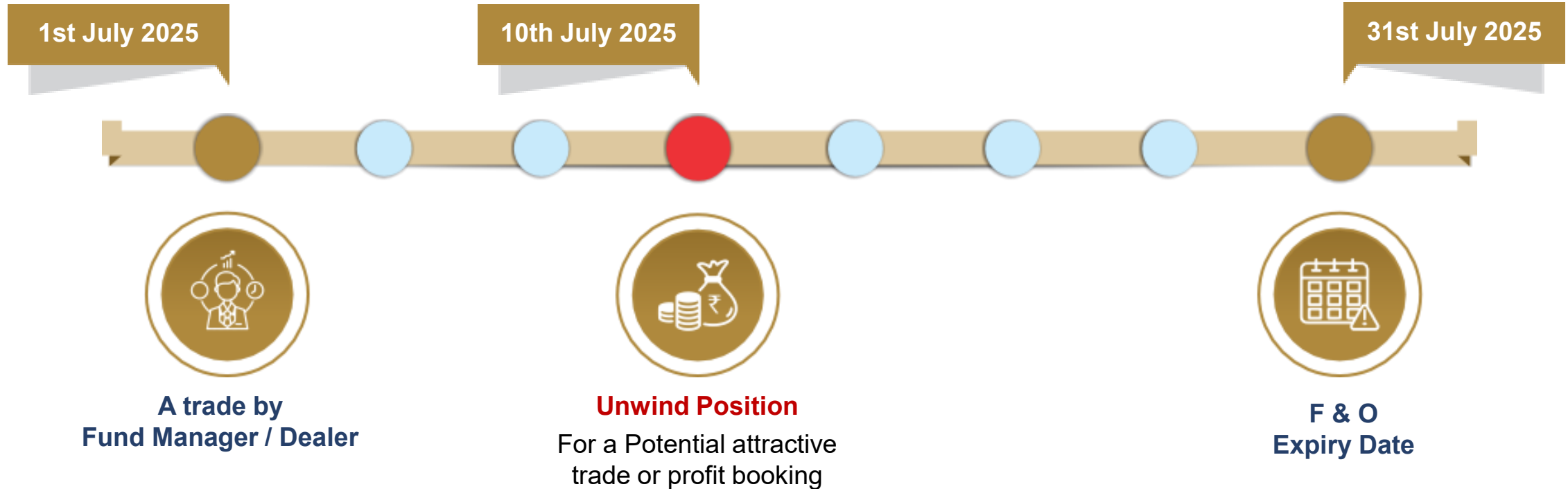


For understanding purpose only and not assuring or forecasting any returns. Particular trade details are for illustrative purposes only and should not be construed as actual trades/positions taken by TRUST MF/AMC.

Arbitrage Illustration – Spot (Cash) and Futures Arbitrage- “Wait for the Expiry” Method

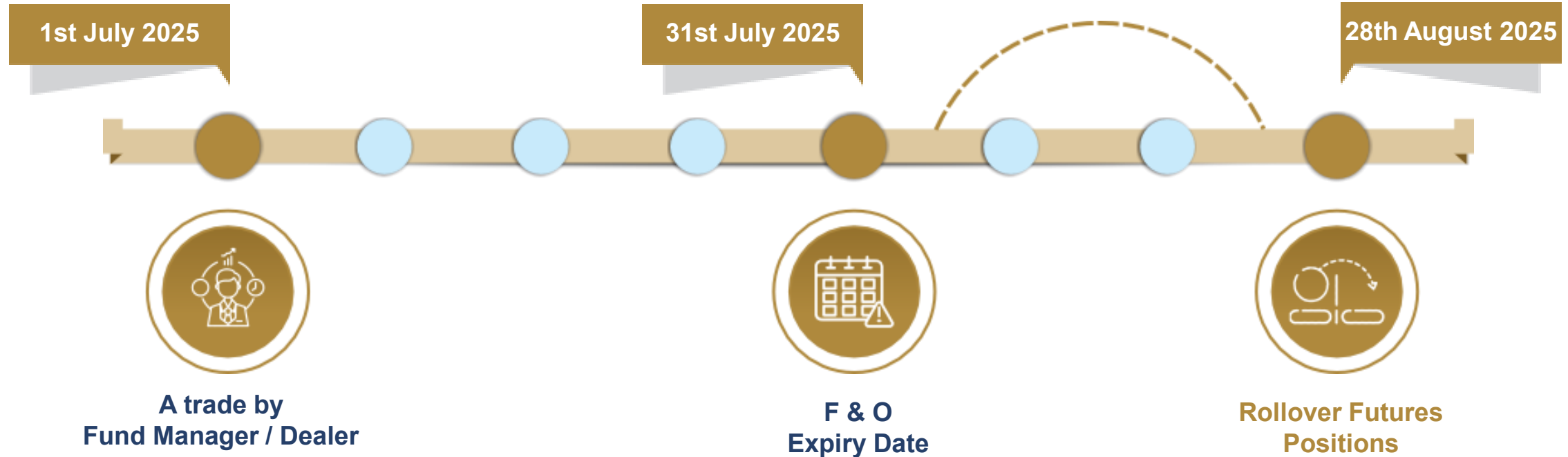


Arbitrage Illustration – Cash and Future Arbitrage- Unwinding the Position



Unwinding the position involves closing both long and short positions in the spot and futures markets before expiry, with gains /losses in stock price offset by losses or gains from the futures position closure.

Arbitrage Illustration – Spot (Cash) and Future Arbitrage-Rollover Futures Position



"rolling over futures position" means rolling futures contract and entering into a new one for the next expiry to capitalize on price differences (arbitrage) between the two contracts.

How does Spot-Future Arbitrage work?

Buy a stock at Rs 150 and sell the 1-month Futures of the same at Rs. 152

At the end of Month

The prices of Spot and Future will converge on the expiry day

Scenario I

Stock Price rises to Rs.170

Gain on Cash Position

+Rs.20 (170-150)

Loss on Future Position

-Rs.18 (152-170)

Net Profit = Rs.2 (20-18)

Scenario II

Stock Price remains at Rs.150

Gain on Cash Position

+Nil (150-150)

Gain on Future Position

+Rs.2 (152-150)

Net Profit = Rs.2 (0+2)

Scenario III

Stock Price goes down to Rs.140

Loss on Cash Position

-Rs.10 (140-150)

Gain on Future Position

+Rs.12 (152-140)

Net Profit = Rs.2 (-10+12)

The above example is for understanding purpose only. The example ignores the transaction related costs for ease of calculation.

Factors impacting returns in Arbitrage

Market Sentiments

Bullish sentiments attract higher participation from HNIs & Retail Investors, leading to more long leveraged positions and improved rollover spreads

Market Efficiency

In highly efficient markets, price discrepancies are short-lived, potentially resulting in lower arbitrage returns

Volume of trades

Large trades can impact market price, and reduce profitability of the arbitrage opportunities

Liquidity

Tight liquidity conditions can widen spot-futures spreads, enhancing arbitrage opportunities

Higher Interest Rate

Rising interest rates can lead to wider spreads, boosting arbitrage returns

Volatility

Higher market volatility increases price gaps, creating more arbitrage opportunities

Size of the Category

As the Arbitrage Fund category grows, increased flows can compress spreads, results in decline in spreads and reduced return potential

Fund Management Expertise

A fund manager's skill in identifying arbitrage opportunities and executing trades swiftly, can significantly impact performance

Speculation

Trader speculation can influence arbitrage spreads, affecting both the availability and size of opportunities

For understanding purposes only. This is an Illustrative list of factors that can impact returns in Arbitrage, and not an exclusive list.

Risk Return Matrix

Arbitrage Fund v/s Debt Funds



The above example is for understanding purpose only. It depicts the general Risk Reward Matrix and the relative position of Arbitrage Fund vis-à-vis other Debt Funds. The risk reward proposition may vary based on actual allocation in the scheme/s and different schemes may display different risk-return profile occasionally. **It is advisable to consult your financial advisor to understand these factors before investing.**

Arbitrage Fund Taxation

Details	Arbitrage Fund	Liquid Fund / Fixed Income Schemes	Traditional Fixed Income Instruments
Type of Schemes	Hybrid Mutual Fund Scheme (for taxation purpose Equity Oriented Scheme)	Specified Mutual Fund Scheme	Not Applicable
Short Term Capital Gain (STCG) Tax Rate	20% + SC & Cess	Applicable Tax Slab Rate	Applicable Tax Slab Rate
Long Term Capital Gain (LTCG) Tax Rate	12.5% + SC & Cess (above LTCG of Rs.1.25 Lakh)	Applicable Tax Slab Rate	Applicable Tax Slab Rate
Holding Period to avail LTCG Tax Rate	>12 months	Not applicable	Not applicable

SC = Surcharge, STCG = Short Term Capital Gain, LTCG = Long Term Capital Gain. Source: Union Budget 2025. In view of the individual nature of the tax consequences, each investor is advised to consult his/her own professional tax advisor. Investment in Mutual Funds is subject to market and various other risks and there are various factors that can impact the performance of the scheme. **It is advisable to consult your financial advisor to understand these factors before investing.** The above table assumes an Arbitrage Fund with more than 65% exposure in listed domestic equity & equity related instruments.

Tax Efficiency of Arbitrage Fund

Period	Short Term Capital Gain 3 Month		Long Term Capital Gain 1 Year	
	Arbitrage Fund	Fixed Income Scheme	Arbitrage Fund	Fixed Income Scheme
Amount invested	1,00,000		1,00,000	
Estimated Returns**	7.50%		7.50%	
Value at the redemption	1,01,875	1,01,875	1,07,641	1,07,641
Tax Rate ^	20%	30%	12.5%	30%
Tax Amount	375	563	955	2,292
Post Tax Value	1,01,500	1,01,313	1,06,686	1,05,348
Post Tax Returns	6.00%	5.25%	6.69%	5.35%

The above table assumes an Arbitrage Fund with more than 65% exposure in listed domestic equity & equity related instruments. **Bi-annual compounding . This illustration is for the understanding purpose only. ^ Surcharge & Cess not considered. Tax Rate on STCG and LTCG is assumed as is applicable for the investors in the highest tax bracket. Investment in Mutual Funds is subject to market and various other risks that can impact the performance of the scheme. It is advisable to consult your financial advisor to understand these factors before investing. **In view of the individual nature of the tax consequences, each investor is advised to consult his/her own professional tax advisor.**

Better Post Tax Returns in Arbitrage Fund v/s Liquid Fund

	NIFTY 50 Arbitrage Index	CRISIL Liquid Debt Index
Amount invested	1,00,000	1,00,000
1 year return (as on 31-July-2025)	7.48%	6.96%
Capital gain	7479	6956
Tax paid (%) ^	12.50%	30%
Tax paid (Value)	935	2087
Amount Post Tax	1,06,544	1,04,869
Post tax returns	6.54%	4.87%

The above table assumes an Arbitrage Fund with more than 65% exposure in listed domestic equity & equity related instruments. This illustration is for the understanding purpose only.

^ Surcharge & Cess not considered. Tax Rate on STCG and LTCG is assumed as is applicable for the investors in the highest tax bracket. Investment in Mutual Funds is subject to market and various other risks that can impact the performance of the scheme. It is advisable to consult your financial advisor to understand these factors before investing. In view of the individual nature of the tax consequences, each investor is advised to consult his/her own professional tax advisor.

Index returns do not represent scheme returns. **Past performance may or may not be sustained in the future and should not be used as a basis of comparison with other investments.**

Who should Invest in Arbitrage Funds?

All Type of Investors

As a small part of their liquid assets for short term needs / emergencies

Investors with Surplus Funds

Looking to temporarily park excess funds with low risk and better tax efficiency

Conservative Investor

Risk-averse investors seeking for low volatility and better risk-adjusted returns

Investors opting for STP

As a Source scheme to initiate systematic transfers (STP) into equity-oriented schemes

Investors in Higher Tax Slab

Seeking equity taxation benefits

Portfolio Diversifiers

Wanting market-neutral exposure without directional risk

Why to invest in TRUSTMF Arbitrage Fund?

Fully Hedged Portfolio

Under normal circumstances, the portfolio will be fully hedged using derivatives

No Directional Calls on Market

Returns of the schemes are not dependent upon market direction

Follows Simple Fixed Income Investment Philosophy

With a focus to avoid duration or credit call, making it simple and true to the risk profile of the category

Diversification

The Scheme may serve as stabilizing component in a diversified portfolio by delivering returns that are relatively independent of equity market movements

Source Scheme for STP

The Scheme may act as a “Source Scheme” to initiate systematic transfer plan (STP) into Equity Schemes offered by Trust Mutual Fund

Tax Efficient Returns for Investors in Higher Tax Slabs

As the scheme is classified as Equity Oriented Mutual Fund Scheme for Taxation purpose as per Income Tax Act

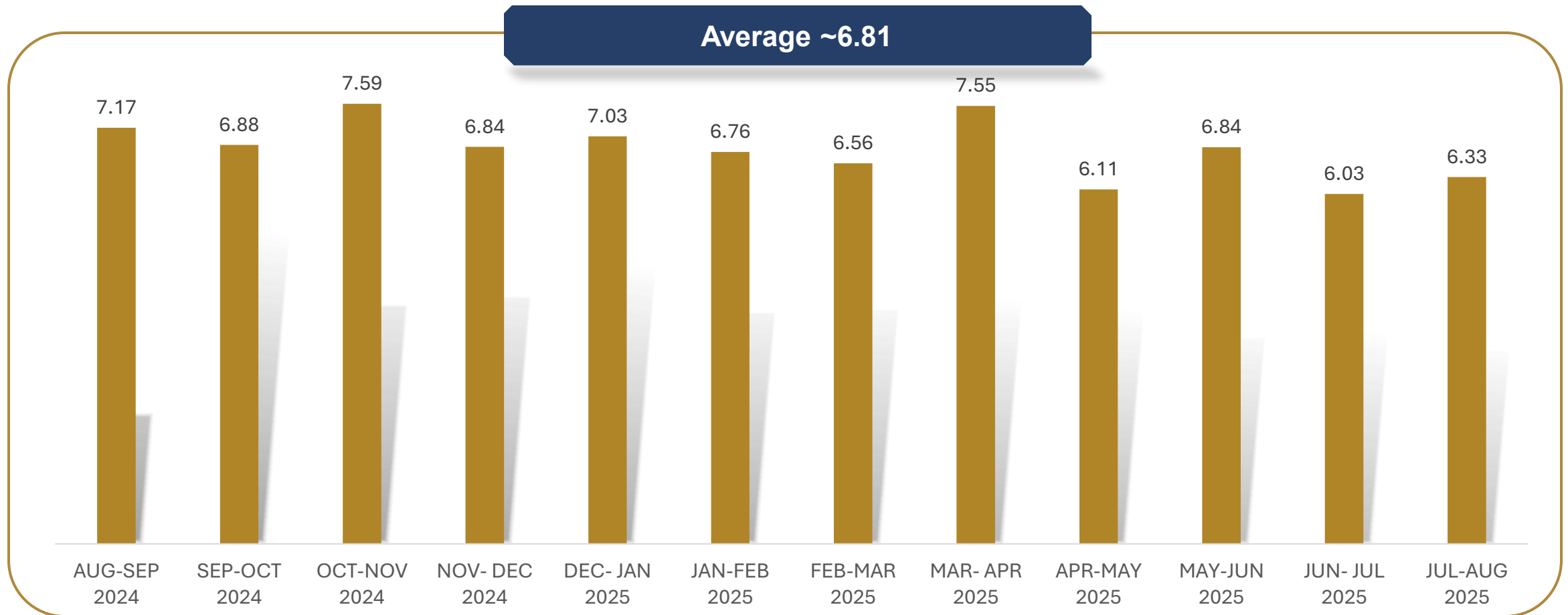
Short to Medium Term Investment Horizon

Ideal for the investment horizon of 3 months and above

Backed by Expertise

Managed by skilled investment team to identify and execute arbitrage opportunities efficiently

Arbitrage Spread Trend



For understanding purpose only. Average of Top 50 Arbitrage Spread from F&O Basket. Data as of August 2025. The portfolio will be managed as per the investment objective, investment strategy, & asset allocation stated in the Scheme Information Document (SID) & is subject to the changes as per provisions mentioned therein. Spread is mentioned in percentage. source: Bloomberg, Internal

Scheme Features



Scheme Name

TRUSTMF Arbitrage Fund



NFO Period

18 August 2025 to 22 August 2025



Category

Arbitrage Fund



Fund Manager

Mr. Mihir Vora and
Mr. Sachin Parekh



Type of Scheme

An open-ended scheme investing in arbitrage opportunities



Benchmark

NIFTY 50 Arbitrage Index



Plan & Option

Regular and Direct Plan.
Growth Option Only



Minimum Investment Amount

Purchase (Incl. Switch-in)
Minimum of Rs.1,000/- and in multiples of any amount thereafter



Scheme Objective

The investment objective of the scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and derivatives segment of the equity market, and the arbitrage opportunities available within the derivative segment and by investing the balance in debt and money market instruments. There is no assurance that the investment objective of the scheme will be realized.



Load Structure

Entry Load: Nil,
Exit Load: 0.25% If redeemed / switched out within 7 days from the date of allotment., Nil - if redeemed/ switched out after 7 days from the date of allotment.



Indicative Asset Allocation Pattern

Under Normal Circumstances:-

Equity and equity related instruments including equity derivatives : **65%-100%**
Debt & Money Market instruments including Units of fixed income mutual fund schemes and margin money deployed in derivative transactions : **0% - 35%**

Under Defensive circumstances:-

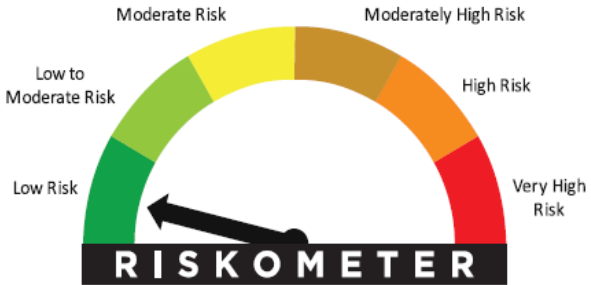
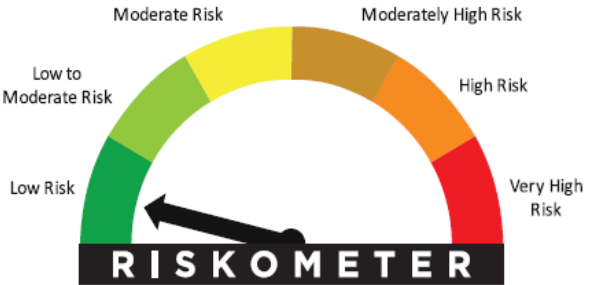
Equity and equity related instruments including equity derivatives : **0%- 65%**
Debt & Money Market instruments including Units of fixed income mutual fund schemes and margin money deployed in derivative transactions : **35% - 100%**

(To know more about defensive circumstances, derivative exposure and a detailed asset allocation, please refer to the Scheme related offer documents)

Risk Factors and Disclaimers

TRUSTMF Arbitrage Fund

(An open-ended scheme investing in arbitrage opportunities)

Product Label	Scheme Riskometer	Benchmark Riskometer
<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Short to Medium Term return generation. • Predominantly investing in arbitrage opportunities in cash and derivatives segment of the equity market. <p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	 <p>RISKOMETER The risk of the scheme is Low</p>	<p>NIFTY 50 Arbitrage Index</p>  <p>RISKOMETER The risk of the Benchmark is Low</p>

The above product labelling assigned during the New Fund Offer (NFO) is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made. In the preparation of the contents of this document, the AMC has used information that is publicly available, including information developed in-house. While due care has been taken to prepare this information, the AMC does not warrant the accuracy, reasonableness and/ or completeness of any information. This document represents the views and must not be construed as an investment advice. The statements contained herein may include statements of future expectations and other forward-looking statements that are based on prevailing market conditions. However, they should not be considered as a forecast or promise, and performance or events could differ materially from those expressed or implied in such statements. Investors are requested to make their own investment decisions, based on their own investment objectives, financial positions. The AMC (including its affiliates), the Mutual Fund, the trust and any of its officers, directors, personnel and employees, shall not be liable for any loss, damage of any nature, including but not limited to direct, indirect, loss in any way arising from the use of this material in any manner. The AMC reserves the right to make modifications and alterations to this statement as may be required from time to time. All figures and other data given in this document are dated and may or may not be relevant at a future date. Prospective investors are therefore advised to consult their own legal, tax and financial advisors to determine possible tax, legal and other financial implications. Please refer to the scheme related documents before investing for details of the scheme including investment objective, asset allocation pattern, investment strategy, risk factors and taxation. **Past performance may or may not be sustained in the future and should not be used as a basis of comparison with other investments.**

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