


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

- Income over a short term investment horizon
- Investments predominantly in arbitrage opportunities in the cash and derivative segments of the equity markets and by investing the balance in debt and money market instruments.

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



RISK - O - METER  
Investors understand that their principal will be at Low Risk



Benchmark: Nifty Arbitrage Index

**Mutual Fund investments are subject to market risk read all scheme related documents carefully**

## UPDATE ON THE CURRENT SCENARIO

We remain optimistic about the outlook of the fund and recommend it remain a part of portfolios of investors. The fund would allow investors to gain enhanced returns considering the volatility in the markets driven by global events and known unknowns.

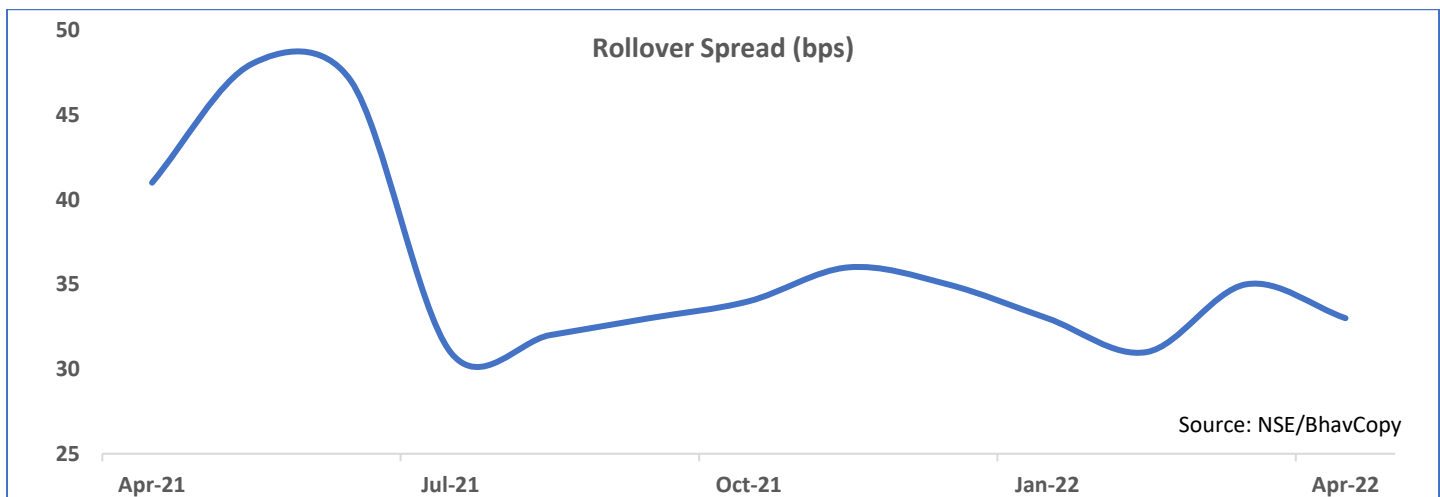
In the coming months, volatility is expected to be elevated, driven by the uncertainties around the monsoon and upcoming earning seasons. The commodity markets, Indian and global rate cycles will also contribute to volatility, allowing for the potential to generate enhanced returns.

**Rollover:** Rollover involves carrying forward of the current futures positions from the current series, which is nearing expiry date, to the next one.

Rollovers	
April- 2022	93%
March-2022	92%

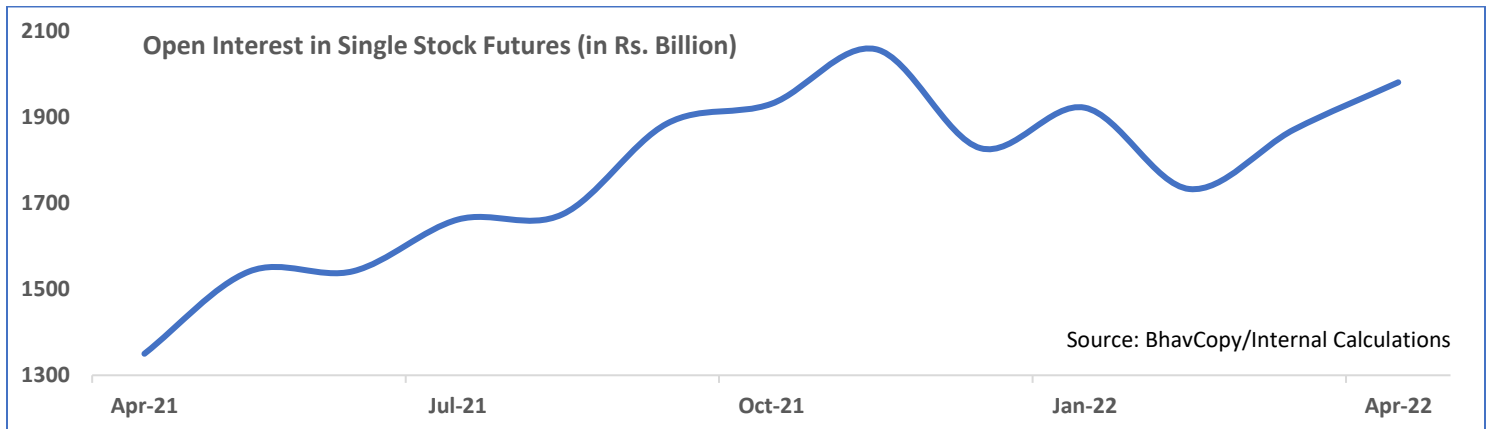
The market-wide rollover has been over 90% in the past few months.

**Rollover Spreads:** Rollover spread for a portfolio is the difference in yield that is obtained when the position is carried over from one month to another. This yield can be realized at the expiry or before.



In the beginning of FY22, rollover spreads spiked significantly due to the volatility and uncertainty created by the coronavirus pandemic and associated disruption of economic activities. As the situation calmed down, spreads settled into the 30-35 bps range since July-21. On an average the rollover spreads at the end of the April-22 series were ~32-33 bps (premium), compared to ~34-36 bps in the March-22 series.

**Open Interest:** Open interest is the total value of outstanding derivative positions in the market. It provides a picture of trading activity, and whether money flows into the futures market is increasing or decreasing.



Open interest rose steadily over the past year till December-2021 and has declined to some extent since. The volatility in the markets has caused some investors, especially in retail category to stay away from the markets for some time. Open Interest declined from ~2.05 lakh crores in November 2021 to ~1.73 lakh crores at the end of Feb-22. It has since risen back up to the ~2 lakh crores level again.

### Movement of Arbitrage Spreads

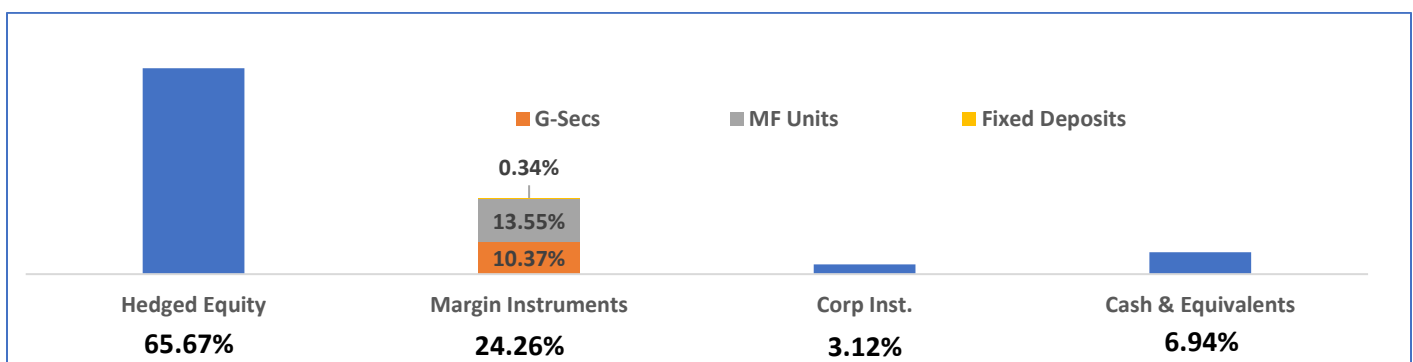
Spreads between cash equity and futures may move up under the following scenarios:

Arbitrage Spreads Scenario	Possible Reasons
Spreads Move Up	Markets remain strong
Spreads Move Down	Markets remain flat

Higher volatility in the markets can help enhance returns.

## FACTORS AFFECTING THE FUND

### Asset Allocation



Exposure to cash futures arbitrage ranges from 65-70%. This exposure is a function of the view on the market by the FM and to some extent the level of margins required for the positions. When markets stabilize or retail and HNI participation in the market increases, broad basing of the market happens, spreads tend to go up. When that happens, exposure towards cash futures arbitrage also moves up. If the FM finds stocks with decent spreads available even in the current scenario, the exposure can touch the higher side of the band, else can be toned down to a minimum of 65%. Open Interest is an indicator of stability in the market – increase in open interest may lead to increase in spreads.

## Return Drivers

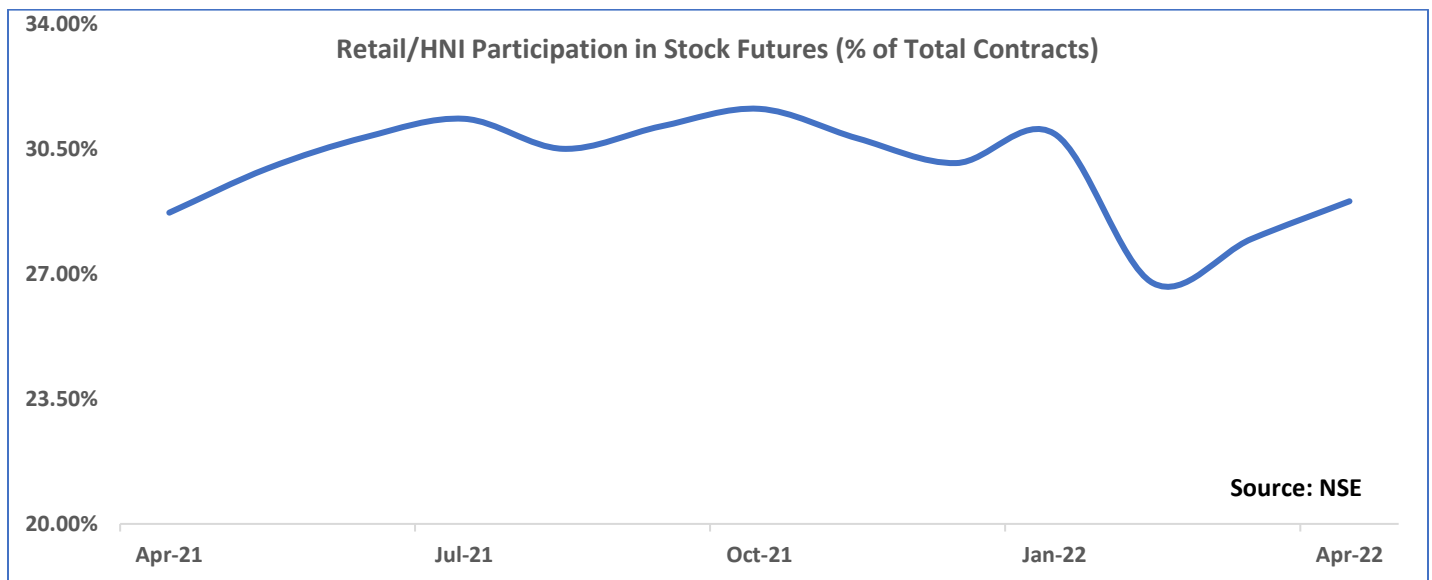
### Broad Sources of Returns for the fund:

<b>Rollover Spreads</b>	60-70%
<b>Intra-Month Trading</b>	30-40%

In the past month, while the rollover spreads have been range bound, intra-month trading has contributed a higher proportion of the return.

### Factors which have recently impacted spreads between Cash and Derivative Markets\*

- a) **Impact of increase/decrease in Market Participation:** Open Interest or trading activity in stock futures increased significantly from ~Rs.1.35 lakh crores in April-21 to the ~Rs.1.98 lakh crores level in April-2022



Retail participation in the stock futures market has been in the ~27-31% range in the past year. It has declined in recent months from ~27% in February-22 before climbing back to ~29% in April-22.

- b) **Liquidity in Stock Futures:** Demand and supply from various segments like traders, proprietary books, FIIs, Mutual funds impacts liquidity. Higher increased participation from retail & HNI helps stabilizing the spreads. There has been a steady increase in market participation from Retail & HNI players after a significant fall at the start of the pandemic.

### Factors that Impact Returns from Intra-Month Trading\*

1. **Allocation between the Market caps** i.e., large cap, Mid cap & Small cap: The fund manager deftly shifts allocations to market caps to reflect the current situation. This helps to take advantage of the volatility within the segment, thus allowing an enhancement in the return. The performance varies with how you adjust allocations among the market caps.

2. **Stock Selection**- This is a crucial part in the management of the arbitrage fund. Criteria for stock selection includes:

a. How much interest is there in the stocks & direction of price movement- which means whether the stock will be volatile or not and whether the stock will trend in one direction or not. The fund manager is biased towards volatile stocks as it allows for easy exits leading to return enhancement.

b. Corporate Actions- Understanding the corporate actions viz. dividends, mergers and fundamentals are critical and acting on them gives the fund an edge.

c. Generally, the fund takes a top-down approach towards market cap allocation, however positions can be built in individual stocks based on the fund manager’s convictions.

*\*Based on current market conditions and may change in the future*

## FUND PERFORMANCE

Period	Tata Arbitrage Fund		Nifty 50 Arbitrage Index*		CRISIL 1 Year T-Bill Index#	
	Return %	Rs.	Return %	Rs.	Return %	Rs.
1 Year	3.60%	10,359	3.90%	10,389	3.64%	10,363
3 Year	4.64%	11,456	3.93%	11,227	5.23%	11,653
5 Year	NA	NA	NA	NA	NA	NA
Since Inception	4.86%	11,731	4.31%	11,527	5.53%	11,984
Inception Date	18-Dec-18		Managing Since		10-Dec-18	

Fund Manager: Sailesh Jain

\*Scheme Benchmark

#Scheme Additional Benchmark

For Other Scheme Managed by Sailesh Jain, please refer to page 5.

## FUND OVERVIEW

### Fund Snapshot

<b>Benchmark</b>	Nifty 50 Arbitrage Index
<b>Inception Date</b>	18 <sup>th</sup> December 2018
<b>AUM</b>	Rs. 9857.08 Crores
<b>Expense Ratio</b>	Regular: 1.08 Direct: 0.30
<b>Fund Manager</b>	Sailesh Jain (Managing Since 8 <sup>th</sup> December-18)

### About the Fund

Arbitrage is the simultaneous buying and selling of securities, currency, or commodities in different markets or in derivative forms to take advantage of differing prices for the same asset.

The scheme invests primarily in arbitrage opportunities between spot and futures prices of exchange traded equities and the arbitrage opportunities available within the derivative segment.

The investment objective of the Scheme is to seek to generate reasonable returns by investing predominantly in arbitrage opportunities in the cash and derivatives segments of the equity markets and by investing balance in debt and money market instruments

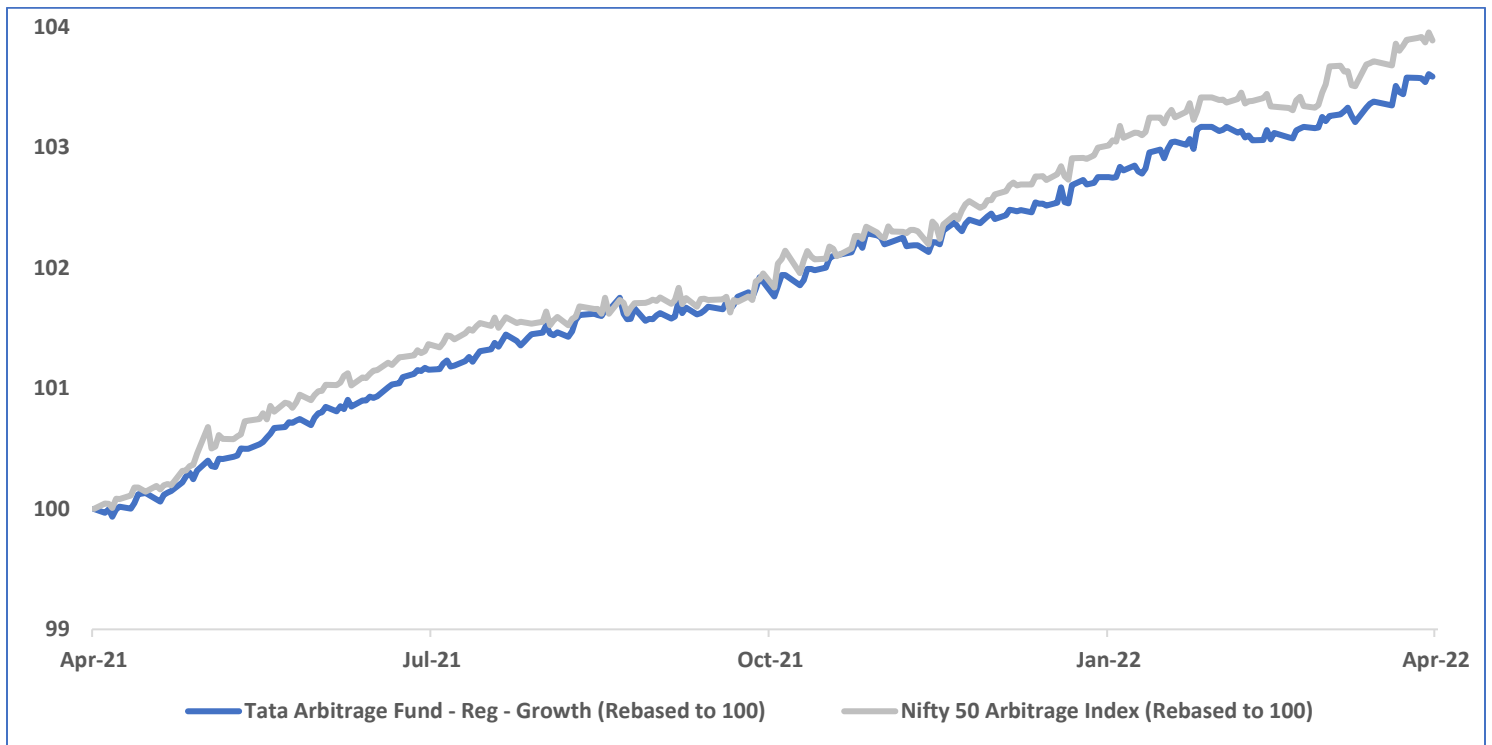
## Top 5 Sectors

Sector	Allocation
Financial Services	17.73%
Information Technology	7.47%
Metals & Mining	4.79%
Healthcare	4.31%
Oil, Gas & Consumable Fuels	4.19%

## Top 10 Cash Equity Holdings

Holding	Allocation
Reliance Industries Ltd.	2.88%
HCL Technologies Ltd.	2.45%
Adani Enterprises Ltd.	2.05%
Larsen & Toubro Ltd.	1.81%
Hdfc Bank Ltd.	1.79%
Adani Ports and SEZ Ltd.	1.55%
Bajaj Finserv Ltd.	1.25%
Vedanta Ltd.	1.24%
Eicher Motors Ltd.	1.19%
Zee Entertainment Enterprises Ltd.	1.17%

## NAV Movement



Mutual Fund Investments are subject to market risk, read all scheme related documents carefully

## Performance of Other Scheme Managed by Sailesh Jain

Period	Tata Balanced Advantage Fund^		CRISIL Hybrid 50+50 - Moderate Index*		S&P BSE Sensex TRI#	
	Return %	Rs.	Return %	Rs.	Return %	Rs.
1 Year	11.52%	11,149	11.32%	11,129	18.24%	11,819
3 Year	12.06%	14,071	12.97%	14,419	14.77%	15,118
5 Year	NA	NA	NA	NA	NA	NA
Since Inception	12.34%	14,600	13.75%	15,204	16.82%	16,579
Inception Date	28-Jan-19		Managing Since		09-Jan-19	

	Tata Equity Savings Fund^^		NIFTY Equity Savings Index*		CRISIL 10 Year Gilt Index#	
Period	Return %	Rs.	Return %	Rs.	Return %	Rs.
1 Year	8.75%	10,872	9.07%	10,904	-1.95%	9,805
3 Year	7.85%	12,546	9.42%	13,100	5.65%	11,792
5 Year	6.29%	13,569	9.22%	15,551	4.94%	12,730
Since Inception	7.22%	46,376	NA	NA	NA	NA
Inception Date	27-Apr-00		Managing Since		09-Nov-18	

	Tata India Tax Savings Fund		Nifty 500 TRI*	
Period	Return %	Rs.	Return %	Rs.
1 Year	18.97%	11,892	20.93%	12,087
3 Year	13.97%	14,802	16.52%	15,819
5 Year	11.56%	17,293	13.76%	19,062
Since Inception	18.49%	836,497	14.17%	318,129
Inception Date	31-Mar-96		Managing Since 16-Dec-21	

	Tata Multi Asset Opportunities Fund^		65% S&P BSE 200 TRI + 15% CRISIL Short Term Bond Fund Index + 20% iCOMDEX Composite Index*		S&P BSE Sensex TRI#	
Period	Return %	Rs.	Return %	Rs.	Return %	Rs.
1 Year	15.09%	11,505	20.58%	12,052	18.24%	11,819
3 Year	NA	NA	NA	NA	NA	NA
5 Year	NA	NA	NA	NA	NA	NA
Since Inception	22.20%	15,399	22.02%	15,350	21.48%	15,204
Inception Date	04-Mar-20		Managing Since		14-Feb-20	

	Tata Nifty Exchange Traded Fund		Nifty 50 TRI*	
Period	Return %	Rs.	Return %	Rs.
1 Year	18.11%	11,806	18.29%	11,824
3 Year	14.63%	15,061	14.67%	15,079
5 Year	NA	NA	NA	NA
Since Inception	15.70%	16,242	15.78%	16,280
Inception Date	01-Jan-19		Managing Since 17-Dec-18	

	Tata Nifty Private Bank Exchange Traded Fund		Nifty Private Bank TRI*		Nifty 50 TRI#	
Period	Return %	Rs.	Return %	Rs.	Return %	Rs.
1 Year	4.54%	10,453	4.54%	10,453	18.29%	11,824
3 Year	NA	NA	NA	NA	NA	NA
5 Year	NA	NA	NA	NA	NA	NA
Since Inception	7.82%	12,222	7.11%	12,009	19.10%	15,937
Inception Date	30-Aug-19		Managing Since		16-Aug-19	

	Tata Quant Fund		S&P BSE 200 TRI*		S&P BSE Sensex TRI#	
Period	Return %	Rs.	Return %	Rs.	Return %	Rs.
1 Year	2.69%	10,269	20.30%	12,024	18.24%	11,819
3 Year	NA	NA	NA	NA	NA	NA
5 Year	NA	NA	NA	NA	NA	NA
Since Inception	1.03%	10,236	19.98%	15,117	16.79%	14,220
Inception Date	22-Jan-20		Managing Since		03-Jan-20	

	Tata Dividend Yield Fund		Nifty 500 TRI*		Nifty 50 TRI#	
Period	Return %	Rs.	Return %	Rs.	Return %	Rs.
6 Months	-0.56%	9,944	-2.90%	9,710	-1.62%	9,838
1 Year	NA	NA	NA	NA	NA	NA
3 Year	NA	NA	NA	NA	NA	NA
5 Year	NA	NA	NA	NA	NA	NA
Since Inception	11.10%	11,010	16.06%	11,606	17.33%	11,733
Inception Date	20-May-21		Managing Since		3-May-21	

\*Scheme Benchmark

#Scheme Additional Benchmark

^Manages Hedge/derivative exposure of the scheme

^^Manages Equity Portfolio

**Number of Schemes managed by Sailesh Jain: 9**

#### Disclosures

- 1) Scheme returns in terms of CAGR are provided for past 1 year, 3 years, 5 years and since inception.
- 2) Point-to-point returns on a standard investment of Rs. 10,000/- are in addition to CAGR for the schemes. Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.
- 3) Different plans shall have a different expense structure. The performance details provided herein are of regular plan growth option.
- 4) NA stands for schemes in existence for more than 1 year but less than 3 years or 5 years, or instances when benchmark data for corresponding period not available.
- 5) Period for which schemes performance has been provided is computed basis last day of the month - ended preceding the date of advertisement.
- 6) Past performance may or may not be sustained in future. For computation of since inception returns the allotment NAV has been taken as Rs. 10.00.
- 7) For Benchmark Indices Calculations, Total Return Index (TRI) has been used.

**Mutual Fund Investments are subject to market risk, read all scheme related documents carefully**