

Round up 2023 and Outlook 2024

Fixed Income | January 2024

Globally CPI Inflation is coming down as the monetary policy of central banks is actively disinflationary. US Federal Reserve has indicated a rate cut of 75 basis points this year, market is pricing 125 basis points of rate cuts by US Federal Reserve

India Core CPI inflation which excludes food and fuel items from the CPI inflation basket is now at 4.1% against 6.2% in the month of February 2023 as RBI policy is actively disinflationary and keeping liquidity at MSF rates of 6.75% against the repo rate of 6.50%. CPI inflation as per RBI projections is expected to be around 4.5% in the next financial year. The real rates which is Repo rate (6.5%) minus one year ahead CPI inflation (4.5%) is now 200 basis points against real rates of 150 basis points targeted by RBI.

This opens space for 50 basis points of rate cut and if US economy slows down, rates cuts could be 75 to 100 basis points to support GDP growth.

Indian ten-year yield is expected to trade in the band of 6.75 to 7 percent next year. Investors who have a time horizon of 6 months should allocate to duration products. Investors with less than 6 months time frame, may be move towards money market, Ultra and treasury products which has YTM of 7.60 to 7.75 range.



Tighter Monetary Policies

Balancing act of maintaining tight liquidity and sustaining growth and financial stability



More active monetary and fiscal policy

New means of controlling Liquidity and Inflation in the system evolved



Shift towards the end of the rate cut cycle

Higher for Longer theme prevails; Re-shaping the investment portfolio



JP Morgan included INDIA In Its EM Debt Index

- JPMorgan Chase & Co. set to add Indian government bonds to its benchmark emerging-market (EM) index.
- Assets worth ~ USD 240 billion track the JPMorgan emerging market bond index.
- Indian bonds will have a maximum weight of 10% on the index.
- Inclusion will be staggered over 10 months starting Jun 2024 till March 2025 at roughly 1% weight per month.

Impact on the Market

- The inclusion would bring in estimated inflows of USD 30-40 billion to India. Post that an additional flow of USD 10-15 billion is expected from other index providers and active investors.
- So far, banks, insurance companies, EPFO, Provident funds and mutual funds have been the largest buyers of government debt. An additional source of funds will help cap bond yields and the government's borrowing costs.
- This could lead to reduction in cost of capital and in turn also benefit other asset classes.
- The potential foreign inflow will strengthen India's balance of payment and deepen the market for INR.
- GOI can implement additional reforms and safeguard measures in coming months to deal with any outsized impact of large inflows/outflows. Greater Fiscal Discipline from the Government is expected in the coming years to maintain financial credibility.

Liquidity Controlling Measures

- I-CRR introduced first time after Inflation breached RBI target band, to a high of 7.4% in July 2023
- Withdrawal of 2000 Denomination notes
- OMO Sales
- Forex Sales
- Variable Rate Repo Auctions

Impact on the Market

- 3 months Treasury Bills moved from 6.73 % to 6.95% as the overnight rates moved from 6.25% – 6.50% band to 6.75% from September 2023 onwards
- Yield curve flatten with the 1 to 10 year spread compressing to 10 basis point from 30 basis points after the demonetization.
- Core CPI inflation moves down to 4.1 percent and CPI inflation even after food spike comes back to RBI tolerance band of 4 to 6 percent
- Liquidity deficit moves above Rs 2 lakhs forcing RBI to do repo auctions of 7 days to inject liquidity in the system
- One year CD rates move from 7.40 to 7.90 levels , NBFC rates moves from 8.25 to 9.25 levels

HIGH FREQUENCY INDICATORS



	Key Trackables	Jan/23	Feb/23	Mar/23	Apr/23	May/23	Jun/23	Jul/23	Aug/23	Sep/23	Oct/23	Nov/23
Macro Factors	CPI inflation (%)	6.5	6.4	5.7	4.7	4.3	4.9	7.4	6.8	5.0	4.9	5.6
	Food inflation (%)	6.2	6.3	5.1	4.2	3.3	4.7	10.6	9.2	6.3	6.3	8.0
	Core inflation (ex. Food & fuel) (%)	6.1	6.1	5.8	5.2	5.1	5.1	4.9	4.8	4.5	4.3	4.1
	WPI inflation (%)	4.8	3.9	1.4	-0.8	-3.6	-4.2	-1.2	-0.5	-0.1	-0.5	
	Unemployment Rate (%)	7.1	7.5	8.1	8.5	7.6	8.5	7.9	8.1	7.1	10.1	9.2
	US CPI (%)	6.3	6.0	5.0	5.0	4.1	3.1	3.3	3.7	3.7	3.2	
	Fiscal deficit (% of full year target)	67.8	82.8	98.7	7.5	11.8	25.3	33.9	36.0	39.3	45.0	
Money & Banking	Trade deficit (\$bn)	-17.0	-16.6	-19.0	-14.4	-22.5	-19.1	-18.4	-22.0	-19.4	-29.9	-20.6
	Deposits (% ,yoy)	10.5	10.1	9.6	10.1	11.4	15.5	12.9	13.2	15.7	13.2	13.4
	Credit Growth (% ,yoy)	16.3	15.5	15.0	15.7	15.3	18.0	19.5	19.7	21.3	20.4	20.1
	Industrial credit (% ,yoy)	8.7	7.0	5.7	7.0	6.0	8.0	5.7	6.6	7.1	5.9	
	Personal Loans (% ,yoy)	20.4	20.4	20.6	19.4	19.2	20.9	31.2	30.8	30.4	29.7	
	Currency in circulation (% ,yoy)	8.6	8.1	7.8	7.7	7.8	4.1	4.4	4.0	4.3	2.7	4.3
	M3 money supply growth (% ,yoy)	9.8	9.5	9.0	9.5	10.1	13.4	10.6	10.8	11.5	11.4	11.2
	INR/USD (period end)	81.7	82.7	82.2	81.8	82.7	82.0	82.2	82.7	83.1	83.3	83.4
	Forex reserves (\$bn)	574	563	578	590	591	595	606	598	588	588	
	MCLR (%)	7.9	8.0	8.0	8.2	8.2	8.2	8.2	8.2	8.2	8.2	8.2
10Y Gsec yield (%)	7.4	7.5	7.3	7.1	7.0	7.1	7.2	7.2	7.2	7.4	7.3	
Flows	Net FPI flows (\$bn)	-3.2	-0.5	0.7	1.7	5.9	6.8	5.8	2.2	-1.7	-2.1	2.9
	Net FPI flows: Equity (\$bn)	-3.5	-0.6	1.0	1.4	5.3	5.7	5.7	1.5	-1.8	-2.9	1.1
	Net FPI flows: Debt (\$bn)	0.4	0.3	-0.3	0.1	0.4	1.1	0.5	0.9	0.1	0.8	1.8
	MF flows: Net Equity (Rs. bn)	124.7	156.6	201.9	52.8	29.1	82.4	75.1	201.3	138.6	199.3	155.1
	SIP (Rs. bn)	138.6	136.9	142.8	137.3	147.5	147.3	152.5	158.1	160.4	169.3	170.7
	DII (\$, bn)	4.1	2.3	3.7	0.3	-0.4	0.5	-0.3	3.0	2.5	3.4	1.7

Insights at a glance

High credit growth maintained in 2023

RBI focused on controlling inflation by tightening liquidity

This led to short term rates moving up by 100 basis points for NBFC and 50 basis points for CD's.

The Balancing Act of Taming Inflation Vs. Maintaining Growth

Country	Current Headline Inflation Rate (in %)	Target Inflation Rate (%)			Inflation Forecasts		Policy Rate (%)	Real Rates (%)	Policy Rate Graph in CY 2023
		Target (%)	Actual (YoY %)	Gap(%) (+)/(-)	2024	(+)/(-)			
Advanced Economies									
U.S.	3.1	2	3.1	1.1	2.6	0.6	5.5	2.4	
Euro Area	2.4	<2.0	2.4	0.4	2.5	0.5	4.5	2.1	
Japan	2.8	2	2.8	0.8	2.3	0.3	-0.1	-2.9	
U.K.	3.9	2	3.9	1.9	3	1	5.25	1.35	
Emerging Markets									
China	-0.5	3	-0.5	-3.5	1.4	-1.6	3.45	3.95	
India	5.6	4.0(+/-2)	5.6	In Range	5.4	In Range	6.5	0.95	
Brazil	4.7	3.50(+/-1.5)	4.7	In Range	3.9	In Range	11.75	7.07	
Russia	7.5	4	7.5	3.5	6.5	2.5	16	8.52	
South Africa	5.5	3.0-6.0	5.5	In Range	5.1	In Range	8.25	2.75	

Actions in 2024

Federal Open Market Committee (FOMC):

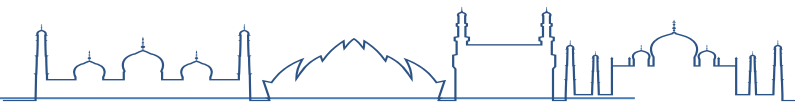
Higher CPI Inflation and strong employment data led to FOMC hiking rates to match demand for labour with supply of labour and bring CPI inflation down

Bank of England (BOE):

CPI Inflation falls but so does growth rates. Growth rate has been negative for last two quarters

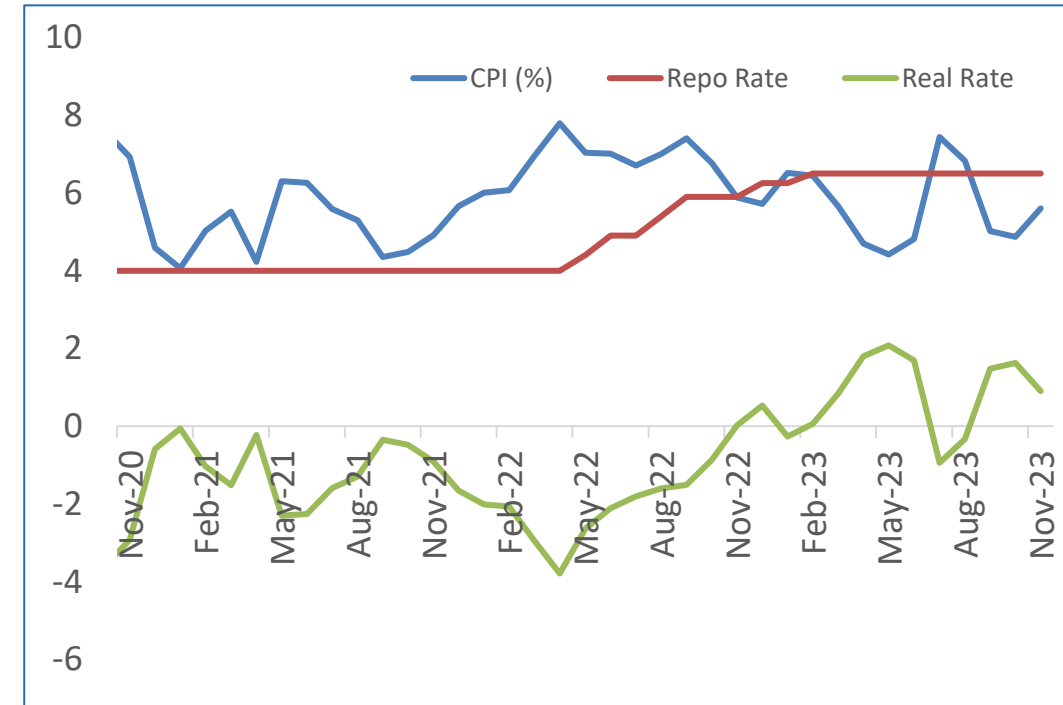
European Central Bank (ECB):

CPI Inflation falls but so does growth rates. Germany which is the strongest economy in European Union is in recession



A longish pause | 2023 : The Year of Carry | 2024 : The Year of MTM

Rates	8th Dec 2023	8th Oct 2023	10th Aug 2023	8th Jun 2023	6th Apr 2023	8th Feb 2023
Repo Rate – Rate at which Banks borrow from RBI	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
MSF Rate (Marginal Standing Facility)	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%
Standing Deposit Facility - New Operating Rate	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Bank Rate	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%
Policy Corridor - difference between MSF Rate and SDF	50	50	50	50	50	50
LAF Corridor - difference between Operating Rate (SDF) and repo rate	25	25	25	25	25	25



- RBI in its monetary policy has been maintaining its repo rates at 6.50%. These decisions are in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth.
- Maintaining the stance, RBI mentioned it is a pause and not a pivot, after cumulative 250 basis points of hike in repo rates since April 2022 and has majorly been on a longish pause in CY2023.

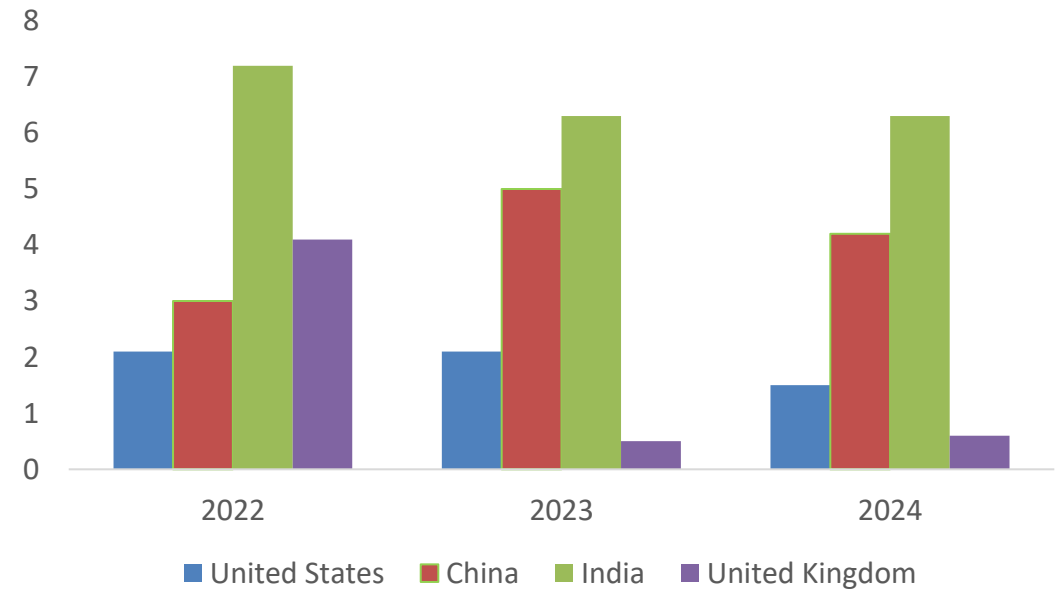
Growth slowed down globally

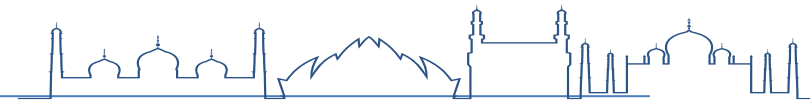
For the majority of 2023, several reasons, such as persistent geopolitical tensions, adverse weather, and tight financial conditions, held down global growth;

- In Q3:2023, growth accelerated in the US, buoyed by households' spending
- Growth in China was propelled by a slew of policy stimuli,
- GDP contracted in the Euro area and Japan and stagnated in the UK

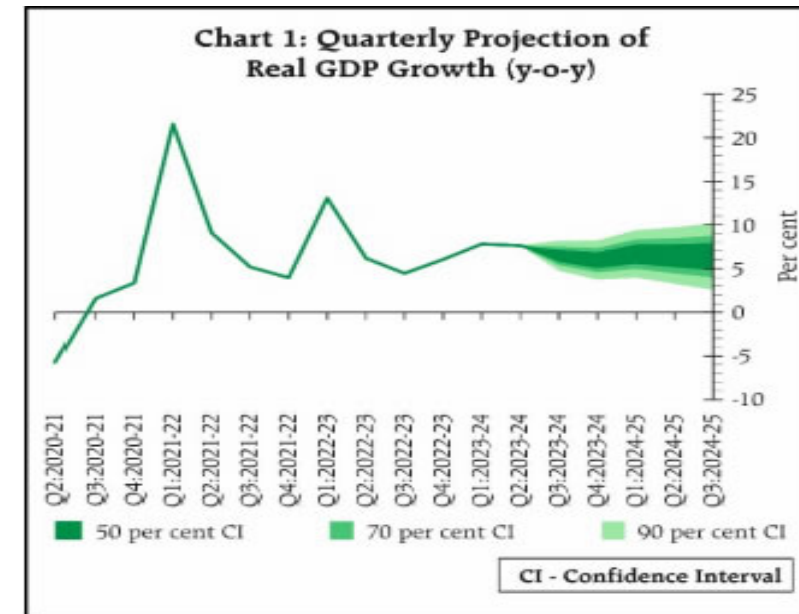
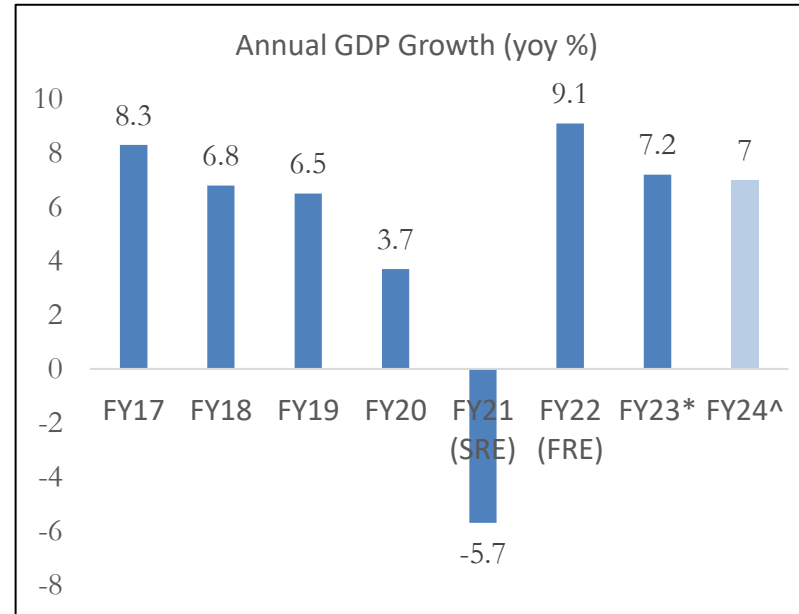
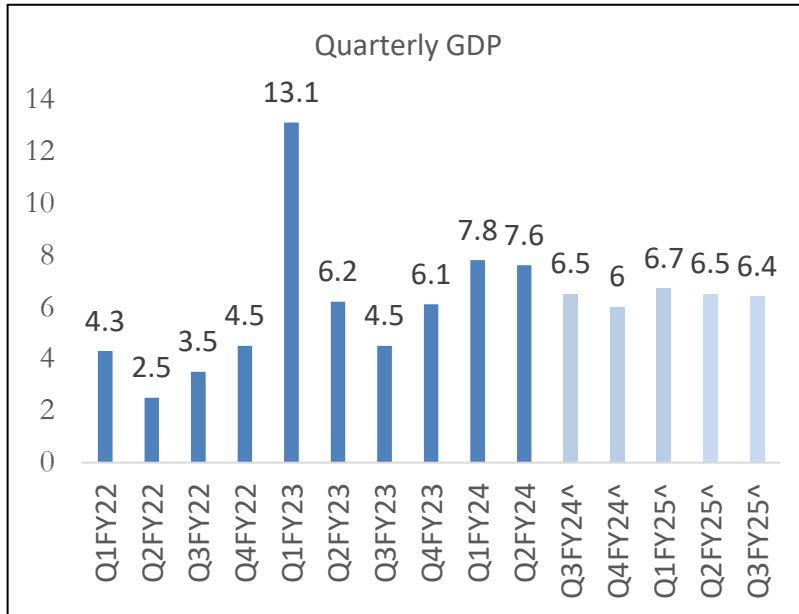
The Organization for Economic Cooperation and Development (OECD) in its Economic Outlook of November 2023 projected the global economy to grow by 2.9 per cent in 2023 and by 2.7 per cent in 2024 as much of the headwinds for global growth are expected to continue in the next year as well.

Real GDP growth, annual percent change

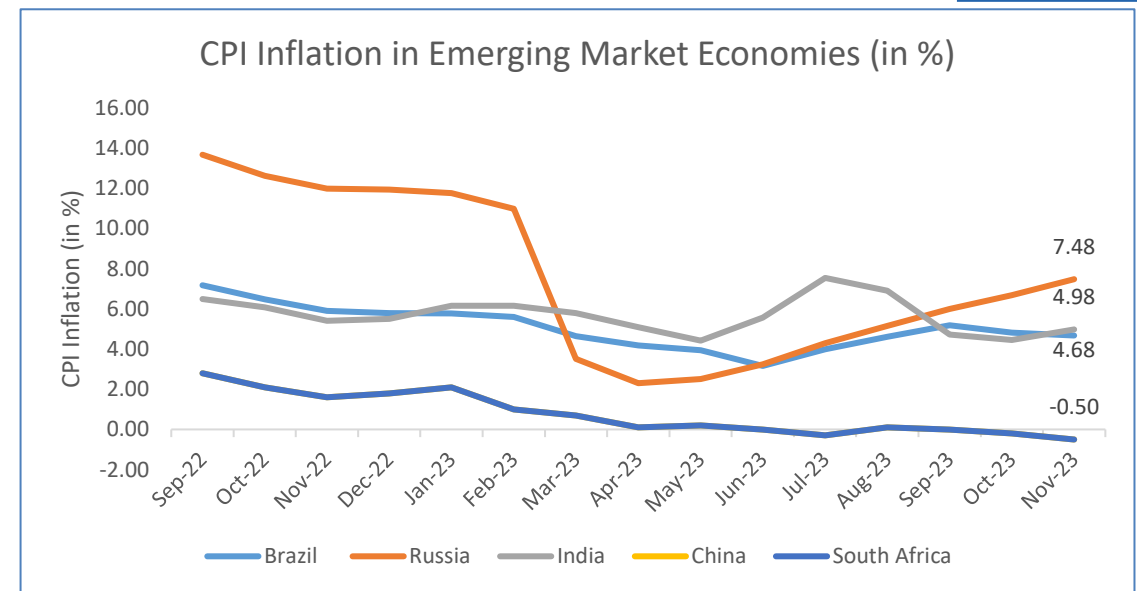
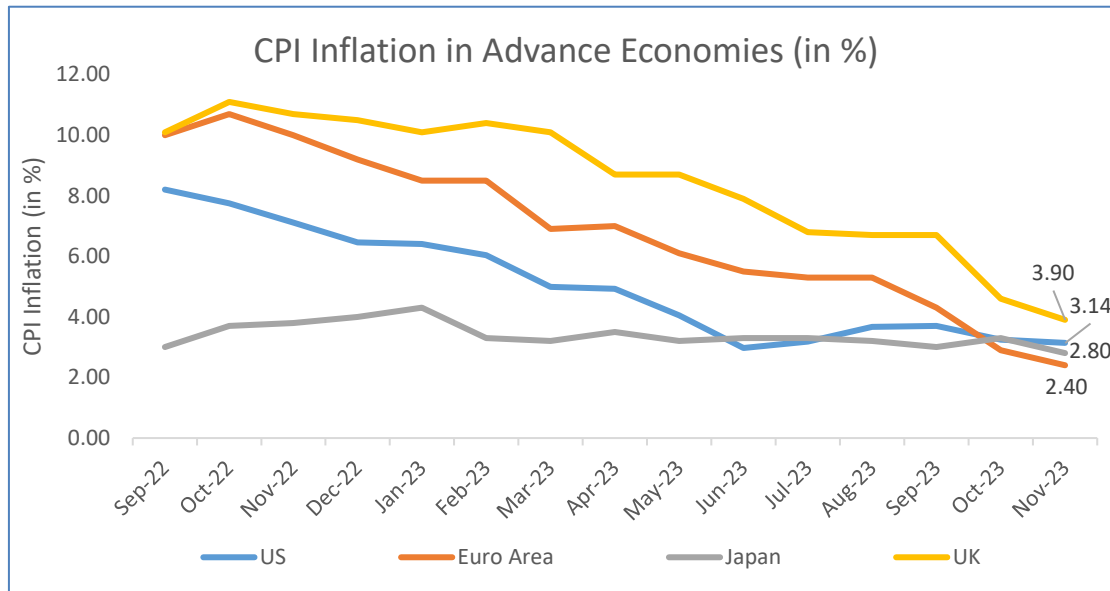




Domestic Growth remained strong



- In contrast to global trends, domestic economic activity exhibits resilience on the back of strong domestic demand. The RBI revised its FY24 GDP growth projections by 50 basis points to 7.0% from the previous policy. As per high frequency indicators available with RBI for the month of October and November, even this could be an underestimation.
- The real GDP growth for Q2 of FY24 has exceeded RBI forecasts. The fundamentals of the Indian economy remain strong with banks and corporates showing healthier balance sheets; fiscal consolidation on course; external balance remaining eminently manageable; and forex reserves providing cushion against external shocks



CPI inflation in the Advanced Economy

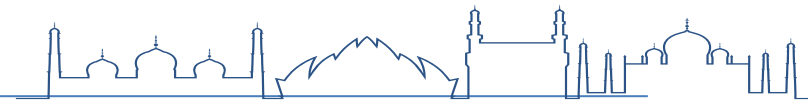
Headline inflation has been on a downward trajectory, even though it is still above the target in most Advance Economies

- As per the flash estimates, euro area inflation fell to 2.4% in November, reaching its lowest level since July 2021.
- In the UK, CPI inflation edged down to 4.6 per cent in October, reaching its lowest level since October 2021

CPI Inflation among emerging market economies (EMEs)

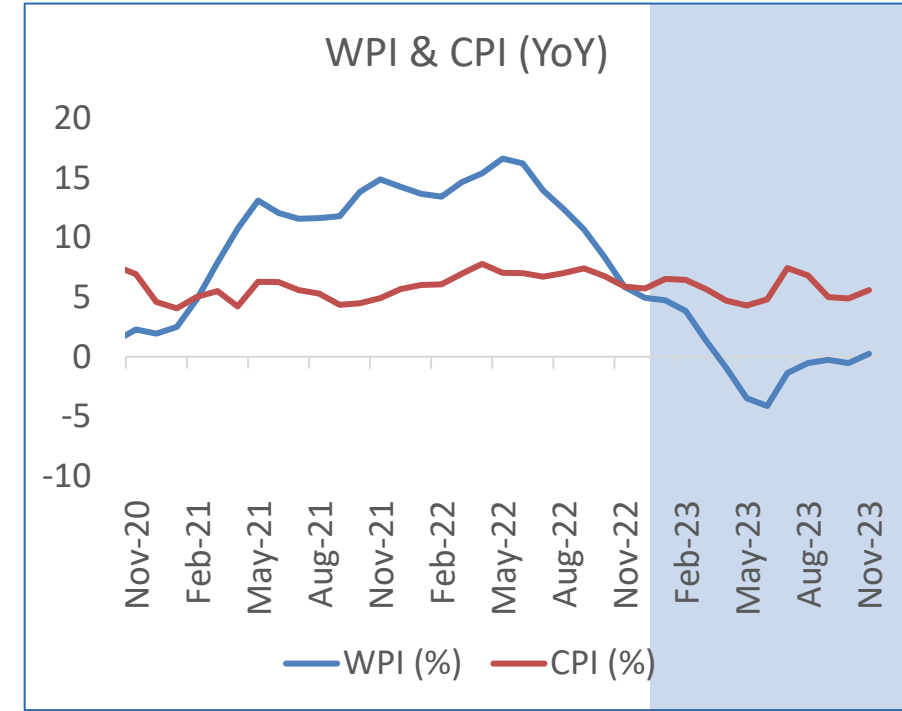
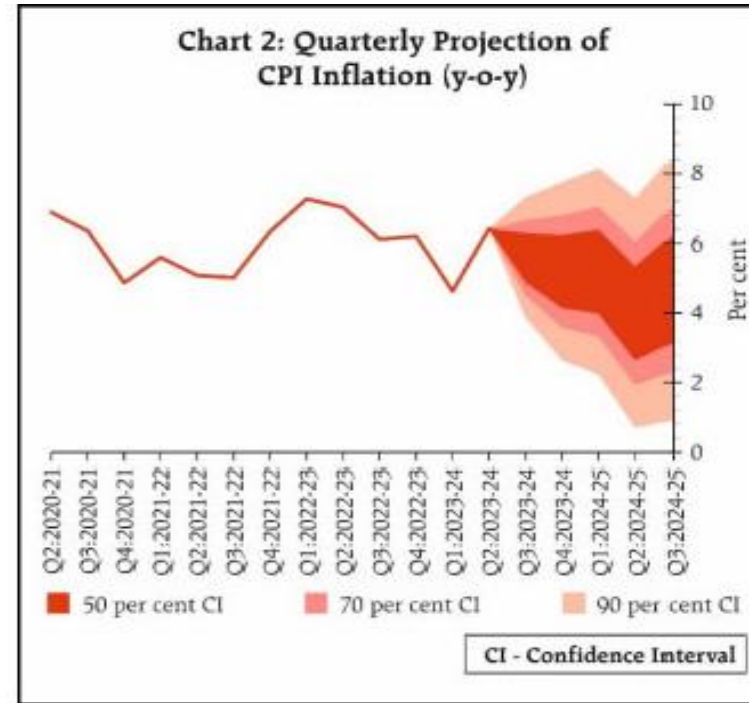
Inflation in Emerging economies are moderating and following divergent paths to balance growth and inflation through various means.

- Inflation edged up further to a nine-month high in Russia in November
- China recorded deflation of 0.5% in November reflecting weak demand and oversupply



CPI Inflation within the tolerance band

- The CPI Inflation for the month of Nov is 5.60% - led by a lower core inflation
- The prices of onion, pulses and wheat prices have gone up, indicating higher food inflation. Government has taken measures to boost the domestic supply and to bring down prices.
- The RBI aims to reduce the CPI Inflation in the target band of 4% +/- 2%.
- The Inflation Projections given by RBI projects inflation to be in the lower end of the target band till Q3 FY25



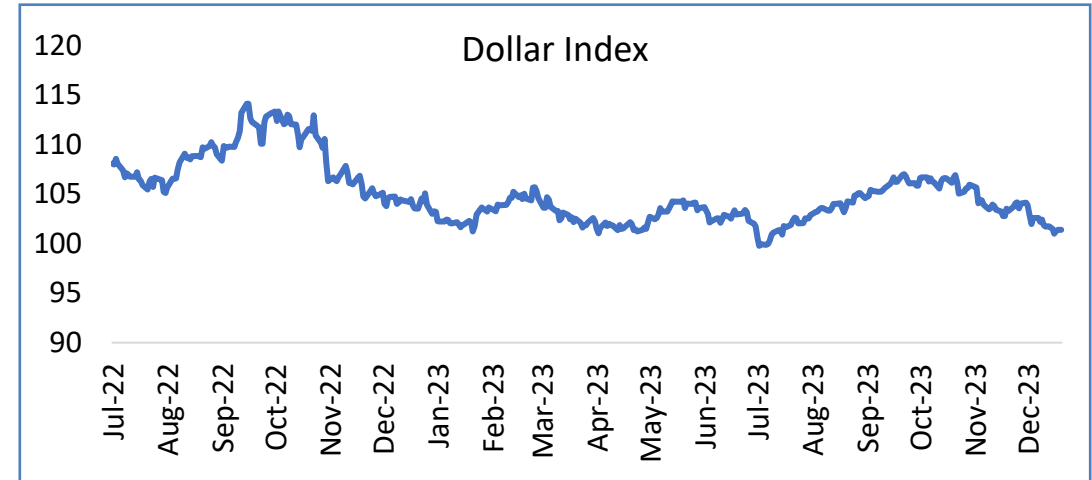
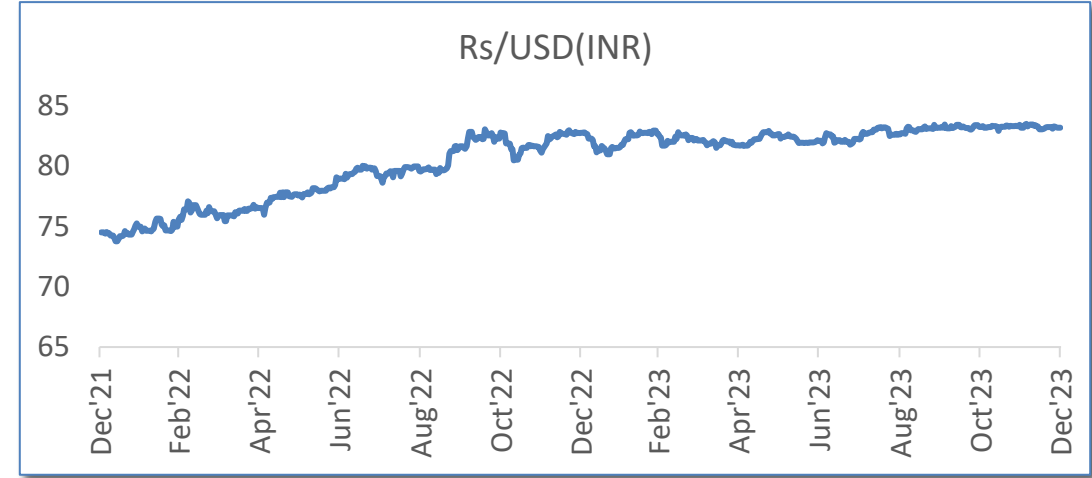
Inflation Projection (CPI) in MPC Announcements –

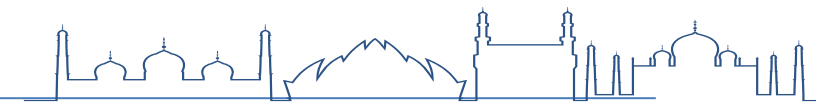
MPC	FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
8-Dec	5.40%	5.60%	5.20%	5.20%	4.00%	4.70%
6-Oct	5.40%	5.60%	5.20%	5.20%	--	--



Rupee Depreciating

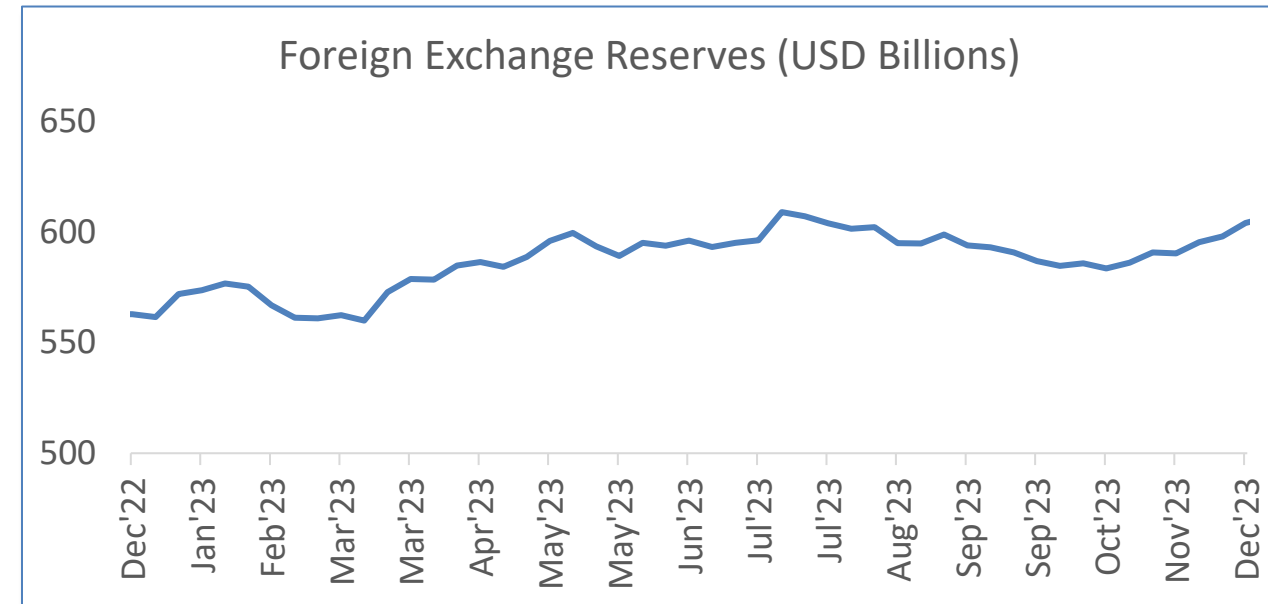
- ❑ The INR exhibited the least volatility among major currencies depreciating modestly by 0.1 per cent (m-o-m) vis-à-vis the US dollar in November 2023
- ❑ Rupee depreciated to its lowest level in 2023 in November amidst a narrowing yield differential with US, slowing FPI flows and a rise in oil prices.
- ❑ RBI's FX intervention expected to reduce volatility in rupee going ahead.
- ❑ The dollar index depreciated by 1.7 per cent (m-o-m) in November and continued to decline in December.





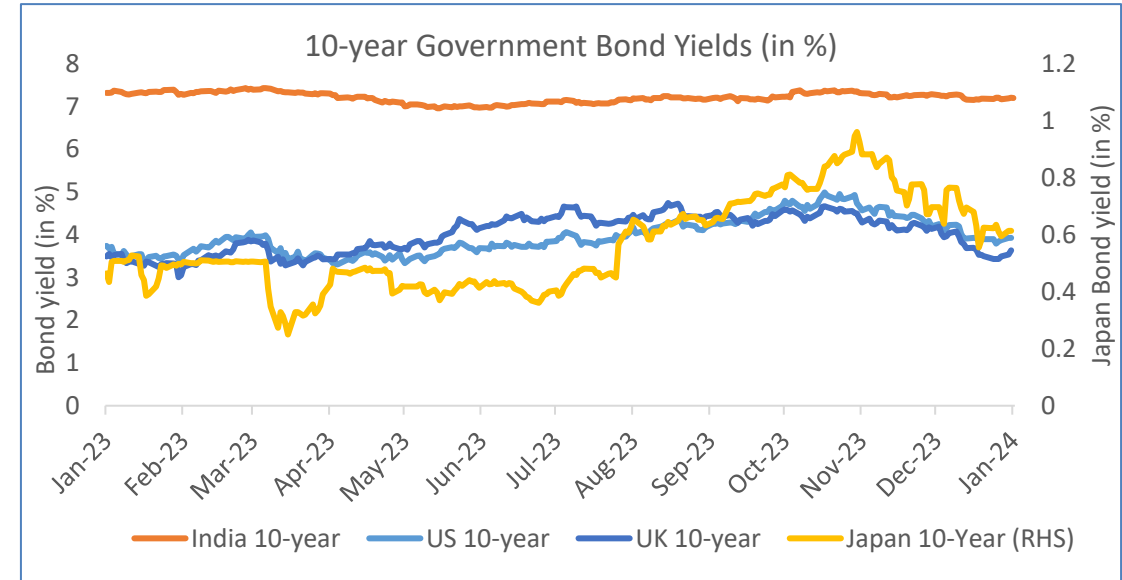
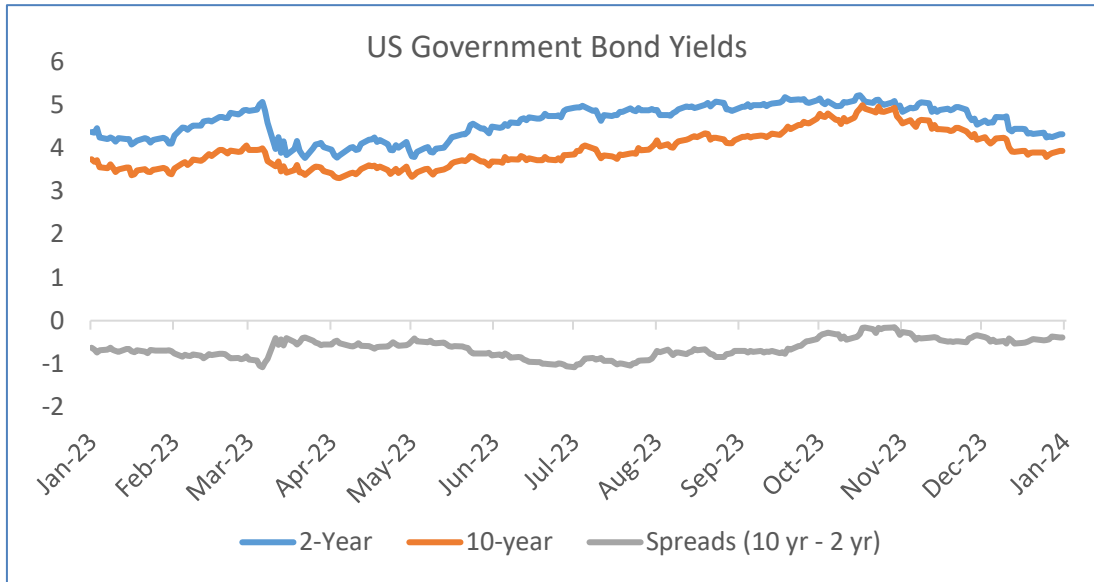
Forex reduced marginally this month

- Foreign exchange reserves rose to USD 620.44 bn as of 22 Dec 2023 from USD 598 bn in the start of the month, covering 10.4 months of imports projected for 2023-24 and 96 per cent of total external debt outstanding at end-June 2023.
- India's foreign exchange reserves were the fourth highest among major foreign exchange reserves holding countries, having increased by US\$ 28.4 billion during 2023-24 so far.
- The central bank intervenes in the spot and forwards markets to prevent runaway moves in the rupee.
- Bond fund inclusion may lead to dollar inflows which can support the currency and give liquidity to the banking system as RBI buys dollars and release rupee liquidity. However, given currency leakage due to elections and high credit growth, liquidity in the banking system may be marginally negative.

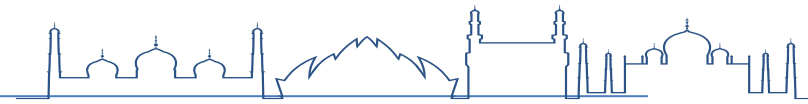


Month	Net Purchase/ Sale of Foreign Currency (US \$ Millions)	Purchase (+)	Sale (-)	4 Outstanding Net Forward Sales (-)/ Purchase (+) at the end of month (US \$ Millions)
October	-310.00	36,650.00	-36,960.00	-14,608.00
September	-1,508.00	27,757.00	-29,265.00	4,642.00
August	-3,856.00	500.00	-4,356.00	10,068.00
July	3,472.00	5,315.00	-1,843.00	19,468.00
June	4,504.00	7,785.00	-3,281.00	19,468.00
May	7,371.00	7,371.00	-	19,268.00
April	7,704.00	8,404.00	-700.00	19,932.00
March	750.00	6,906.00	-6,156.00	23,600.00
February	254.00	4,381.00	-4,127.00	20,470.00
January	-384.00	12,902.00	-13,286.00	21,729.00

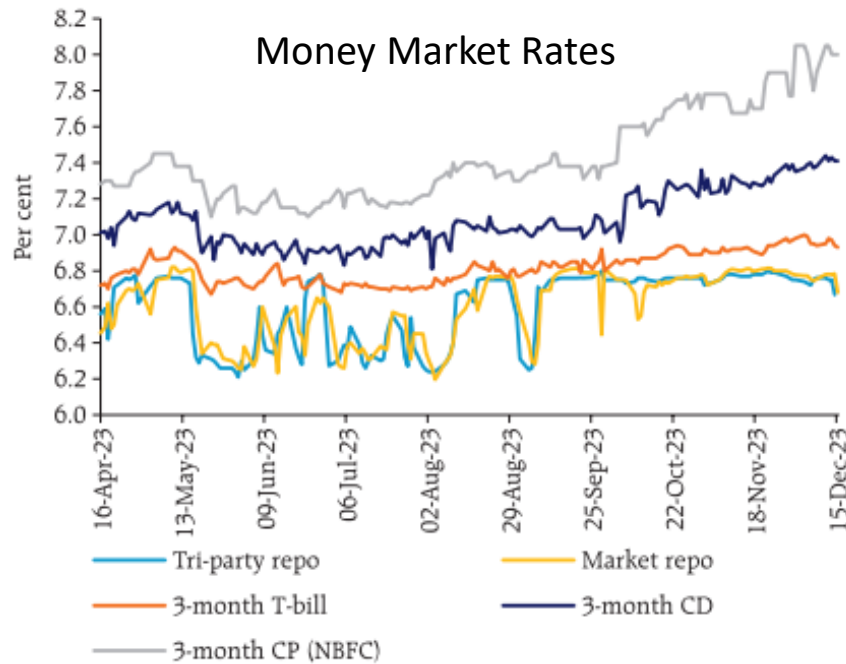
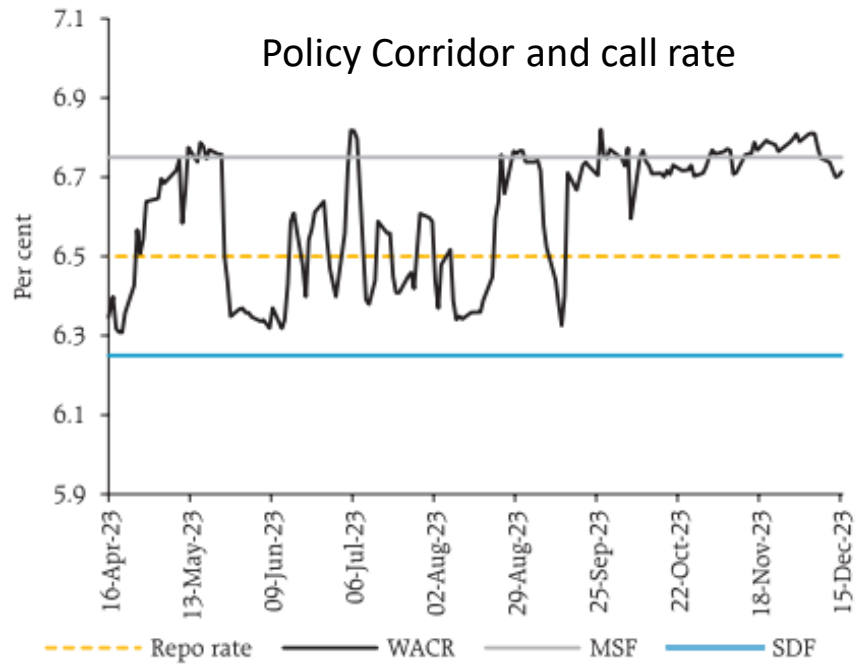
Higher for longer theme prevails



- The US government bond yields hardened in anticipation of a “higher for longer” monetary policy stance, reinforced by robust economic data and concerns about increasing bond supply.
- The 2-year yields have been trading higher than the 10-year yields and the spreads (10 year-2 Year) have been negative for most of the year.
- The 10 year Government Bond Yields rates have not been too volatile through out the year.



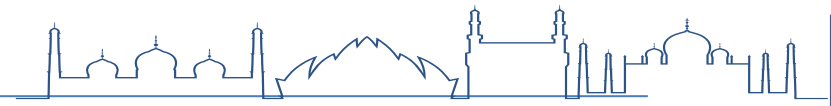
Short end rate movements



Insights at a glance

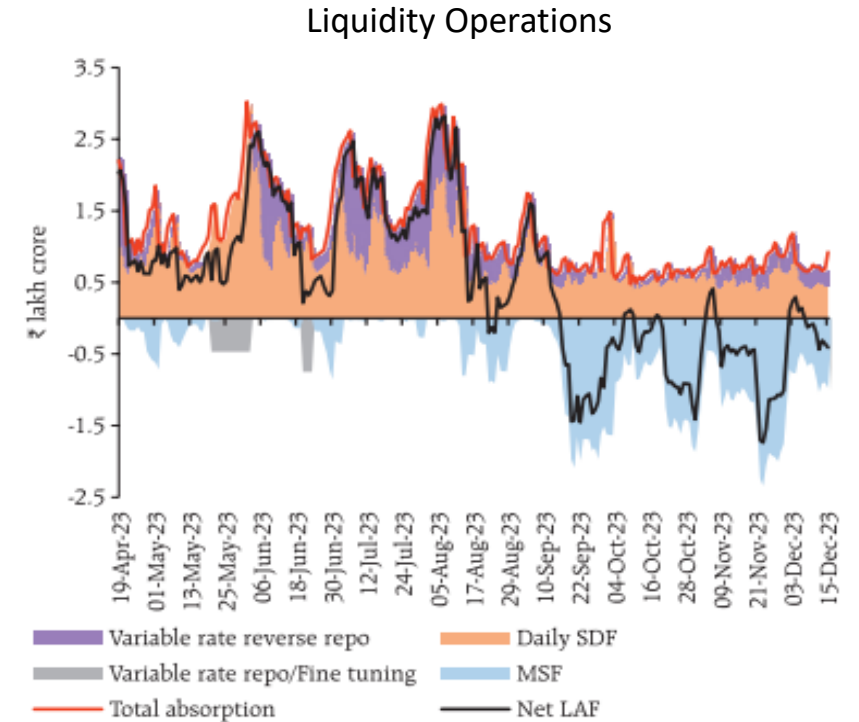
The demand for short end paper is now coming from FII as the Rupee has traded in a tight range.

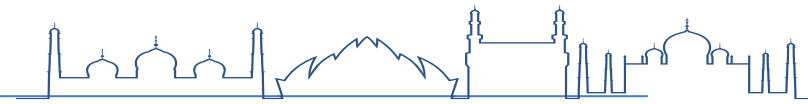
Supply of short papers have reduced as the government is elongating it maturities, for the next 6 years G Sec maturities is more than 5 Lakh crores



Tight Liquidity maintained through various liquidity operations

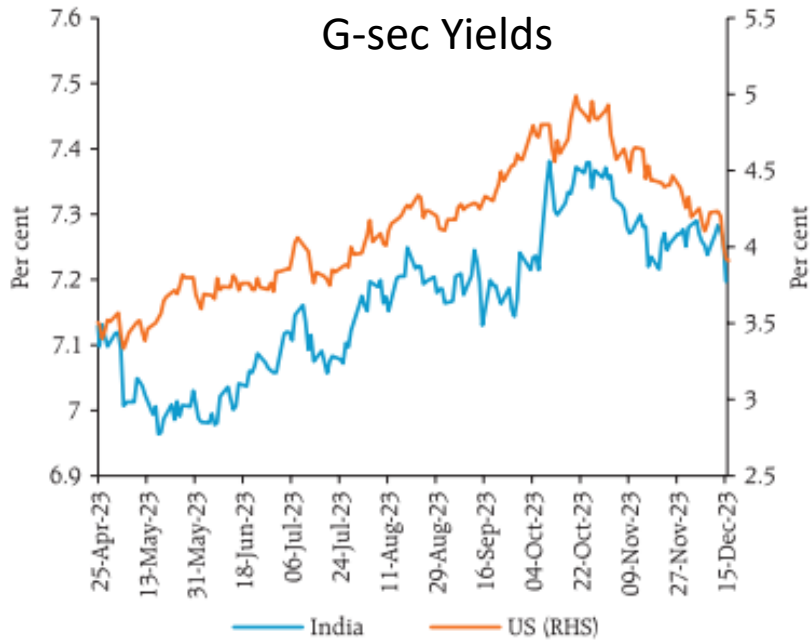
- System liquidity (LAF), turned into deficit mode for the first time in September 2023 after a gap of nearly four and a half years since May 2019.
- Deficit liquidity conditions persisted during October and November prompting large recourse to the marginal standing facility (MSF) by banks. In parallel, utilisation of the standing deposit facility (SDF) has also been high.
- The overall tightening of liquidity conditions is attributed mainly to higher currency leakage during the festive season, government cash balances and Reserve Bank’s market operations. The evolution of liquidity conditions has been in alignment with the monetary policy stance.
- More recently, however, as government spending has picked up and system liquidity has got more evenly balanced among market participants, pressures have eased and the net LAF position has evened out broadly. Going forward, government spending is likely to further ease liquidity conditions.



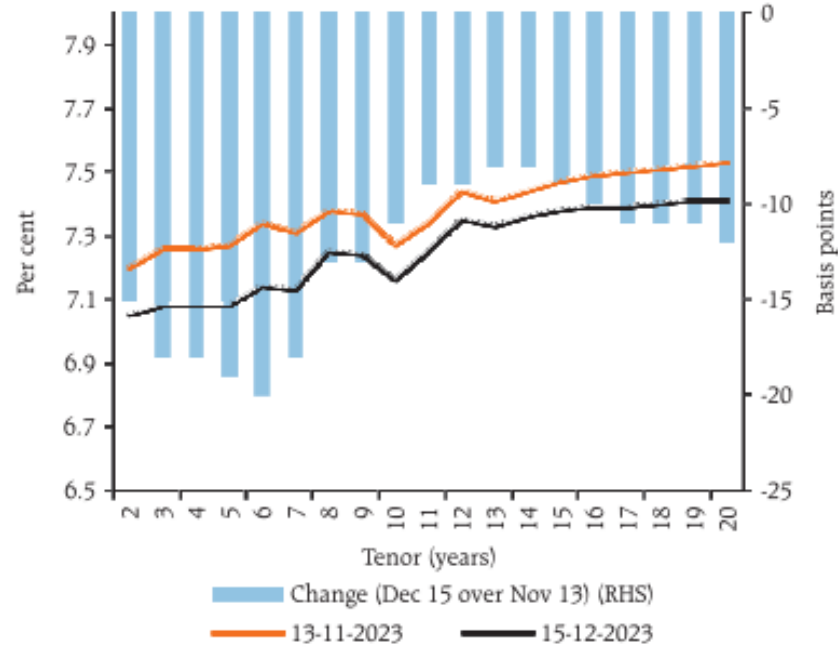


Long end rate movements

Movement in 10-year G-sec Yields



G-sec Yield Curve

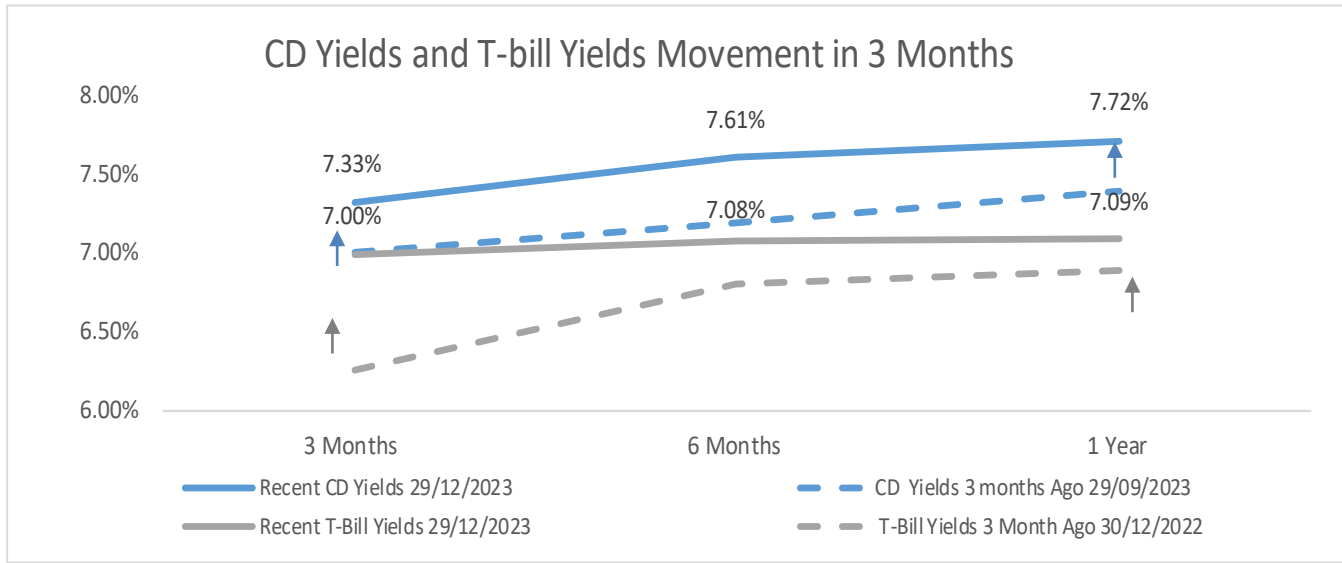


Insights at a glance

Demand for long dated government securities is coming from Insurance companies, EPFO and Banks.

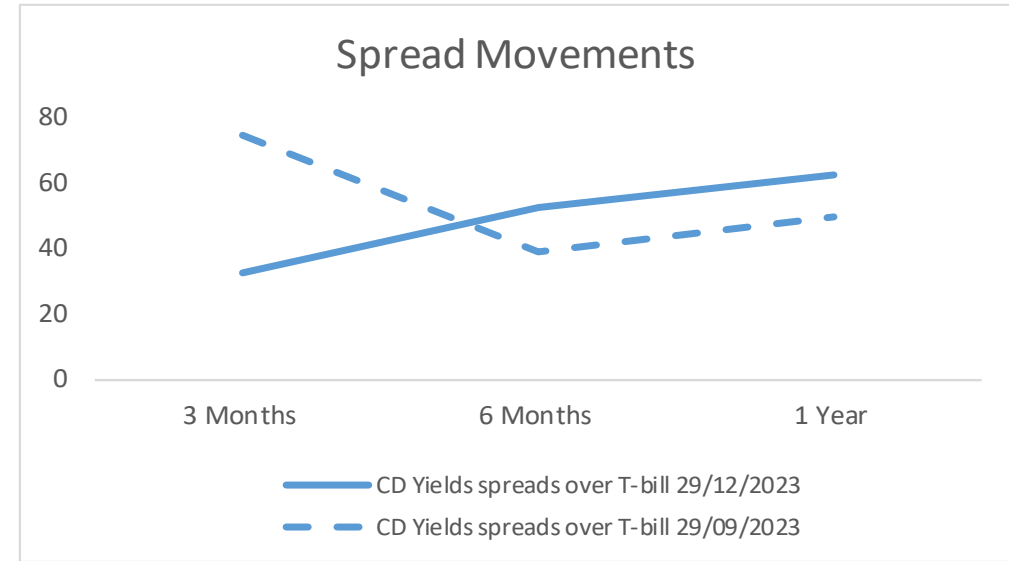
The Supply of government securities is above Rs 10 Lakh Crores but demand is very strong due to expectation of rate cuts in the coming months.

Variables	Year 2023 summary	Development/Drivers	Outlook going forward
Inflation	CPI Inflation largely remained in the target band of 4% +/- 2% except for a breach in July where the CPI rose to 7.4%.	Food Prices driving risks	Rabi production is expected to be affected due to lower acreage and Reservoir water levels being low. However, global prices are lower due to bumper production which is the silver lining
RBI Repo rate	RBI MPC hiked rate in Feb 2023 by 50 bps. Post this, the MPC maintained a longish Pause and did not hike rates in the year 2023	Longish pause while sustaining growth	Shallow rate cut of 50 basis points is expected as CPI inflation moves below 5 percent levels
Credit Space	The credit upcycle benefits from rating upgrades and better quality of credit. The gross stressed assets for banks in India was at a decade low level in the first half of the year	No significant downgrades	GDP growth expected to be above 6.5 percent. Credit upgrades expected to be above Credit downgrades next year also.
Government Securities	The yield curve turned flattish, with curve inverting around the 2-5 year segments towards the end of the year.	FII flows in anticipation of Fed Rate cut and index inclusion	This is expected to continue as FII flows are expected to intensify due to rate cuts expectations in US
Spreads	The Spreads this year were higher than one year back	Tight Liquidity	Credit spread are expected to widen due to tight liquidity conditions



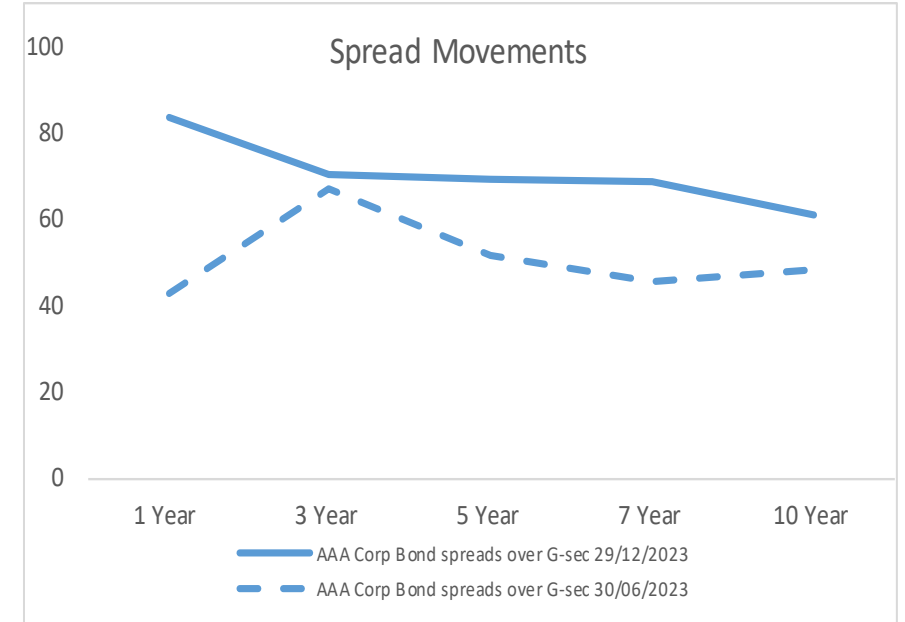
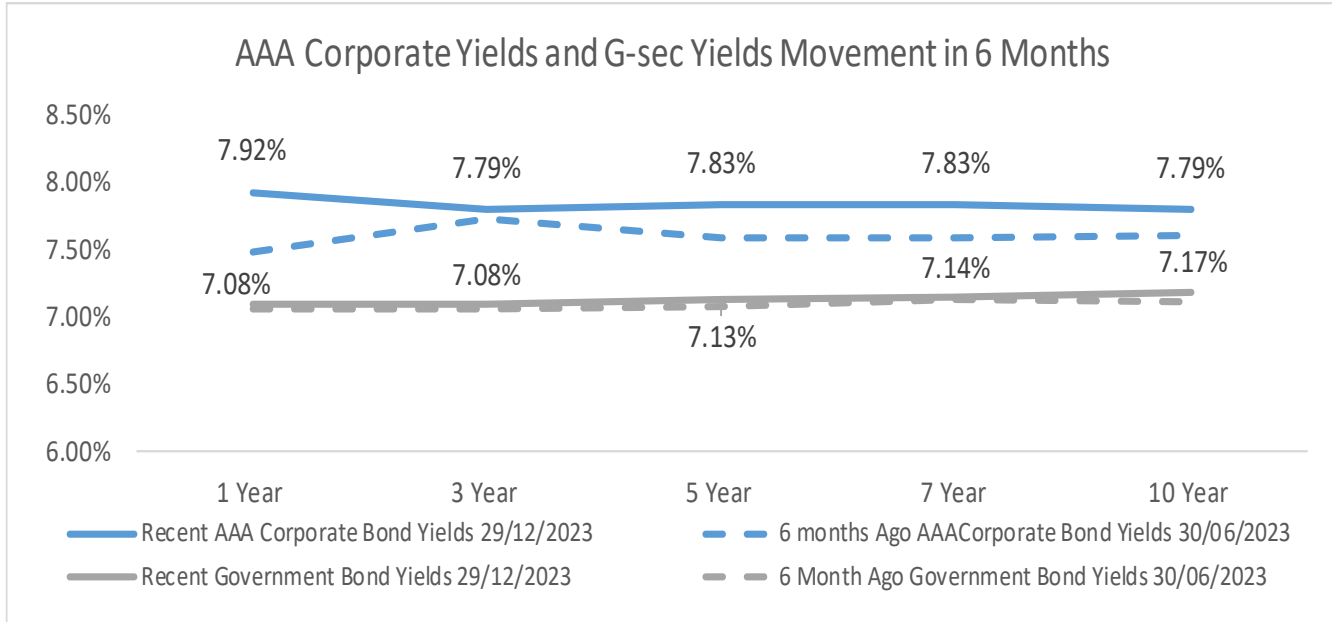
Yield movement-

- Yields of CD rose by 30-40 bps and T-bill rates increased by 20–30 bps, with 3 months rising by ~70 bps.
- The net systemic liquidity remains tight.
- The overnight rates traded at 6.75%, that is 25 bps higher than the repo rate of 6.50%



Change in Spread –

- Spreads have expanded in the 1 year segments while contracted in the 3 months segment.



Yield movement-

- Yields of G-sec have remained almost the same in 6 months
- AAA Corp bonds have risen across segments by 10-40 bps over the past 6 months.

Change in Spread –

- Spreads have expanded across segments

Instruments	Current Corp Yields	Corp Yields 6 months ago	Corp Yields 12 months ago	Fall / rise in Yields	Fall / rise in Yields	Spreads as on	Spreads as on	Spreads as on	Sp. Movement	Sp. Movement
	29/12/2023	30/06/2023	30/12/2022	6 months	12 months	29/12/2023	30/06/2023	30/12/2022	6 months	12 months
3 Months CD	7.33%	6.90%	6.66%	43	67	33	19	40	14	-7
3 Months CP	8.05%	7.18%	7.05%	87	100	105	47	79	58	26
6 Months CD	7.61%	7.15%	7.08%	46	53	53	31	28	22	25
6 Months CP	8.15%	7.43%	7.58%	72	57.5	107	59	77.5	48	29.50
1 Year CD	7.72%	7.30%	7.59%	42	13	63	44	69	19	-6
1 Year CP	8.50%	7.75%	8.05%	75	45	141	89	115	52	26
1 Year AAA Corp Bond	7.92%	7.48%	7.67%	44	25	84	43	63	41	20
3 Year AAA Corp Bond	7.79%	7.72%	7.65%	7	14	71	68	62	3	9
5 Year AAA Corp Bond	7.83%	7.59%	7.72%	24	11	70	52	49	18	21
10 Year AAA Corp Bond	7.79%	7.59%	7.75%	19	3	65	48	52	18	13

Yield movement-

Corporate Bond

- Corp Bond Yield curve moved up by ~15 to 20 basis points. It is inverted between 2 and 10 yr and above segment as short end yields moved up more than the long end of the yield curve.
- Corporate Bonds have less supply and in high demand in above 10-year maturity. Long only investors are buying 10 years and above at lower yield than the short end as they don't expect any further rate hike.

Change in Spread –

- The spread between G sec and Corporate bond is now at 20 to 40 basis points as supply of Corporate bonds is lower than last year.

Instruments	Current G-Sec/T-Bill Yields	G-Sec/T-Bill Yields 6 months ago	G-Sec/T-Bill Yields 12 months ago	Fall / rise in Yields	Fall / rise in Yields
	29/12/2023	30/06/2023	30/12/2022	6 months	12 months
1M T-Bill	7.00%	6.71%	6.26%	29	74
3M T-Bill	7.00%	6.71%	6.26%	29	74
6M T-Bill	7.08%	6.84%	6.80%	24	28
12M T-Bill	7.09%	6.86%	6.90%	23	19
1 Year	7.08%	7.05%	7.04%	3.7	4.7
3 Year	7.08%	7.05%	7.04%	3.7	4.7
5 Year	7.13%	7.07%	7.23%	6.3	-10.3
10 Year	7.14%	7.12%	7.24%	2	-10

Yield Movement –

G-sec

- Yield curve moved up by 15 to 20 basis points as RBI Stated it will do OMO sales to suck out excess liquidity. The short end of the yield curve moved up more than the long end as market expect OMO to come in the 3-to-7-year segment. CPI inflation is expected to be in the band of 4 to 6 percent.

Scheme Name	AUM (Rs. In Cr)	Portfolio Parameters				LT AAA & Eq.		
		YTM (including NCA)	Average Maturity	Modified Duration	Macauley Duration	LT AAA & Eq.	Non AAA ratings	TREPS / REPO / CASH
TATA OVERNIGHT FUND	3382	6.84%	1 days	1 days	1 days	38.39	--	94.84
TATA LIQUID FUND	23428	7.49%	42 days	42 days	42 days	85.80	19.12	-4.92
TATA MONEY MARKET FUND	14685	7.68%	98 days	98 days	98 days	84.14	22.80	-5.38
TATA ULTRA SHORT TERM FUND	1830	7.87%	178 days	154 days	160 days	76.74	22.30	1.48
TATA TREASURY ADVANTAGE FUND	2584	7.73%	323 days	292 days	310 days	105.38	--	2.78
TATA BANKING & PSU DEBT FUND	227	7.67%	3.06 years	2.28 years	2.43 years	96.51	--	6.90
TATA FLOATING RATE FUND	253	8.04%	1.11 years	0.98 years	1.05 years	92.18	5.91	7.25
TATA SHORT TERM BOND FUND	2202	7.69%	3.24 years	2.48 years	2.6 years	97.43	--	4.19
TATA CRISIL-IBX GILT INDEX - APRIL 2026 INDEX FUND	1101	7.19%	2.17 years	1.96 years	2.03 years	98.22	--	1.78
TATA GILT SECURITIES FUND	314	7.42%	15.91 years	7.87 years	8.17 years	93.79	--	9.71
TATA NIFTY G-SEC DEC 2026 INDEX FUND	109	7.21%	2.83 years	2.5 years	2.58 years	102.10	--	0.63
TATA CORPORATE BOND FUND	714	8.01%	3.65 years	2.7 years	2.85 years	73.91	23.70	2.39
TATA NIFTY SDL PLUS AAA PSU BOND DEC 2027 60 40 INDEX FUND	835	7.60%	3.78 years	3.17 years	3.33 years	99.39	--	1.46
TATA NIFTY G-SEC DEC 2029 INDEX FUND	168	7.26%	5.46 years	4.41 years	4.57 years	99.86	--	1.48

* in case of semi-annual YTM, it will be annualized

^Current YTM is not an indicative for future YTM. It is subject to change on daily basis depending on market conditions.

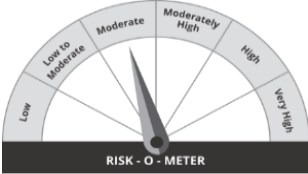
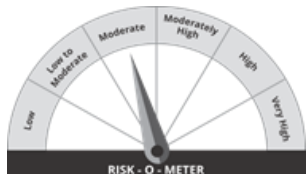
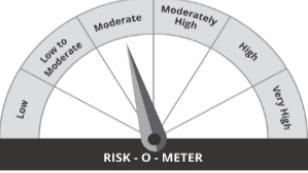
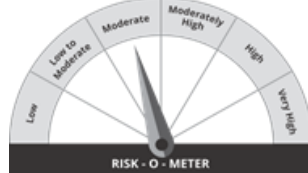

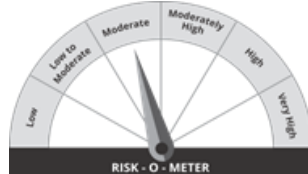

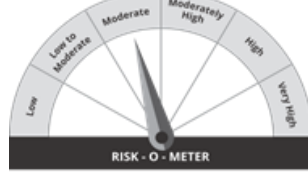


Scheme Name	AUM (Rs. In Cr)	Asset Allocation (%)								
		CD	CP	FRB	GSEC / SDL	NCD	TBILL	TIER 2 BON	ZERO COUPO	TREPS / REPO / CASH
TATA OVERNIGHT FUND	3382	--	--	--	--	--	5.16	--	--	94.84
TATA LIQUID FUND	23428	31.64	50.21	--	2.88	1.04	19.15	--	--	-4.92
TATA MONEY MARKET FUND	14685	53.34	35.84	--	4.11	--	12.09	--	--	-5.38
TATA ULTRA SHORT TERM FUND	1830	34.40	24.51	--	0.27	26.66	12.69	--	--	1.48
TATA TREASURY ADVANTAGE FUND	2584	24.33	12.16	5.20	10.51	38.54	3.83	--	2.65	2.78
TATA BANKING & PSU DEBT FUND	227	--	--	--	13.48	75.18	--	4.43	--	6.90
TATA FLOATING RATE FUND	253	--	--	41.07	9.70	41.98	--	--	--	7.25
TATA SHORT TERM BOND FUND	2202	2.19	2.18	2.26	36.43	52.74	--	--	--	4.19
TATA CRISIL-IBX GILT INDEX - APRIL 2026 INDEX FUND	1101	--	--	--	98.22	--	--	--	--	1.78
TATA GILT SECURITIES FUND	314	--	--	--	90.29	--	--	--	--	9.71
TATA NIFTY G-SEC DEC 2026 INDEX FUND	109	--	--	--	99.37	--	--	--	--	0.63
TATA CORPORATE BOND FUND	714	--	--	0.72	20.00	73.36	--	3.52	--	2.39
TATA NIFTY SDL PLUS AAA PSU BOND DEC 2027 60 40 INDEX FUND	835	--	--	--	60.87	37.67	--	--	--	1.46
TATA NIFTY G-SEC DEC 2029 INDEX FUND	168	--	--	--	98.52	--	--	--	--	1.48

PORTFOLIO COMPOSITION

Scheme	Scheme Category	1 - 7 Days	Abv 7 - 15 Days	Abv 15 - 30 Days	1 - 2 Mths	2 - 3 Mths	Abv 3 Mths	Cash & Others
Tata Overnight Fund	Overnight Fund	96.31	2.21	1.47	0.00	0.00	0.00	0.01
Tata Liquid Fund	Liquid	0.15	7.92	23.25	49.56	24.19	0.00	-5.07

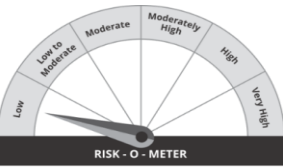
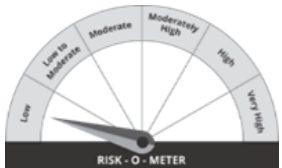

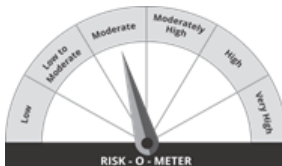
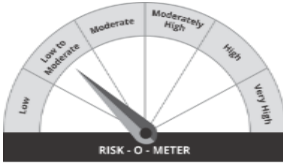
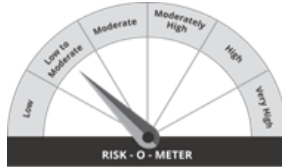

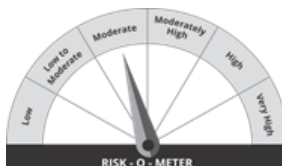
Scheme	Scheme Category	0 - 1 Mths	1 - 3 Mths	3 - 6 Mths	6 - 9 Mths	9 - 12 Mths	1 - 2 Yrs	2 - 3 Yrs	3 - 5 Yrs	Abv 5 Yrs	Cash & Others
Tata Ultra Short Term Fund	Ultra Short Duration	0.73	56.38	6.70	8.98	11.53	7.10	1.37	2.72	3.74	0.75
Tata Treasury Advantage Fund	Low Duration	5.12	29.28	8.10	7.77	14.52	27.40	9.37	0.00	0.00	-1.57
Tata Money Market Fund	Money Market	7.89	60.03	32.63	0.39	5.37	0.00	0.00	0.00	0.00	-6.31

Scheme	Scheme Category	0 - 1 Yrs	1 - 3 Yrs	3 - 5 Yrs	5 - 7 Yrs	7 - 10 Yrs	Abv 10 Yrs	Cash & Others
Tata Short Term Bond Fund	Short Duration	17.62	50.16	11.78	5.83	4.22	8.32	2.07
Tata Gilt Securities Fund	Gilt	3.50	0.00	0.00	0.00	39.86	50.43	6.21
TATA Banking & PSU Debt Fund	Banking & PSU Fund	4.84	54.95	26.49	0.00	0.00	10.53	3.19
TATA Floating Rate Fund	Floater Fund	40.28	42.66	0.00	0.00	0.00	15.43	1.63
TATA Corporate Bond Fund	Corporate Bond Fund	13.82	50.79	3.51	2.18	15.25	12.28	2.16
TATA Nifty SDL Plus AAA PSU Bond DEC 2027 60 40 Index Fund	Index Funds	0.85	0.00	98.54	0.00	0.00	0.00	0.61
TATA CRISIL-IBX GILT INDEX - APRIL 2026 INDEX FUND	Index Funds	0.03	98.22	0.00	0.00	0.00	0.00	1.75
TATA NIFTY G-SEC DEC 2026 INDEX FUND	Index Funds	2.74	99.37	0.00	0.00	0.00	0.00	-2.11
TATA NIFTY G-SEC DEC 2029 INDEX FUND	Index Funds	1.34	0.00	0.00	98.52	0.00	0.00	0.14


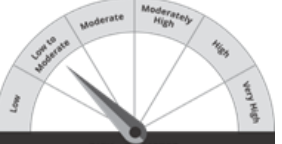
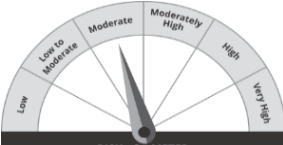
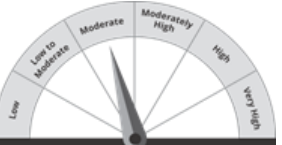
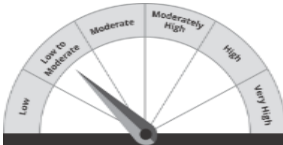
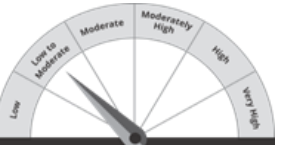




Name of Scheme	This product is suitable for investors who are seeking*:	Scheme Risk-O-Meter	Scheme Benchmark Risk-O-Meter
<p>Tata Banking & PSU Debt Fund</p> <p>(An open ended debt scheme predominantly investing in debt instruments of Banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds. A Relatively High Interest Rate Risk and Moderate Credit Risk.)</p>	<ul style="list-style-type: none"> • Regular Income Over Short Term to Medium Term. • Predominant investment in Debt & Money Market instruments issued by Banks, Public Sector Undertakings & Financial Institutions. 	 <p>RISK - O - METER</p> <p>Investors understand that their principal will be at Moderate Risk</p>	 <p>RISK - O - METER</p>
<p>TATA Corporate Bond Fund</p> <p>(The scheme had 1 segregated portfolio which was created under Tata Medium Term Fund)</p> <p>(An open-ended debt scheme predominantly investing in AA+ and above rated corporate bonds, with flexibility of any Macaulay Duration and relatively high interest rate risk and moderate credit risk)</p>	<ul style="list-style-type: none"> • Regular income for medium term. • Predominant investment in corporate debt securities. 	 <p>RISK - O - METER</p> <p>Investors understand that their principal will be at Moderate Risk</p>	 <p>RISK - O - METER</p>
<p>Tata Floating Rate Fund</p> <p>(An open ended debt scheme investing predominantly in floating rate instruments (including Fixed rate instruments converted to floating rate exposures using swaps/ derivatives), A Relatively High Interest Rate Risk and Moderate Credit Risk.)</p>	<ul style="list-style-type: none"> • Regular Income by investing predominantly in a portfolio of floating rate instruments (including fixed rate instruments converted for floating rate exposures using swaps / derivatives) 	 <p>RISK - O - METER</p> <p>Investors understand that their principal will be at Low to Moderate Risk</p>	 <p>RISK - O - METER</p>
<p>Tata GILT Securities Fund</p> <p>(An open-ended debt scheme investing predominantly in government securities across maturity. A Relatively High Interest Rate Risk and Relatively Low Credit Risk.)</p>	<ul style="list-style-type: none"> • Long Term Capital Appreciation & Regular Income. • Predominant investments in Government Securities. 	 <p>RISK - O - METER</p> <p>Investors understand that their principal will be at Moderate Risk</p>	 <p>RISK - O - METER</p>
<p>Tata Money Market Fund</p> <p>(An open ended debt scheme investing in money market instruments. A Relatively Low Interest Rate Risk and Moderate Credit Risk.)</p>	<ul style="list-style-type: none"> • Regular Income Over Short Term. • Investment in Money Market Instruments. 	 <p>RISK - O - METER</p> <p>Investors understand that their principal will be at Moderate Risk</p>	 <p>RISK - O - METER</p>

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

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

Name of Scheme	This product is suitable for investors who are seeking*:	Scheme Risk-O-Meter	Scheme Benchmark Risk-O-Meter
<p>Tata Overnight Fund</p> <p>(An open ended Debt scheme investing in Overnight Securities. A Relatively Low Interest Rate Risk and Relatively Low Credit Risk.)</p>	<ul style="list-style-type: none"> •To generate reasonable returns in line with overnight rates and high liquidity over short term. •Investment in debt and money market instruments having maturity of upto 1 business day. 	 <p>RISK - O - METER</p> <p>Investors understand that their principal will be at Low Risk</p>	 <p>RISK - O - METER</p>
<p>Tata Short Term Bond Fund</p> <p>(The scheme had 1 segregated portfolio which was created under Tata Corporate Bond Fund)</p> <p>(An open ended short term debt scheme investing in instruments with Macaulay duration between 1 year and 3 years (Refer to page no. 15 of SID). A Relatively High Interest Rate Risk and Moderate Credit Risk.)</p>	<ul style="list-style-type: none"> •Regular Fixed Income for Short Term. •Investment in Debt / Money Market instruments / Government Securities. 	 <p>RISK - O - METER</p> <p>Investors understand that their principal will be at Moderate Risk</p>	 <p>RISK - O - METER</p>
<p>Tata Treasury Advantage Fund</p> <p>(Scheme had 1 Segregated Portfolio)</p> <p>(An open ended low duration debt scheme investing in instruments such that the Macaulay duration of portfolio is between 6 months and 12 months. (Refer page 15 of the SID).A Moderate Interest Rate Risk and Moderate Credit Risk.)</p>	<ul style="list-style-type: none"> • Regular Fixed Income for Short Term. • Investment in Debt & Money Market Instruments. 	 <p>RISK - O - METER</p> <p>Investors understand that their principal will be at Low to Moderate Risk</p>	 <p>RISK - O - METER</p>
<p>Tata Ultra Short Term Fund</p> <p>(An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration (Refer page 17 of SID) of the portfolio is between 3 months and 6 months. A Relatively Low Interest Rate Risk and Moderate Credit Risk.)</p>	<ul style="list-style-type: none"> •Regular Income Over Short Term. •Investment in Debt & Money Market instruments such that the Macaulay Duration of the portfolio is between 3 months - 6 months. 	 <p>RISK - O - METER</p> <p>Investors understand that their principal will be at Moderate Risk</p>	 <p>RISK - O - METER</p>

*Investors should consult their financial advisors if in doubt about whether the product is suitable for them
(it may be noted that risk-o-meter specified above is based on the scheme characteristics. The same shall be updated in accordance with provisions of SEBI circular dated October 5, 2020 on Product labelling in mutual fund schemes on ongoing basis.)

Name of Scheme	This product is suitable for investors who are seeking*:	Scheme Risk-O-Meter	Scheme Benchmark Risk-O-Meter
Tata Liquid Fund (An open ended Liquid Scheme. A Relatively Low Interest Rate Risk and Moderate Credit Risk.)	<ul style="list-style-type: none"> Regular Income for Short Term. Investment in Debt / Money Market Instruments. 	 <p>RISK - O - METER</p> <p>Investors understand that their principal will be at Moderate Risk</p>	 <p>RISK - O - METER</p>
TATA NIFTY SDL PLUS AAA PSU BOND DEC 2027 6040 INDEX FUND (An open-ended Target Maturity Index Fund investing in constituents of Nifty SDL Plus AAA PSU Bond Dec 2027 60:40 Index. A Scheme with Relatively High Interest Rate Risk and Relatively Low Credit Risk.)	<ul style="list-style-type: none"> Income over the target maturity period. Investing in constituents similar to composition of Nifty SDL Plus AAA PSU Bond Dec 2027 60:40 Index. 	 <p>RISK - O - METER</p> <p>Investors understand that their principal will be at Moderate Risk</p>	 <p>RISK - O - METER</p>
TATA CRISIL-IBX GILT INDEX - APRIL 2026 INDEX FUND (An open-ended Target Maturity Index Fund investing in constituents of CRISIL-IBX Gilt Index – April 2026 Index. A Scheme with Relatively High Interest Rate Risk and Relatively Low Credit Risk)	<ul style="list-style-type: none"> Income over the target maturity period. Investing in constituents similar to composition of CRISIL-IBX Gilt Index – April 2026. 	 <p>RISK - O - METER</p> <p>Investors understand that their principal will be at Low to Moderate Risk</p>	 <p>RISK - O - METER</p>
Tata Nifty G-Sec Dec 2029 Index Fund (An open-ended Target Maturity Index Fund predominately investing in constituents of Nifty G-Sec Dec 2029 Index. A Scheme with Relatively High Interest Rate Risk and Relatively Low Credit Risk)	<ul style="list-style-type: none"> Income over the target maturity period. Investing in constituents similar to composition of Nifty G-Sec Dec 2029 Index. 	 <p>RISK - O - METER</p> <p>Investors understand that their principal will be at Moderate Risk</p>	 <p>RISK - O - METER</p>
Tata Nifty G-Sec Dec 2026 Index Fund (An open-ended Target Maturity Index Fund investing in constituents of Nifty G-Sec Dec 2026 Index. A Scheme with Relatively High Interest Rate Risk and Relatively Low Credit Risk.)	<ul style="list-style-type: none"> Income over the target maturity period. Investing in constituents similar to composition of Nifty G-Sec Dec 2026 Index. 	 <p>RISK - O - METER</p> <p>Investors understand that their principal will be at Moderate Risk</p>	 <p>RISK - O - METER</p>

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Scheme Name	PRC																								
Tata Overnight Fund	<table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> <tr> <th>Credit Risk →</th> <th>Relatively Low (Class A)</th> <th>Moderate (Class B)</th> <th>Relatively High (Class C)</th> </tr> </thead> <tbody> <tr> <td>Interest Rate Risk ↓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively Low (Class I)</td> <td>A-I</td> <td></td> <td></td> </tr> <tr> <td>Moderate (Class II)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively High (Class III)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Potential Risk Class				Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)	A-I			Moderate (Class II)				Relatively High (Class III)			
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Tata Nifty Sdl Plus AAA PSU Bond Dec 2027 60:40 Index Fund	<table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> <tr> <th>Credit Risk →</th> <th>Relatively Low (Class A)</th> <th>Moderate (Class B)</th> <th>Relatively High (Class C)</th> </tr> </thead> <tbody> <tr> <td>Interest Rate Risk ↓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively Low (Class I)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Moderate (Class II)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively High (Class III)</td> <td>A-III</td> <td></td> <td></td> </tr> </tbody> </table>	Potential Risk Class				Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)				Moderate (Class II)				Relatively High (Class III)	A-III		
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Tata Crisil-IBX Gilt Index - April 2026 Index Fund																									
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Disclosure:

For Short Term Bond Fund:

In the performance data of Tata Short Term Bond Fund there is no impact of segregated portfolio which was created in Tata Corporate Bond Fund. Main portfolio of Tata Corporate Bond Fund was merged with Tata Short Term Bond Fund wef 14th December 2019. Fund manager for Tata Corporate Bond Fund was Amit Somani. Due to credit event (Default of Debt Servicing by Dewan Housing Finance Ltd (DHFL) on 4th June'2019), segregated portfolio of securities of DHFL was created in Tata Corporate Bond Fund on 15th June 2019. The creation of Segregated Portfolio, had impacted the NAV of the Tata Corporate Bond Fund to the extent of (-15.02%) of NAV.

As per National Company Law Tribunal (NCLT) approved resolution plan on 7th June 2021, the segregated portfolio of the scheme (i.e Tata Corporate Bond Fund-Segregated Portfolio) has received Rs. 25.67 Crores against gross receivable of Rs.57.80 Crores. The consideration for DHFL creditors is in the form of a mix of upfront cash and secured 10 year bonds issued by Piramal Capital and Housing Finance Ltd. (PCHFL). The segregated portfolio of the scheme has received Rs. 11.66 Crores in Cash and total face value of Rs. 14.01 crores of PCHFL bonds. As per National Company Law Tribunal (NCLT) approved resolution plan on 7th June 2021, the segregated portfolio of the scheme (i.e Tata Corporate Bond Fund-Segregated Portfolio) has received Rs. 25.67 Crores against gross receivable of Rs.57.80 Crores. The final repayment were in the form of upfront cash and secured 10 year 6.75% par bonds issued by Piramal Capital and Housing Finance Ltd. (PCHFL). The segregated portfolio of the scheme has received Rs. 11.66 Crores in Cash and total face value of Rs.14.01 crores of PCHFL bonds. The cash component was paid out to the investors immediately and the payout amount was credited to the investors bank account on October 12, 2021. The Bonds of Piramal Capital and Housing Finance Ltd (PCHFL) bonds were sold in the open market and the proceeds of Rs 12.03 crores were distributed to investors on February 14, 2022

For Tata Treasury Advantage Fund:

Tata Treasury Advantage Fund has one segregated portfolio and the creation of Segregated Portfolio 1 in the scheme has impacted the NAV of the scheme to the extent of (-1.66%) of NAV As per National Company Law Tribunal (NCLT) approved resolution plan on 7th June 2021, the segregated portfolio of the scheme (i.e Tata Treasury Advantage Fund-Segregated Portfolio) has received Rs. 32.00 Crores against gross receivable of Rs.78.85 Crores. The consideration for DHFL creditors is in the form of a mix of upfront cash and secured 10 year bonds issued by Piramal Capital and Housing Finance Ltd. (PCHFL). The segregated portfolio of the scheme has received Rs. 14.54 Crores in Cash and total face value of Rs. 17.46 crores of PCHFL bonds.

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

THANK YOU

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

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