TATA PENSION FUND

Jaisa Aaj, Waisa Kal

NATIONAL PENSION SYSTEM

(NPS)

RE-LIVE

When you **Retire.**

Investing + Tax Saving + Pension

INVESTMENT PHILOSOPHY & PORTFOLIO APPROACH

EQUITY INVESTMENT PHILOSOPHY
- GROWTH AT REASONABLE PRICE

DEEP VALUE
Valuation is right, timing may or may not be

GROWTH AT REASONABLE PRICE
(Combining Best of Both Value & Growth)

GROWTH AT ANY PRICE
Typically associated with high perceived quality

EQUITY PORTFOLIO POSITIONING

Prefer Top-down over Bottom-Up Stock Picking -

- Focus on getting Sector selection right to provide greater margin of safety to portfolio
- Sectors would be selected on the basis of macro economic factors along with growth potential and positioning in business cycles.

Types of Stocks in the Portfolio -

- Fund Manager would prefer companies which are low debt, high free cash flows & higher efficiency ratios etc. and have potential for growth.

Prefer Stocks with higher sustainable Growth –

- Prefer companies that have high growth, sustainable business models (businesses that have long shelf life and relevance), low debt and market leadership etc. among other factors.

EQUITY PORTFOLIO POSITIONING

Allocation across market caps

- Portfolio shall be biased towards large caps. We may make tactical allocation decision between Large and Mid caps depending upon the market cycle & growth opportunities.
- Investment Universe of Top 200 Stocks.

Sectors Avoided

- Portfolio may avoid sectors with potential for high debt with low return ratios and high regulatory risks.
- Sectors facing business growth risk due to changing business cycle.

Portfolio Turnover

- Prefer Low churn in the portfolio and biased towards a buy and hold approach.

Reasonable Active Share

- The Portfolio shall have reasonable proportion of active bets as compared to the relevant benchmark

DEBT INVESTMENT PHILOSOPHY

Approach to Debt Investments :

Focus on safety / capital preservation while optimizing returns

DEBT INVESTMENT PHILOSOPHY

S
Safety

Safety of the portfolio

L
Liquidity

Adequate Liquidity in the portfolio

R
Returns

Providing higher risk adjusted Returns

DEBT PORTFOLIO POSITIONING

Duration / Interest Rate risk:

Positioning portfolio risk based on outlook on rates.

01

Issuer Selection:

Focus on fundamentally strong issuers with low credit risk.

02

Security Selection:

Liquidity, pricing, demand & supply dynamics.

03

Risk Monitoring:

Independent risk department monitoring risk guidelines real time basis.

04

MARKET OUTLOOK

DOMESTIC SLOWDOWN CONCERN WITH EXTERNAL RISK RISING

KEY POSITIVES

- India expected to be the fastest growing large economy in FY26
- Impact of Food inflation receding and inflation outlook positive
- RBI rate cut and shifting focus on supporting growth is a positive for growth in demand in the economy
- Gov't capex to continue with private capex expected to pick up after a subdued FY25
- Early signs of revival in mass and rural consumption positive for revenue growth for consumption-oriented sectors

KEY RISK AREAS

- Increased risk of Global slowdown
- Softer GDP growth due to subdued global demand growth
- Concerns over earnings slowdown in FY26
- Volatile FPI flows continue to put pressure on markets
- Rising global uncertainty and market volatility due to ongoing Trade related conflicts

TIME FOR DURATION

- Inflation seen moderating over the medium term
- Continued government focus on fiscal consolidation
- Rate cuts and improved liquidity to reduce pressure on interest rates
- Expect increased volatility in yields due to global uncertainty related to global trade related
- Overall, with improving liquidity conditions and rate cuts, we prefer a duration bias strategy in the portfolio from a medium-term perspective.

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PORTFOLIO POSITIONING

CURRENT PORTFOLIO POSITIONING - EQUITY

Multiple Themes around India Growth Story

- We remain optimistic on the medium- term India story and expect these trends to strengthen with multiple themes at play (financialization of savings, private capex revival, rising discretionary consumption, strengthening of real estate cycle, and the massive creation of digital and physical infrastructure).

Playing the Capex and Consumption growth Beneficiaries

- Our equity portfolio is oriented towards domestic cyclicals & capex cycle plays with our key overweight exposure being Banks, Capital goods, Consumer services, Construction materials & Healthcare.

Focus on 3 P's

- Investment strategy to focus on capturing the 3 Ps viz. Production (Manufacturing), Penetration (Consumption) and Premiumization (Services) as medium to long term theme for India.

Monitoring Sectors with signs of growth recovery

- A revival in consumption due to tax incentives and lower interest rates would be positive for Consumption oriented stocks
- Constructive on Telecom and Auto sector as the demand conditions improve

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PORTFOLIO POSITIONING

CURRENT PORTFOLIO POSITIONING - DEBT

Duration preference

- Current Portfolio is geared towards moderate to high duration in both the G-sec and Corporate Bond Portfolios.

Accrual Focus

- Portfolio targets a judicious mix of instrument to enhance the carry/ yield of the portfolio.

Quality of Portfolio

- Corporate Bond Portfolio remains biased towards high quality issuers and on optimizing the mix of issuers to enhance accrual income to the portfolio.

SECTORAL EXPOSURE

Sector	Portfolio weights (%)	Benchmark weights (%)	OW/UW
Automobile and Auto Components	5.92	6.66	-0.74
Capital Goods	7.36	3.98	3.38
Chemicals	-	1.61	-1.61
Construction	2.97	2.81	0.16
Construction Materials	4.38	2.21	2.17
Consumer Durables	1.68	2.41	-0.73
Consumer Services	4.04	3.39	0.65
Diversified	-	0.05	-0.05
Fast Moving Consumer Goods	5.22	7.18	-1.96
Financial Services	31.08	32.05	-0.96
Healthcare	6.32	5.35	0.97
Information Technology	7.05	9.79	-2.74
Metals & Mining	2.80	3.80	-1.00
Oil, Gas & Consumable Fuels	7.78	8.65	-0.87
Power	3.81	3.59	0.22
Realty	1.46	1.16	0.30
Services	1.35	1.59	-0.24
Telecommunication	3.39	3.53	-0.14
Textiles	-	0.18	-0.18
Grand Total	96.62	100.00	

Data as on 31st March 2025

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EQUITY TIER 1 SCHEME – MARKET CAP EXPOSURE

Market Cap	Tata	Benchmark
Large Cap	85.97	82.85
Mid Cap	10.65	17.15
Grand Total	**96.62**	**100.00**

Market Cap Wise Grouping	Tata	Benchmark
Top 50	66.23	67.78
Next 50	19.74	15.08
Midcap 100	10.65	17.14
Grand Total	**96.62**	**100.00**

Data as on 31st March 2025

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PORTFOLIO POSITIONING – DEBT

PORTFOLIO POSITIONING – DEBT – G1

Duration and Yields	Scheme G Tier 1
Modified Duration	10.70
Yield to Maturity (%)	7.01
Instruments	
G-Sec	75.22
SDL	19.82
Govt. Guaranteed Bonds	1.12
Total	**96.16**

PORTFOLIO POSITIONING – DEBT – C1

Duration and Yields	Scheme C Tier 1
Modified Duration	5.02
Yield to Maturity (%)	7.47
Ratings Wise Exposure	
AAA	76.75
AA+	17.96
Total	**94.71**

Data as on 31st March 2025

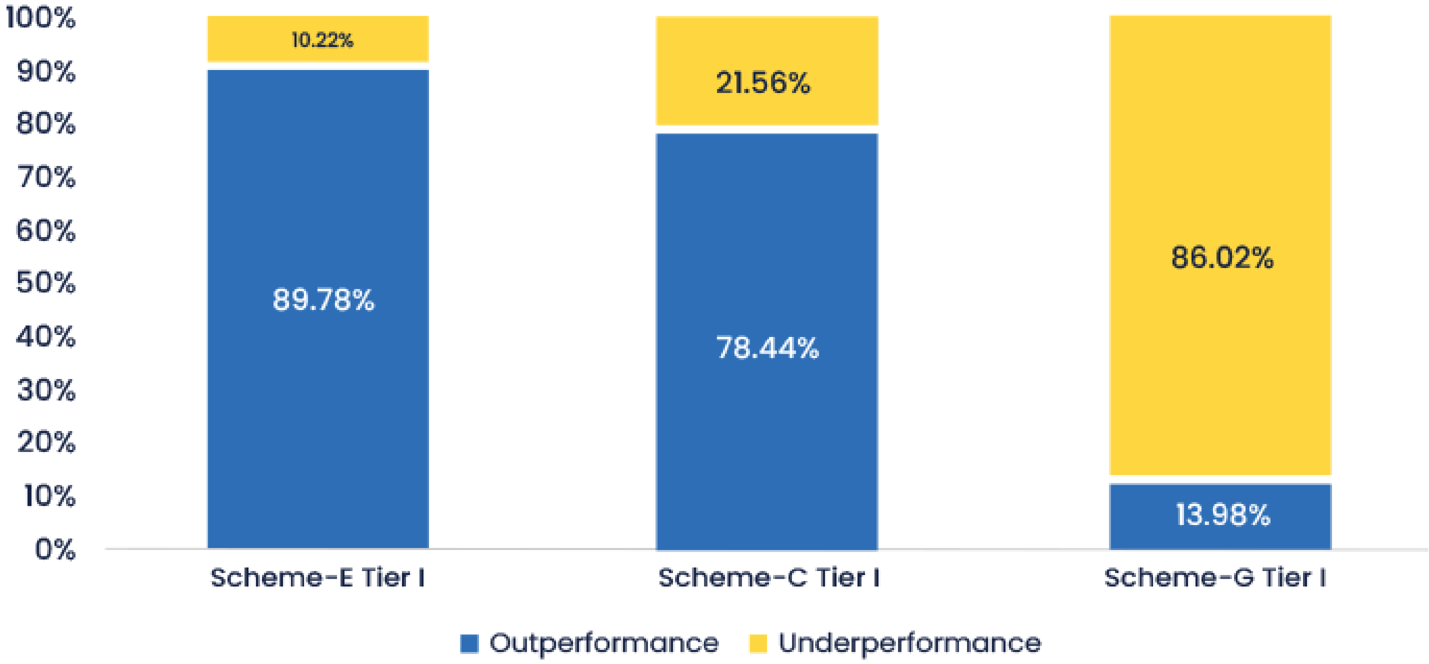
EVALUATING OUR FUND PERFORMANCE

1-YEAR RETURNS

Schemes	Portfolio Returns(%)	Benchmark Return (%)	Out/Under performed over Benchmark
Scheme-E Tier I	5.46%	6.22%	-0.76%
Scheme-E Tier II	5.59%	6.22%	-0.63%
Scheme-C Tier I	9.34%	8.60%	0.74%
Scheme-C Tier II	9.39%	8.60%	0.79%
Scheme-G Tier I	9.86%	10.26%	-0.40%
Scheme-G Tier II	9.91%	10.26%	-0.35%
Scheme A - Tier I	8.48%	-	NA
Tax Saver Tier - II	6.80%	8.90%	-2.10%

Source : NPS Trust website. Data as on 31st March 2025

Daily Rolling Returns of our Funds from March 2024 to March 2025



Asset Classes :

E – Equity
C – Corporate Bond
G – Government Securities

Benchmark Indices :

E Tier I : NPS Equity Index
C Tier I : NPS Corporate Bond Index
G Tier I : NPS Government Securities Index

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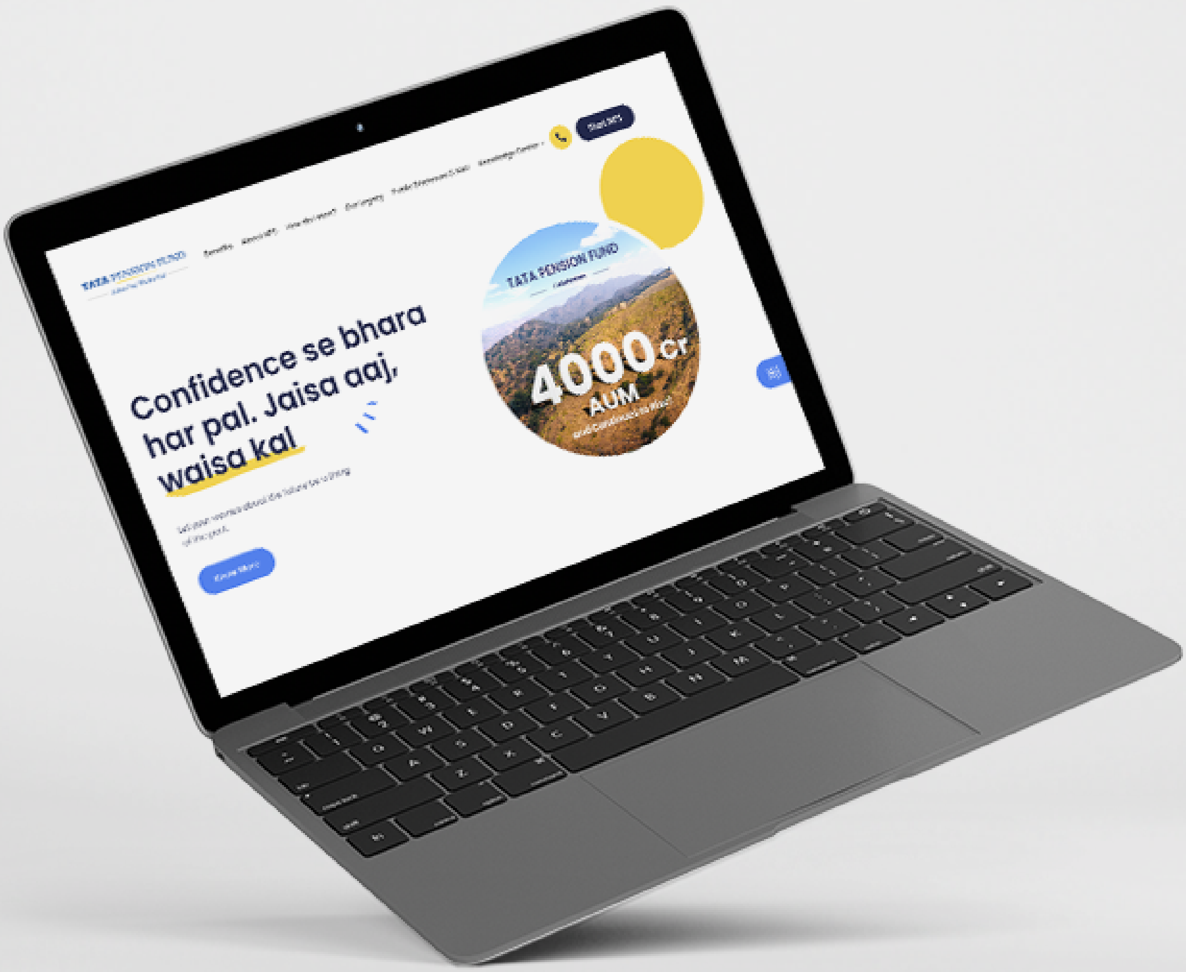
EXPLORE NPS WITH TATA PENSION



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