

NATIONAL PENSION SYSTEM  
(NPS)

# RE-LIVE

## When you Retire.

Investing + Tax Saving + Pension

MARKET OUTLOOK - FEBRUARY 2026



# 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*



# PORTFOLIO POSITIONING

## CURRENT PORTFOLIO POSITIONING – EQUITY

### Multiple Themes around India Growth Story

- We remain optimistic over 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).

### 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.

### Boost to Consumption from GST & Income Tax relaxations and Rate cuts

- A revival in consumption due to tax incentives and lower GST rates would be positive for Consumption oriented stocks.
- We continue to remain overweight on sectors which are beneficiaries of Consumption growth.

### Playing the Consumption growth along with Capex Beneficiaries

- Our equity portfolio is oriented towards domestic consumption & capex cycle plays with our key overweight exposure being Auto, Capital goods, construction materials and Consumer services.

# **PUSH FOR DOMESTIC GROWTH AMIDST RISING EXTERNAL RISK**

## **MULTIPLE TRIGGERS FOR GROWTH**

### **Resiliency in Domestic Growth critical for Markets**

- Growth momentum continues in GDP post the GST and income tax cuts
- Concerns over the growth rising due to external geopolitical risk

### **Monetary Policy support amidst rising inflation concerns**

- Liquidity support by RBI important for interest rates and credit support in the economy
- Rising inflation and depreciating currency limits space for policy actions by RBI

### **Capex**

Government capex to continue with private capex expected to pick up due to improved domestic demand outlook



# **PUSH FOR DOMESTIC GROWTH AMIDST RISING EXTERNAL RISK**

## **MULTIPLE TRIGGERS FOR GROWTH**

### **Concerns over Earnings outlook in FY27**

Impact of higher input prices may restrain earnings growth expectations

### **Key Risk**

- Increased risk of growth slowdown amid Geo-political and war related uncertainties
- Volatile FPI flows continue to put pressure on markets
- Higher inflation limiting space for any policy actions to support growth



# SECTORAL EXPOSURE

Sector	Portfolio weights (%)	Benchmark weights (%)	OW/UW
Financial Services	30.87	32.97	-2.09
Oil, Gas & Consumable Fuels	6.80	8.64	-1.84
Automobile and Auto Components	8.95	7.49	1.46
Information Technology	6.73	7.20	-0.48
Fast Moving Consumer Goods	5.17	6.20	-1.04
Healthcare	4.63	5.36	-0.73
Capital Goods	8.56	5.16	3.40
Metals & Mining	2.93	4.60	-1.67
Telecommunication	3.32	3.84	-0.52
Power	4.16	3.49	0.67
Consumer Services	3.12	3.31	-0.19
Construction	3.33	3.10	0.24
Consumer Durables	0.88	2.55	-1.66
Construction Materials	4.01	1.92	2.09
Services	1.20	1.68	-0.48
Realty	0.96	0.98	-0.02
Chemicals	0.00	1.38	-1.38
Textiles	0.00	0.12	-0.12
<b>Grand Total</b>	<b>95.63</b>	<b>100.00</b>	

Data as on 27<sup>th</sup> February 2026

# EQUITY TIER 1 SCHEME – MARKET CAP EXPOSURE

Market Cap	Tata	Benchmark
Large Cap	84.16	82.43
Mid Cap	11.48	17.57
<b>Grand Total</b>	<b>95.63</b>	<b>100.00</b>

Market Cap Wise Grouping	Tata	Benchmark
Top 50	66.09	65.98
Next 50	18.06	16.45
Midcap 150	11.47	17.57
<b>Grand Total</b>	<b>95.63</b>	<b>100.00</b>

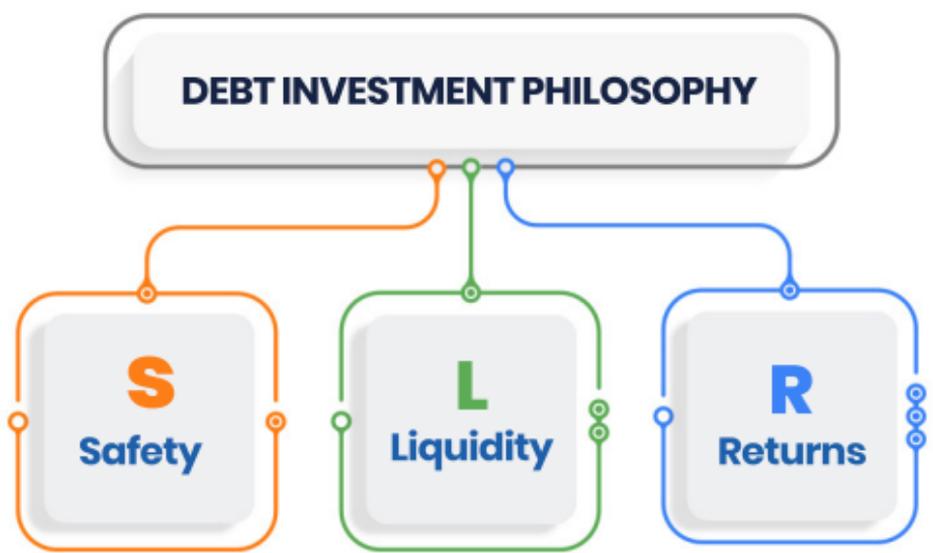
Data as on 27<sup>th</sup> February 2026

# 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**

# TIME FOR DURATION

- Domestic bond yields continue to see upside pressure due to elevated oil prices and foreign outflows amidst the Middle East conflict.
- Inflation risk rising due to increasing commodity prices amidst geopolitical concerns.
- Higher borrowings for FY27 and lower demand raise concerns over softening of yield expectations.
- With front loaded rate cuts, scope for further easing will depend on growth trajectory of the economy and inflation.
- Ample provision of Liquidity and lower supply of papers will be critical for the yields to moderate and we expect RBI to provide support on both the parameters. However, a rising inflation may limit the options available to the RBI.
- Overall, with growth and inflation outlook concerns, we prefer a moderate duration bias strategy in the portfolio from the medium-term perspective.



# PORTFOLIO POSITIONING

## CURRENT PORTFOLIO POSITIONING – DEBT

### Duration preference

- Current Portfolio is geared towards moderate 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 while moderating duration risk.



# PORTFOLIO POSITIONING – DEBT

## PORTFOLIO POSITIONING – DEBT – G1

Duration and Yields	Scheme G Tier 1
Modified Duration	9.16
Yield to Maturity (%)	7.38
Instruments	
G-Sec	74.56
SDL	21.18
Govt. Guaranteed Bonds	0.84
<b>Total</b>	<b>96.58</b>

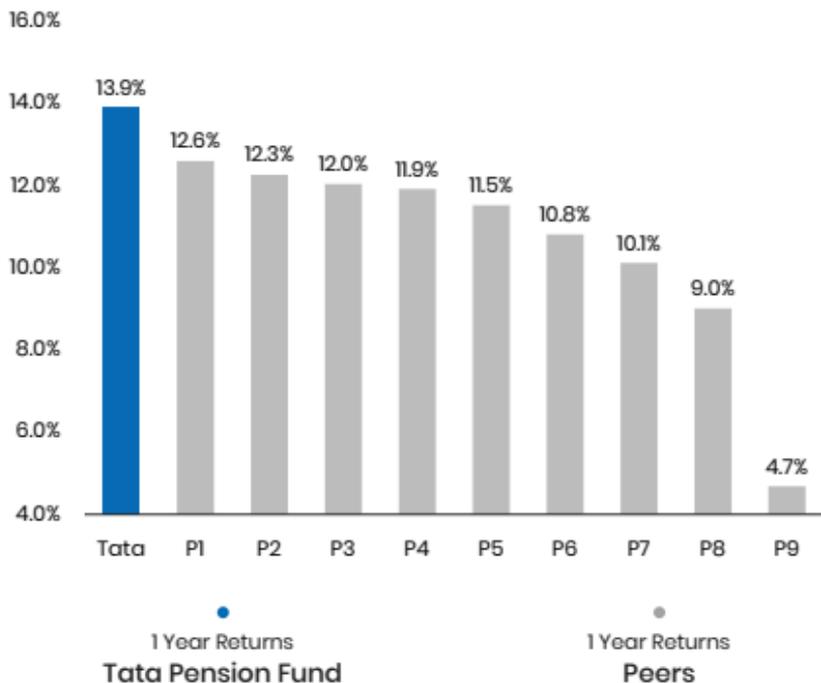
## PORTFOLIO POSITIONING – DEBT – C1

Duration and Yields	Scheme C Tier 1
Modified Duration	4.23
Yield to Maturity (%)	7.47
Ratings Wise Exposure	
AAA	71.13
AA+	22.36
<b>Total</b>	<b>93.49</b>

Data as on 27<sup>th</sup> February 2026

# Our confident results, your secure retirement.

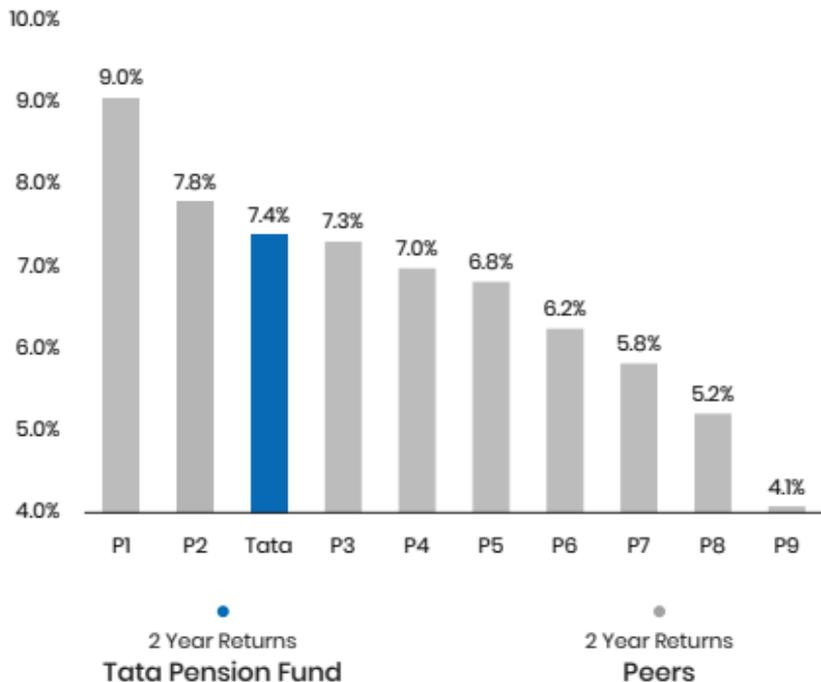
## Equity Tier 1 (1 Year Returns)



\*Source - NPS Trust  
Data as of 27<sup>th</sup> February 2026

# Our confident results, your secure retirement.

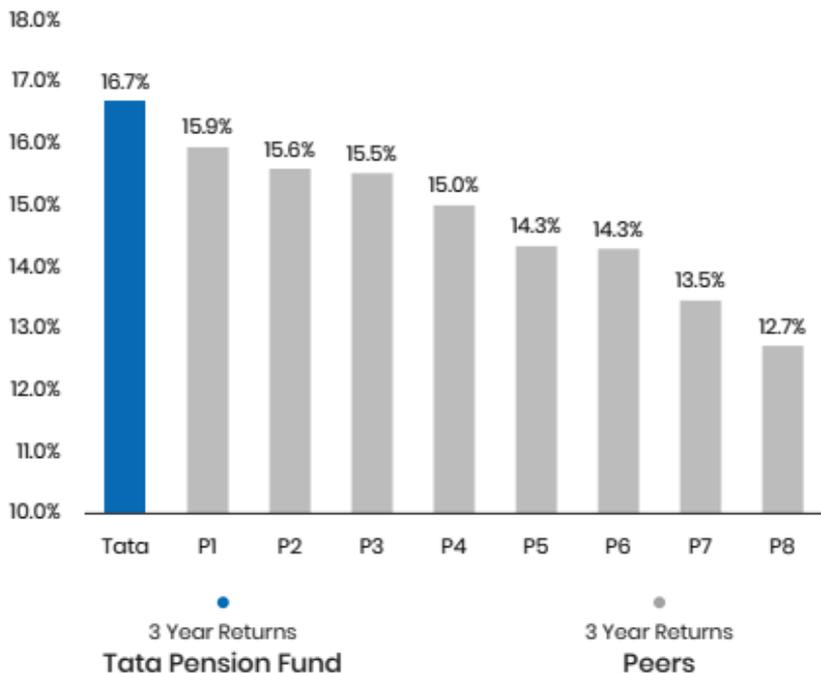
## Equity Tier 1 (2 Year Returns)



\*Source - NPS Trust  
Data as of 27<sup>th</sup> February 2026

# Our confident results, your secure retirement.

## Equity Tier 1 (3 Year Returns)



\*Source - NPS Trust  
Data as of 27<sup>th</sup> February 2026

# EVALUATING OUR FUND PERFORMANCE

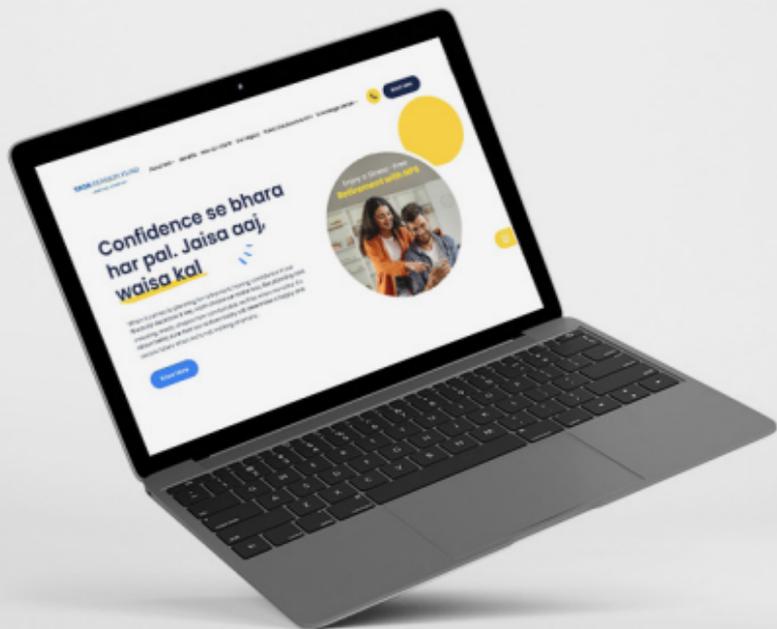
## 1-YEAR RETURNS

Schemes	Portfolio Returns(%)	Benchmark Return (%)	Out/Under performed over Benchmark
Scheme-E Tier I	20.12%	17.31%	2.81%
Scheme-E Tier II	19.96%	17.31%	2.65%
Scheme-C Tier I	8.08%	7.60%	0.48%
Scheme-C Tier II	7.75%	7.60%	0.15%
Scheme-G Tier I	4.69%	5.45%	-0.76%
Scheme-G Tier II	4.69%	5.45%	-0.76%
Tax Saver Tier-II	9.75%	8.67%	1.08%

Source : NPS Trust website. Data as on 27<sup>th</sup> February 2026

- 1) National Pension System (NPS) is a defined contribution plan and the benefits would depend upon the contribution made by the subscribers, Investment Choice and the returns generated on the same till the time subscribers exit from NPS.
- 2) All investments in Pension Funds are subject to market risks and there can be no assurance or guarantee that the investment objectives shall be achieved. Past performance of the sponsor / Pension Fund Schemes / Pension Fund Manager is not necessarily indicative of future results.
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