

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

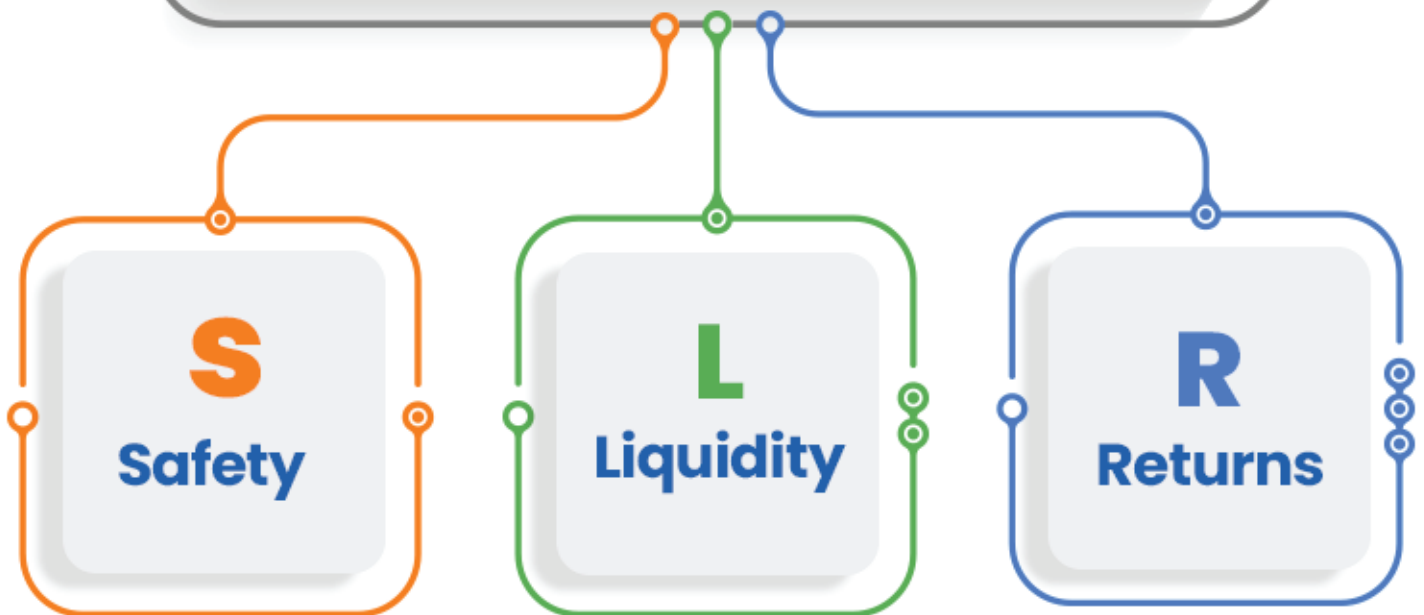
- The Portfolio shall have reasonable proportion of active bets as compared to the relevant benchmark

DEBT INVESTMENT PHILOSOPHY

Approach to Debt Investments :

Focus on safety / capital preservation
while optimizing returns

DEBT INVESTMENT PHILOSOPHY



Safety of the
portfolio

Adequate **Liquidity**
in the portfolio

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

- Economic activity and GDP growth expected to pick up in Q4FY25 and continue momentum into FY26
- Impact of food inflation receding and inflation seems outlook positive
- RBI rate cut and shifting focus on supporting growth is a positive for growth in demand in the economy
- Government 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

- Concern over earnings slowdown in FY26
- Record FPI outflows continues to put pressure on markets
- Rising global uncertainty and market volatility due to ongoing Trade related conflicts
- Softer GDP growth due to subdued global demand growth



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
- Foreign fund flows into government securities lowering upside risk in yield movement
- Continued government focus on fiscal consolidation
- Expect increased volatility in yields due to global uncertainty related to uncertainty from trade related issues
- Overall, with improving liquidity conditions and rate cuts, we prefer a duration bias strategy in the portfolio from a medium-term perspective.



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

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	6.24	6.85	-0.61
Capital Goods	5.91	3.71	2.20
Chemicals	-	1.54	-1.54
Construction	2.60	2.74	-0.14
Construction Materials	3.96	2.08	1.88
Consumer Durables	1.04	2.53	-1.48
Consumer Services	4.98	3.47	1.50
Diversified	-	0.05	-0.05
Fast Moving Consumer Goods	4.72	7.25	-2.53
Financial Services	31.36	31.87	-0.52
Healthcare	5.85	5.31	0.55
Information Technology	7.66	10.77	-3.10
Metals & Mining	2.85	3.64	-0.79
Oil, Gas & Consumable Fuels	8.28	8.59	-0.31
Power	3.61	3.33	0.28
Realty	1.78	1.13	0.66
Services	1.28	1.52	-0.24
Telecommunication	3.14	3.43	-0.29
Textiles	-	0.18	-0.18
Grand Total	95.28	100.00	

Data as on 28th February 2025

EQUITY TIER 1 SCHEME – MARKET CAP EXPOSURE

Market Cap	Tata	Benchmark
Large Cap	83.14	82.26
Mid Cap	12.14	17.74
Grand Total	95.28	100.00

Market cap wise grouping	Tata	Benchmark
Top 50	63.75	67.96
Next 50	19.39	14.30
Midcap 100	12.14	17.74
Grand Total	95.28	100.00

Data as on 28th February 2025

PORTFOLIO POSITIONING – DEBT

PORTFOLIO POSITIONING – DEBT – G1

Duration and Yields	Scheme G Tier 1
Modified Duration	10.61
Yield to Maturity (%)	7.22
Instruments	
G-Sec	76.69
SDL	18.20
Govt. Guaranteed Bonds	
Total	94.89

PORTFOLIO POSITIONING – DEBT – C1

Duration and Yields	Scheme C Tier 1
Modified Duration	5.05
Yield to Maturity (%)	7.67
Ratings wise exposure	
AAA	76.27
AA+	18.42
Total	94.69

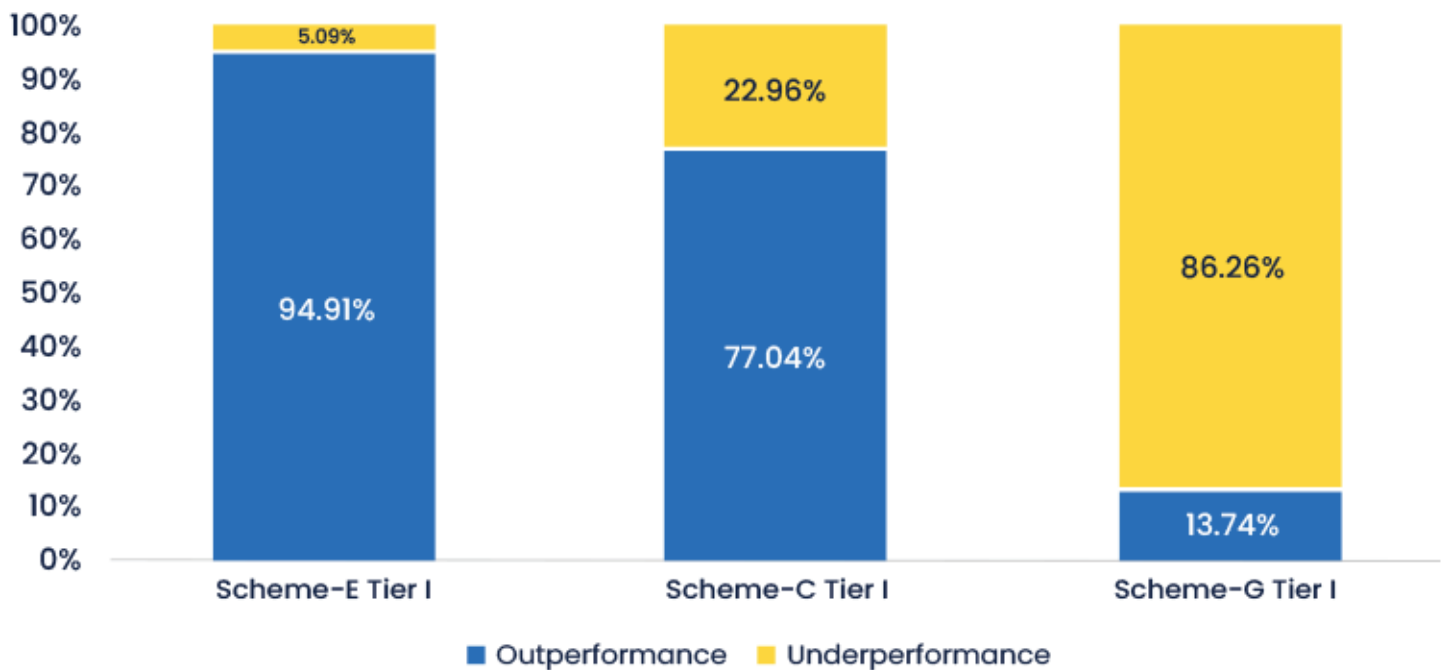
EVALUATING OUR FUND PERFORMANCE

1-YEAR RETURNS

Schemes	Portfolio Returns(%)	Benchmark Return (%)	Out/Under performed over Benchmark
Scheme-E Tier I	0.80%	0.62%	0.18%
Scheme-E Tier II	0.77%	0.62%	0.15%
Scheme-C Tier I	8.59%	7.82%	0.77%
Scheme-C Tier II	8.67%	7.82%	0.85%
Scheme-G Tier I	7.86%	8.82%	-0.96%
Scheme-G Tier II	8.09%	8.82%	-0.73%
Scheme A - Tier I	6.74%	-	NA
Tax Saver Tier - II	4.49%	6.85%	-2.36%

Source : NPS Trust website. Data as on 28th February 2025

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



Asset Classes :

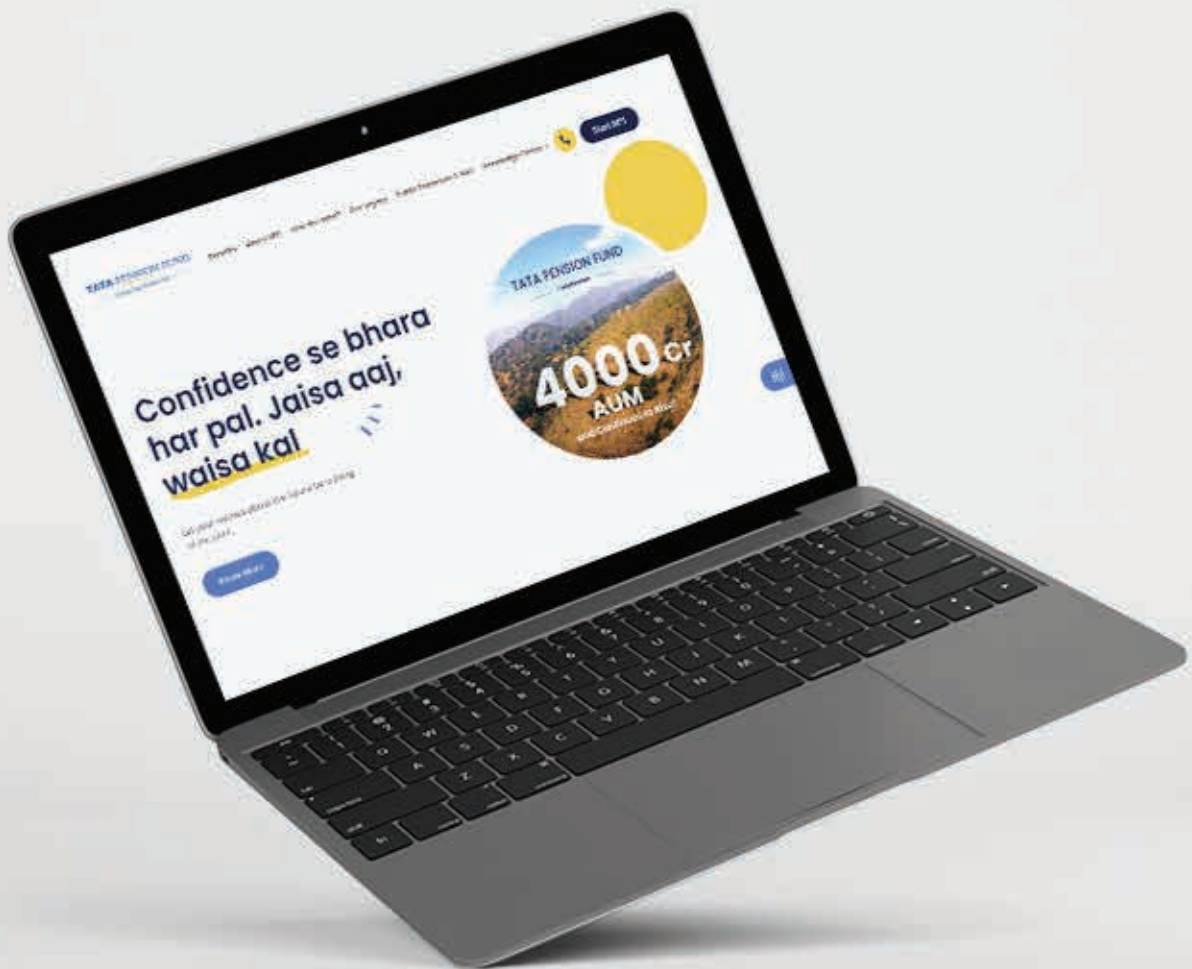
- E – Equity
- C – Corporate Bond
- G – Government Securities

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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022 6969 8006 / 99308 69181



service@tatapfm.com

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