Market Highlights

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Shyamsunder Bhat, Chief Investment Officer (CIO) has an experience of over 26 years in fund management. He joined Exide Life Insurance in September 2010.

Prior to joining Exide Life Insurance, Shyam has worked with two mutual fund companies - initially as a part of the start-up team in 1994 at Tata Asset Management Ltd. for 10 years (1994-2004), followed by Principal PNB Asset Management, where he then worked for more than 6 years (2004-2010).

Shyam is an Electrical Engineer from VJTI (Mumbai) and a post-graduate in Management (M.M.S. Finance) from Narsee Monjee Institute of Management Studies (Mumbai).

Investment Team Profile

Shobit Gupta, Senior Vice President (Investments), Fixed Income, has almost 22 years of experience in Fixed Income and Foreign Exchange markets. He has worked extensively in the field of Foreign exchange and Interest Rate derivatives at ABN AMRO Bank and has handled Fixed Income portfolios at Asset Management companies like Kotak Mahindra Mutual Fund and Principal Asset Management Co. He is a Graduate in Economics, Maths, Statistics, PGDBA from ICFAI Delhi and CFA from ICFAI Hyderabad and CFA Institute - USA.

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Pranav Parekh
Fund Manager - Fixed Income portfolio

Sumeet Hinduja
Fund Manager - Equity portfolio
Market Highlights

The equity market continued its uptrend with continuing large purchases by foreign institutional investors, with a decisive Presidential election verdict in the US and the commencement of a roll-out of vaccines in some of the developed economies. The US Government finally announced a follow-on ~$900bn stimulus package in December. The expected economic recovery, coupled with these factors, could continue to support equity markets in the near-term, despite expensive valuations.

Bond prices rose slightly during the month; and the 10-year Government Security yield fell by 4 basis points to 5.87%. The fall in bond yields could be attributed largely to a moderation in the Consumer Inflation and a rise in the banking system liquidity, though there was an increase internationally, in US treasury yields & crude oil prices. Foreign institutions were buyers of around ₹6500 cr of debt securities during the month. The spread of 10 year AAA PSU corporate bonds to the benchmark Central Govt security, widened from 58 bps to 63 bps due to higher supply.

Equity Market

The Nifty-50 rose sharply by almost another 8% in December, on the back of strong FII flows ($7.3bn for the month and $ 23bn for the calendar year 2020), while domestic funds continued to remain large sellers. For calendar 2020, the Nifty 50 rose by an unexpectedly high 14.9%. The market-breadth has been reasonably good as well. In December, stocks from the real-estate sector performed strongly driven by a revival in demand with low interest rates and tax concessions along with metal stocks due to sharply higher international prices as well as a weak dollar and stocks from the consumer durables sector where the demand outlook is positive. Daily Covid-19 infections in India have dropped considerably, with a reduction in active cases too. With the gradual normalization of economic activity, the Government announced another set of measures to boost the growth momentum, but an effective implementation of the same would be required to revive the investment cycle.

After the sustained upmove in this financial year we would need to see earnings growth in excess of the present expectations in the next 2 years, we therefore continue to be cautious on markets from the near-term perspective on the valuation front. We would continue to prefer select stocks that provide longer term growth visibility which could justify their higher valuations. We have also been adding to stocks with reasonable valuations, though with a modest growth outlook. Some of these “value” stocks have started to do well in the past couple of months and there are expectations that we could see a continuing sectoral shift towards some of the “old-economy” sectors, if the liquidity continues to drive markets and if the global economy recovery is on track.

Fixed Income Market

The Monetary Policy Committee maintained a pause on policy rates as expected and remains supportive of growth. GDP expectations are now at -7.5% for the current year, better than the earlier expectations. Industrial production was better than expected in October growing at 3.6% YoY as compared to 0.5% in October. Headline inflation for November fell from 7.6% to 6.9% YoY, with softening food inflation, even while core inflation remained flat at 5.8%. The trade deficit widened in November due to contraction in exports and the current account surplus reduced from a record high. The GST collections in November were at an all-time high of ₹1.1 lakh crore, which could be attributed to a normalisation of economic activity, festive demand and increased compliance.

Global crude oil prices rose sharply and have now crossed the March 2020 levels, as supply-demand balances have narrowed. Prices of many other commodities have also risen and this could result in inflation remaining on the higher side. It is expected that RBI would maintain surplus liquidity in the coming quarter and continue to conduct Open Market Operations & Operation Twists in order to prevent yields rising due to higher borrowings by the Government. A sticky Core inflation could also ensure a “floor” on the G-Sec yields. Union Budget would be good event to watch for further cues. The 10 year G-Sec is expected to remain in a tight range of 5.80% – 5.95% in the very near-term, and the market could await the borrowing figures and other measures to be announced in the Union Budget next month.
Market Review

Fund Performance:
Over the past year, our Preserver (debt) Fund has delivered 11.3% returns, with strong longer term returns of 9.48% and 9.22% p.a. for the 5-year and 10-year periods respectively. The returns of the Prime Equity Fund are at 16.5% for the past year (outperforming the Nifty-50 by 1.6%), with 10.4% and 8% returns for the 5-year and 10-year periods respectively. The returns of our Midcap Fund are at 22.1% for the past year and this Fund has outperformed its benchmark Nifty Midcap-100 index by 5.04% over a 3-year period. Our Active Asset Allocation Fund has delivered 14.32% for the past year, and annualised returns of 9.83% over the 5-year period.

Market benchmarks over the past year:

<table>
<thead>
<tr>
<th>Indices</th>
<th>Month-End Level</th>
<th>1-Month Change</th>
<th>3-Month Change</th>
<th>1-Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nifty 50</td>
<td>13,982</td>
<td>7.8%</td>
<td>24.3%</td>
<td>14.9%</td>
</tr>
<tr>
<td>Nifty Midcap-100</td>
<td>20,843</td>
<td>5.7%</td>
<td>22.7%</td>
<td>21.9%</td>
</tr>
<tr>
<td>MSCI World (in $ terms)</td>
<td>2,690</td>
<td>4.1%</td>
<td>13.7%</td>
<td>14.1%</td>
</tr>
<tr>
<td>MSCI Emerging Mkt (in $)</td>
<td>1,291</td>
<td>7.1%</td>
<td>19.3%</td>
<td>15.8%</td>
</tr>
<tr>
<td>10 year Gov Yield</td>
<td>5.87</td>
<td>-0.04</td>
<td>-0.14</td>
<td>-0.69</td>
</tr>
<tr>
<td>10 year AAA Yield</td>
<td>6.58</td>
<td>-0.08</td>
<td>-0.20</td>
<td>-0.95</td>
</tr>
</tbody>
</table>

*As yields rise (fall), bond prices fall (rise); the longer the maturity of the bond, the larger is the change in price for a given change in interest rate.
Exide Life Insurance offers a wide range of fund options catering to various risk-return appetite. You can invest either in equity, or in debt or in hybrid fund and even change your investment strategy. You can choose from these funds depending on your risk appetite, age, time horizon for important life stage goals like child education planning, retirement planning, etc.

The risk return chart below helps you choose the right fund for your investment needs.
**Glossary**

**Net Asset Value (NAV):**
It is defined as the value of one unit of the fund. It is calculated by dividing the total value of all the securities held in the fund portfolio, less any liabilities, by the number of units in the fund. It is calculated once a day based on the closing market prices of the securities in the fund’s portfolio.

**Assets under management (AUM):**
The market value of financial assets that an investment company manages on behalf of investors.

**Portfolio Holdings:**
It refers to the contents of an investment portfolio held by an entity. The contents are the financial instruments like stocks, bonds, Government securities, mutual funds, fixed deposits, corporate deposits, etc. that constitute the fund.

**Corporate Debt:**
A debt security issued by a corporation and sold to investors. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations.

**Government Securities (Gsec):**
A debt security issued by a Government to raise the funds necessary to pay for its expenses. This includes short-term Treasury bills, medium-term Treasury notes, and long-term Treasury bonds.

**Benchmark Index:**
An index that is regarded as a standard and against which the performance of the fund is measured.

**Nifty 50:**
The Nifty 50 is a well-diversified 50-stock index accounting for large-sized companies from 13 sectors of the economy.

**CRISIL Composite Bond Fund Index:**
CRISIL Composite Bond Fund Index seeks to track the performance of a debt portfolio that includes Government securities and AAA/AA rated corporate bonds.

**CRISIL Liquid Fund Index:**
CRISIL Liquid Fund Index seeks to track the performance of a debt portfolio that includes CBLO, Commercial Papers and Certificates of Deposit.

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1. ULIP plans are different from the traditional insurance products and are subject to risk factors.
2. The premiums paid in ULIP policies are subject to investment risks associated with capital markets and the Unit Price of the Units may go up or down based on performance of fund and factors influencing the capital market and the insured is responsible for his/her decisions.
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4. Be aware of the associated risks and the applicable charges from your insurance agent or the intermediary or policy document of the insurer.
5. Investments in ULIPs are subject to market and other risks and there can be no assurance that the objectives of the Unit Linked Funds in the ULIP will be achieved.
6. Past performance of the Unit Linked Fund and other Funds of the Company is not indicative of future performance of any of these Funds.
7. The premiums and funds are subject to certain charges related to the fund or to the premiums paid.
8. The names of the Unit Linked Funds do not in any manner indicate the quality of the Unit Linked Fund or their future prospects or returns.
9. The ULIP does not offer a guaranteed return and risk in investment is borne by the policyholder.
10. The purpose of the Fund Review is only to provide a general review about the funds available in the ULIP products. Please refer to the policy terms and conditions of respective products to understand in detail the associated risks, benefits, charges etc.

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Serving over 15 lakh customers in over 200 cities in India

19 years on. 19 years strong.
- An established and profitable life insurance company head quartered in Bengaluru
- Commenced operations in September 2001
- 100% owned by Exide Industries Limited
- Proud to be part of a 100-year-old brand heritage in India
- Well capitalized and governed as per rules stipulated by the Insurance Regulatory and Development Authority of India (IRDAI)

Key statistics (As on 31st March 2020)
- 8th Successive year of profits
- Total premium income of ₹3,220 crores
- Assets Under Management (AUM) at ₹15,795 crores
- Solvency ratio 210%

Strong network
- 44,000+ Exide Life Insurance Advisors in over 200 cities
- Exide Life Insurance distributes its products through multi channels like Agency, Corporate Agents, Brokers, Bancassurance, Online, Direct Channel and specialized Group Life Insurance Solutions Channel

Fair value to our customers

98.15% Claims settlement ratio

Claims settlement ratio is calculated as a percentage of total number of claims settled v/s total number of claims reported during the year 2019-20

Growth in AUM over the last 8 years

Life Stage Needs

- Prepare well for golden years
- Meet key life goals
- Build family’s financial foundation

- Retirement Fund
- Child, Inheritance
- Life Goals, Surplus for investments
- Life Health, Accident
Great assurance for our customers


Awards won

2019 - Product of the Year 2019
2019 - Masters of Modern Marketing: Best ATL Campaign for a Socio-economic program
2019 - Helmet Saves Children wins Brandvid Awards (Gold): Best Brand Integration in a Music Video and Best Brand Film: Social Initiative (Silver) 2019 – FICCI Award for 'Best CSR Initiative – Life Category’
2019 - MADDYS: Silver for 'Best Use of Digital’
2019 - StreamCon Asia Awards (Vidooly): Bronze for 'Best Unboxing/Product Review Video’
2018 - ‘Digital Insurer of the Year (India)’ by Insurance Asia News
2018 - ‘100 Best Companies for Women to Work in India’ by Working Mother Media
2018 - Sabre Awards (South Asia) for Corporate Social Responsibility and Sabre Awards (South Asia) for Public Education

and many more...

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**E collect:** Pay your premiums through NEFT/RTGS directly from your bank account by adding Exide Life Insurance as beneficiary.

**CASH ONLY CENTRES**
South Indian Bank / CSC e-Governance Services India Ltd.

**DIRECT DEBIT FROM YOUR BANK ACCOUNT**
- Sign up using National Automated Clearing House (NACH) for any bank in India
- Online Direct Debit through 140 banks
- Standing instructions via Net Banking, credit card and debit card

**CHEQUE / CASH**
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- Download Premium Receipt/ Certificate
- Download Policy Bond
- Update Details - PAN, Contact number, Bank Account number
- Check Unclaimed Amount

About Exide Industries Limited

- Exide remains the foremost trusted battery brand in India for more than 100 years
- Backed by a robust nation-wide network of 48,000 plus outlets and 180 plus sales & service touch points

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