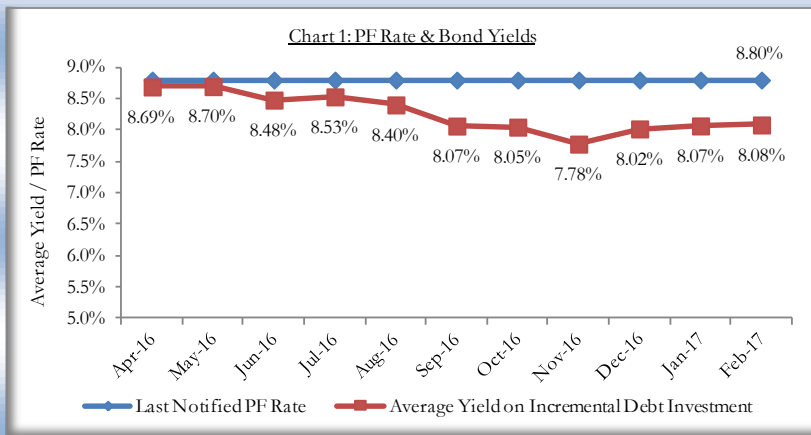
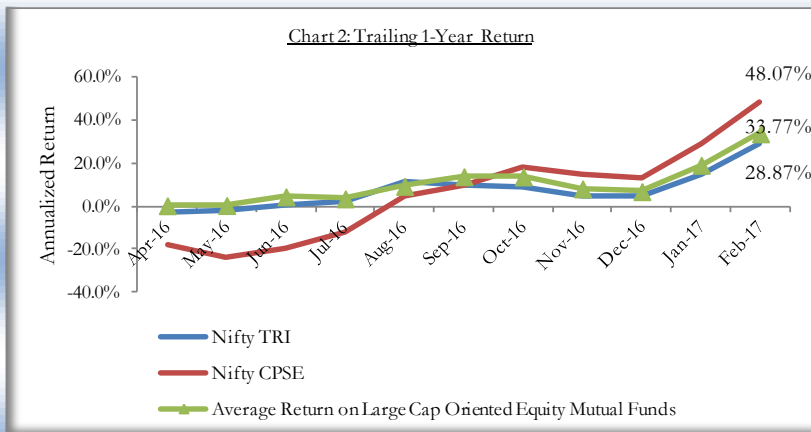




A. PF Rate & Bond Yields



B. Performance of Large Cap Oriented Equity Mutual Funds



C. Market Developments

1. The RBI, in its bi-monthly monetary policy meeting, held on 7th February, decided to keep policy rates unchanged. It also indicated change in its stance from being “accommodative” to “neutral”.
2. GOI securities auctioned during the month were to the tune of INR 11,000 crores with maturity ranging from 2022 to 2046. The yield stood in the range of 6.79% to 7.42%.
3. A total of INR 46,493 crores worth of State Development Loans (SDLs) were auctioned by the RBI on 10th and 28th of February. The yield stood in the range of 7.51% to 7.88%.
4. Under the UDAY scheme, the state of Himachal Pradesh, Tamil Nadu, Maharashtra and Rajasthan raised INR 2,891 crores, 14,000 crores, INR 4,960 crores and 1,565 crores, respectively.
5. The annual rate of inflation (provisional), as measured by the CPI, stood at 3.17% in January 2017 as against 3.41% in December 2016.
6. The EPFO is expected to launch an online facility for claim settlement, including EPF withdrawal and pension fixation by the month of May 2017.



7. Rating agency ICRA Ltd. downgraded IDBI Bank bonds on 24th February. Downgrade was attributable to substantial weak operating and financial performance of the Bank in the last quarter resulting in significant erosion of Bank's capital. The Bank posted a loss of INR 2,255 crores during the OND 2016 quarter.

D. Regulatory Developments

1. The government, in a proposed amendment to the Payment of Gratuity Act, 1972, is likely to enhance the tax-free limit for gratuity from the current INR 10 lakhs to INR 20 lakhs.

Notes:

1. In Chart 1 average yield on incremental investment is a weighted average of average yields on Government Securities and AAA rated Corporate Bonds (quoted by cross-section of market participants during the months) with weights being 52.66% and 47.34%, respectively.
2. In Chart 2 average return on large cap oriented equity mutual funds is the average of 1-year return on 24 schemes shortlisted by India Life using India Life's Equity Mutual Fund Selection framework.

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1. *This bulletin has been prepared with the sole objective of providing an update; it is not a recommendation to buy or sell any financial asset. India Life Capital Pvt. Ltd. (India Life) has taken due care and caution in compiling the data used in this bulletin. Information has been obtained by India Life from sources it considers reliable. However, India Life does not guarantee the accuracy, adequacy or completeness of the information and is not responsible for any errors or omissions or for the results arising out of usage of information provided in this bulletin.*
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