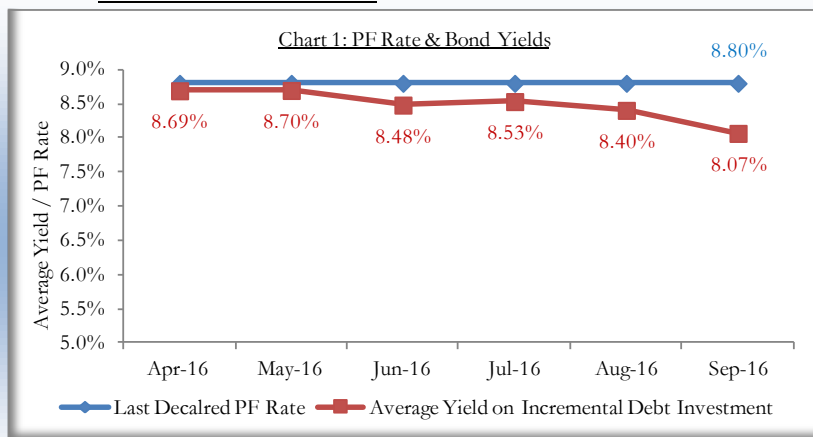
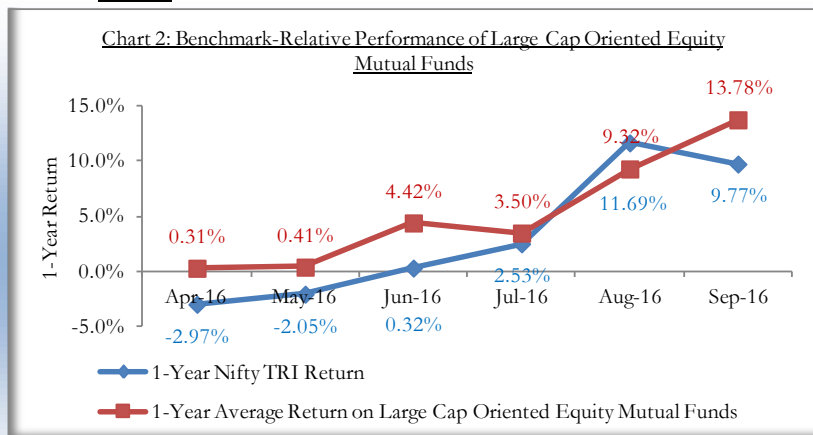




A. PF Rate & Bond Yields



B. Performance of Large Cap Oriented Equity Mutual Funds



C. Market Developments

1. The RBI released indicative calendar of market borrowings by State Governments for the quarter October to December 2016. As per this calendar, the total borrowing is expected to be in the range of INR 95,000.0 crore to INR 105,000.0 crore.
2. A total of INR 16,775.0 crore of State Development Loans (SDLs) were auctioned by the RBI on 12<sup>th</sup> and 27<sup>th</sup> of September. The weighted average yield stood in the range of 7.45% to 7.02%.
3. Under the Ujwal DISCOM Assurance Yojana (UDAY) scheme of the Government of India, the State of Punjab issued a notified amount of INR 559.12 crore of Special SDLs.
4. The annual rate of inflation, as measured by CPI, stood at 5.05% in August 2016 as against 6.07% in July 2016.
5. As per the news article published on September 11, 2016 in The Economic Times, the EPFO may declare 8.60% as the PF rate for FY 2016-17. This may be to align all rates with the rate on small saving schemes – a view taken by the Ministry of Finance.



#### D. Regulatory Developments

1. The Ministry of Labor, Government of India vide its gazette notification dated September 22, 2016 increased the maximum limit for investment in Government Securities and Related Investments from 50% to 65%. The amendment was made retrospectively from March 17, 2016 and will be applicable to EPFO regulated Provident Fund Trusts.
2. The Ministry of Finance, Government of India vide its gazette notification dated October 03, 2015 reduced the rate of interest on Special Deposit Scheme (SDS), 1975 from 8.10% to 8.00%. The revised rate will be applicable for the period October 01, 2016 to December 31, 2016.

#### 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.

#### Disclaimer:

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.*
2. *India Life is a SEBI certified Investment Advisor (registration no. INA200000571). India Life or its group companies do not earn any revenue by way of brokerage, distribution commissions, incentives or buy-sell spread from its investment advice.*

#### Contact Details:

##### **Bangalore (Head Office)**

BMTC Commercial Complex, 8<sup>th</sup> Floor, 80 Feet Road, Koramangala, Bangalore – 560 095.

##### **Mumbai**

Raaj Chamber, 402/403, 4<sup>th</sup> Floor, Plot # 115, Old Nagardas Road, R.K. Paramhans, Andheri East, Mumbai – 400 069.

##### **Delhi**

No. 771, 7<sup>th</sup> Floor, Aggarwal Millennium Tower II, Netaji Subhash Place, Wazirpur, Pitampura, Delhi – 110 034.

#### E-mail Addresses:

[bd@india-life.com](mailto:bd@india-life.com)

[investments@india-life.com](mailto:investments@india-life.com)

#### Website:

[www.india-life.com](http://www.india-life.com)