

Volume 18, Issue 11

invest care

In unit linked policies, the investment risk in investment portfolio is borne by the policyholder

SBI Life
Apne liye. Apno ke liye.

February, 2026



UNIT LINKED PRODUCTS FROM SBI LIFE INSURANCE CO. LTD.

Content

	Page
<i>Investment Objectives And Vision</i>	3
<i>Major Economic Indicators</i>	4
<i>Debt Market Review And Outlook</i>	5
<i>Equity Outlook</i>	12
<i>Risk Management Practice For Unit Linked Portfolios</i>	18

INVESTMENT OBJECTIVES AND VISION

(A) Investment Objectives:

The investment objectives of the Company are to maximize the risk adjusted returns and ensure reasonable liquidity at all times. Management of the investment portfolio is a crucial function as investment risk and returns, inter alia, determine the ability of the Company to competitively price its products, ensure solvency at all times and earn the expected profitability. The investment policy outlined in this document seeks to set the direction and philosophy for the Company's investment operations. The Policy outlined below conforms to the IRDAI Investment Regulations and the Insurance Act. The Policy covers investment parameters, exposure norms and other relevant factors that will assist in taking prudent investment decisions. The Policy framework also takes into account asset liability management, market risks, portfolio duration, liquidity considerations, and credit risk. To summarize the investment policy aims to achieve the following Investment Objectives:

- a. To acquire and maintain quality assets that will meet the liabilities accepted by the Company;
- b. To be able to meet the reasonable expectations of the policyholders taking into account the safety of their funds with optimum Return;
- c. To adhere to all Regulatory provisions;
- d. To conduct all the related activities in a cost effective and efficient manner; and
- e. To achieve performance in line with benchmarks identified for the different investment portfolios.

The Company has also defined the Investment Objectives for each Fund separately, on the basis of aforesaid broader Investment objectives.

(B) Investment Vision:

“To invest the funds on the prudent principles of Safety, Liquidity & Returns, with an overall vision of meeting reasonable expectations of policy holders”.

Source: SBI Life Investment Policy

Major Economic Indicators

Particulars	28-Feb-26	31-Jan-26	Change (%)	31-Mar-25	Change (%)
₹/\$	91.08	91.51	▶ 0.47%	85.46	▶ -6.58%
Forex Res.(Bn- 1 Wk Lag)	\$ 723.61	\$ 709.41	▶ 2.00%	\$ 658.80	▶ 9.84%
Oil Price (\$/Barrel)	\$ 73.91	\$ 66.29	▶ 11.49%	\$ 73.63	▶ 0.38%
FII inflows (Net) - Crs (₹)					
Equity (monthly)	22615	-35962	▶ -162.89%	-3973	▶ -669.22%
Debt (monthly)	18791	6013	▶ 212.51%	37789	▶ -50.27%

Indices

Particulars	28-Feb-26	31-Jan-26	Change (%)	31-Mar-25	Change (%)
BSE Sensex	81,287.19	82,269.78	▶ -1.19%	77,414.92	▶ 5.00%
S&P CNX Nifty	25,178.65	25,320.65	▶ -0.56%	23,519.35	▶ 7.06%
Dow Jones Industrial Avg	48,977.92	48,892.47	▶ 0.17%	42,001.76	▶ 16.61%
FTSE 100	10,910.55	10,223.54	▶ 6.72%	8,582.81	▶ 27.12%
Hang Seng Index	26,630.54	27,387.11	▶ -2.76%	23,119.58	▶ 15.19%
Nikkei 225	58,850.27	53,322.85	▶ 10.37%	35,617.56	▶ 65.23%
B S E Metal Index	40,424.48	38,845.17	▶ 4.07%	30,824.72	▶ 31.14%
B S E Power Index	6,967.06	6,392.47	▶ 8.99%	6,588.41	▶ 5.75%
B S E Realty Index	6,067.58	6,102.80	▶ -0.58%	6,601.58	▶ -8.09%
B S E Auto Index	62,236.87	59,303.45	▶ 4.95%	47,704.03	▶ 30.46%
B S E FMCG Index	18,739.32	18,738.15	▶ 0.01%	19,447.48	▶ -3.64%
B S E Bankex	68,139.54	67,069.05	▶ 1.60%	59,542.38	▶ 14.44%
B S E Healthcare Index	43,917.47	41,347.72	▶ 6.21%	41,421.50	▶ 6.03%
B S E Capital Goods Index	70,454.47	66,666.73	▶ 5.68%	62,724.28	▶ 12.32%
B S E Information Technology Index	29,754.94	36,615.48	▶ -18.74%	36,122.71	▶ -17.63%
B S E Oil & Gas Index	29,595.66	28,114.18	▶ 5.27%	25,133.51	▶ 17.75%

Primary Key Rates

Particulars	28-Feb-26	31-Jan-26	Change (%)	31-Mar-25	Change (%)
Repo Rate*	5.25%	5.25%	▶ 0.00%	6.25%	▶ -1.00%
Reverse Repo Rate**	3.35%	3.35%	▶ 0.00%	3.35%	▶ 0.00%
CRR #	3.00%	3.00%	▶ 0.00%	4.00%	▶ -1.00%
SLR *#	18.00%	18.00%	▶ 0.00%	18.00%	▶ 0.00%
Call money rate	4.65%	4.85%	▶ -0.20%	5.80%	▶ -1.15%
Current Inflation Rate (WPI)	1.81%	0.83%	▶ 0.98%	2.38%	▶ -0.57%
Current Inflation Rate (CPI)	2.75%	1.33%	▶ 1.42%	3.61%	▶ -0.86%
IIP (WPI) % Y-O-Y	7.80%	7.80%	▶ 0.00%	5.00%	▶ 2.80%
AAA spread (bps)	76.00	75.00	▶ 1.33%	40.00	▶ 90.00%

Particulars	2021-22	2022-23	2023-24	2024-25	Q2 FY26
Real GDP % (New Growth No. by CSO)	-7.30%	7.20%	7.76%	6.50%	8.20%

Interest Rates (FIMMDA)

Particulars	28-Feb-26	31-Jan-26	Change (%)	31-Mar-25	Change (%)
91 days T - Bill	5.30%	5.50%	▶ -0.20%	6.50%	▶ -1.20%
364 days T - Bill	5.59%	5.74%	▶ -0.15%	6.45%	▶ -0.86%
5 Years G - Sec (Annualized)	6.41%	6.57%	▶ -0.16%	6.45%	▶ -0.04%
10 Years G - Sec (Annualized)	6.83%	6.89%	▶ -0.06%	6.60%	▶ 0.23%
30 Years G - Sec (Annualized)	7.51%	7.52%	▶ -0.01%	6.91%	▶ 0.60%

* w e f Feb 08, 2023

** w e f May 22, 2020

w e f May 21, 2022

*# w e f Apr 09, 2020

CSO (CHIEF STATISTICAL OFFICE)

CPI - Consumer Price Index

WPI - Wholesale Price Index

IIP - Index of Industrial Production

Data Sources

NSE

BSE

RBI

FIMMDA

Bloomberg & Reuters

DEBT MARKET REVIEW AND OUTLOOK

Market Review

February 2026 – geopolitical tensions simmering

Benchmark 10-year treasury yields were down by 3 bps as it moved from 6.69% to 6.66%. US 10-year yield moved 30 bps lower in February 2026 ending at 3.94%. INR has gained by 1% in February 2026

Global:

Economic data in the US has been improving slightly of late with February economic activity seeing a jump in Citi Economic Surprise Index. US CPI has kept falling, now reaching 2.4% from 3%, few months ago and this does portend well for Fed monetary action. However, the growth-related numbers are showing some signs of revival too. This is why the FED might stay away from any cuts for some time now. Markets will continue to face rampant volatility even after the end of the Union Budget on February 1st, markets could hardly catch any respite. The US – India trade deal was announced out of the blue and this puts many fears to rest but also incites uncertainty of other fronts. The uncertainty heightened when the SCOTUS made all tariff measures unlawful and that the Congress only can make any amendments and not the POTUS.

The geopolitical scenario started getting worse with US and Israel combining their efforts to affront Iran. Much of the attack and retaliation and impact is to be seen in March 2026, but Crude Oil, USDINR, Bond Yields all could blow out of proportions making markets swing further.

India macro environment:

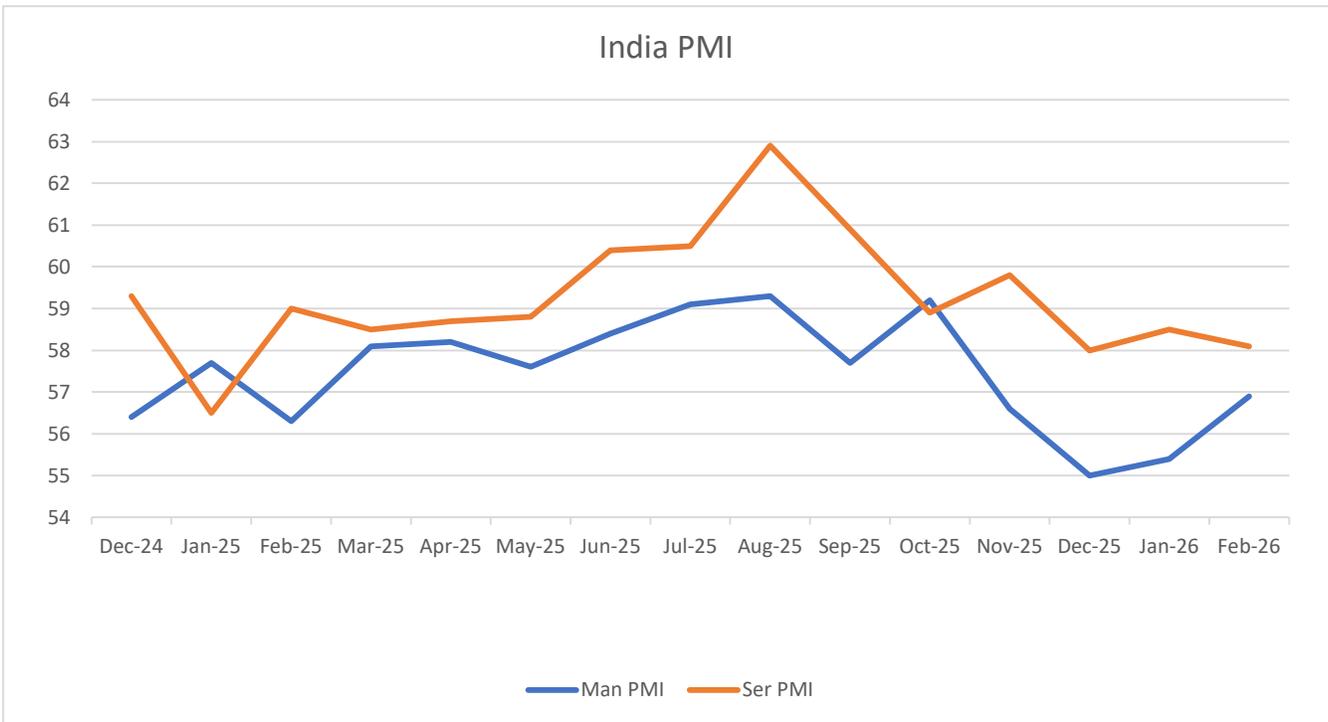
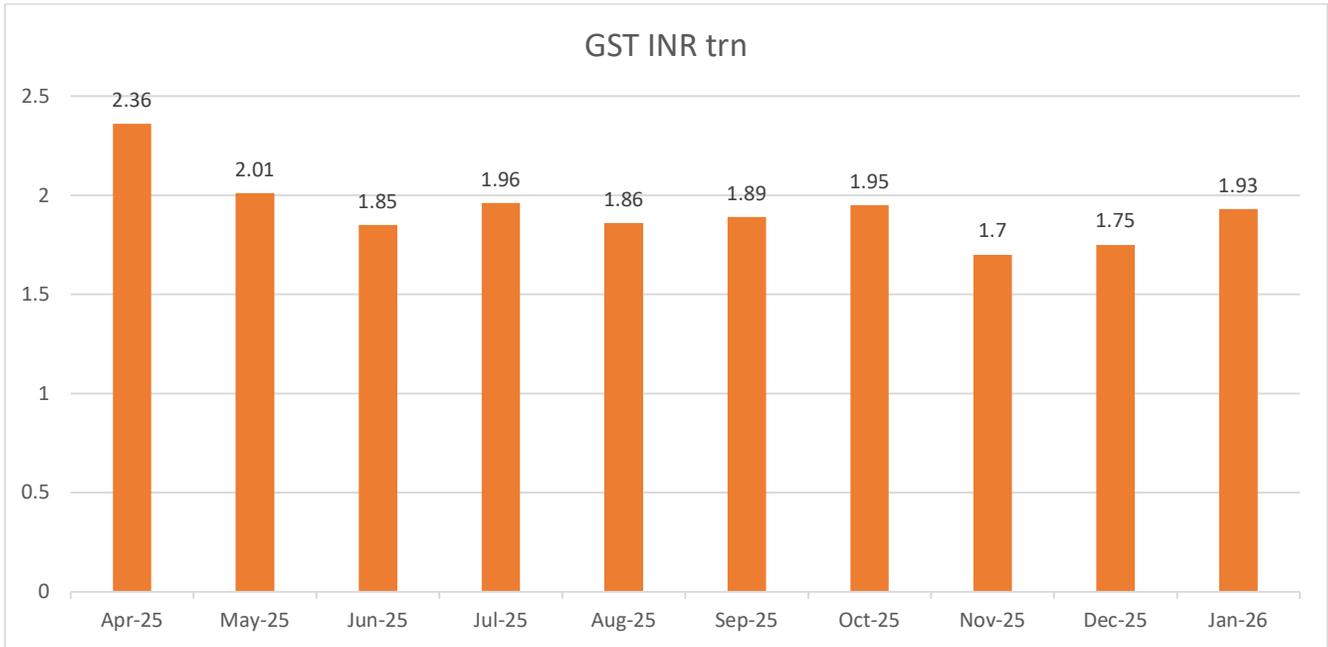
India's PMI has been declining with both manufacturing and services off the peak seen a few months ago, but these are still some of the best in Asia. India has been getting a lot of help from lower CPI as the chart shows, partly thanks to lower food prices and some favourable base effects. Both these factors could turn against the future CPI trajectory; this is the reason RBI also could take a long pause on its rate setting. The index will go through changes both on the CPI and GDP side owing to base year change. We will come to understand the new indices in the coming months, but what we can be certain of is that volatility of inflation will come down thanks to lower weight of food commodities.

India macro environment:

We think 10 Year has hit a low of 6.11 in this cycle and yields will remain in 6.60%-6.90% range over the next few months based on growth and macro data. The budget for FY 27 also shows a very big jump in gross market borrowing, adding to the pressure on yields. Yield curve has already steepened and further chances of steepening amidst low demand for long end G-sec and poor fiscal progress. The pressure on INR has been immense with USDINR being the worst currency pairs in Asia in 2025, weakening by 2.5% in just 2026. The portfolio outflows have been heavy leading to pressure on IGB yields as well. Some respite is due for INR as FPI flows could pick after the US-India trade deal.

Our strategy given the above will be to add spread assets that offer better yield and carry in Non ULIP funds, while maintaining duration. We intend to keep cash levels at around 3-5%. In ULIP we aim to keep modified duration at around 5.3 in larger funds in debt against a benchmark duration of 5.2 expecting interest rates to slowly rise in FY 27. The chart below shows the extent of rise in gross market borrowing

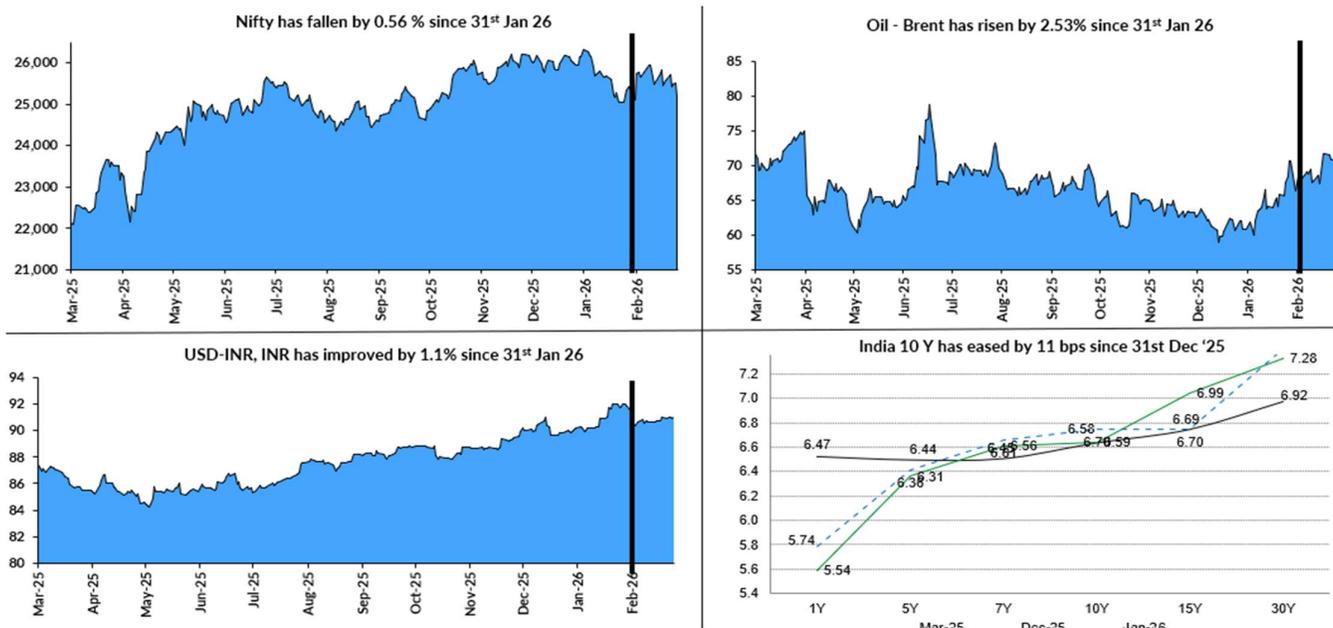
RBI has done 125 bps of rate cuts with 25 bps done in December. This could very well be the last cut in this cycle, unless growth falters in 2026. The RBI stance has been maintained as neutral, but what we need to keep tracking is the inflation-growth dynamics as they both followed different trajectories. February could be a time when MPC decides to keep rates steady and observe more incoming data.



Equity Outlook

Equity Market Outlook for the Month of March, 2026

Sensex and Nifty ended @ 81287 & 25179 down 1.2% and 0.6% respectively for the month of February, 2026. Announcement of Budget, Trade Deal with US, AI led disruptions and rising tensions between Iran and US influenced the markets across the Globe. A look at key Asset Class movements for the month and on a year basis.



Market movement saw some surprises. Supposedly market unfriendly budget pushed the stocks down (on the pretext of increase in STT) & recovered in 48 hours by Trade deal, initially with the EU and then with US. US tariffs were brought down to 18%. Tariff related to Oil trade of 25% was removed. Reciprocal tariff of 25%, in total was brought down to 18%.

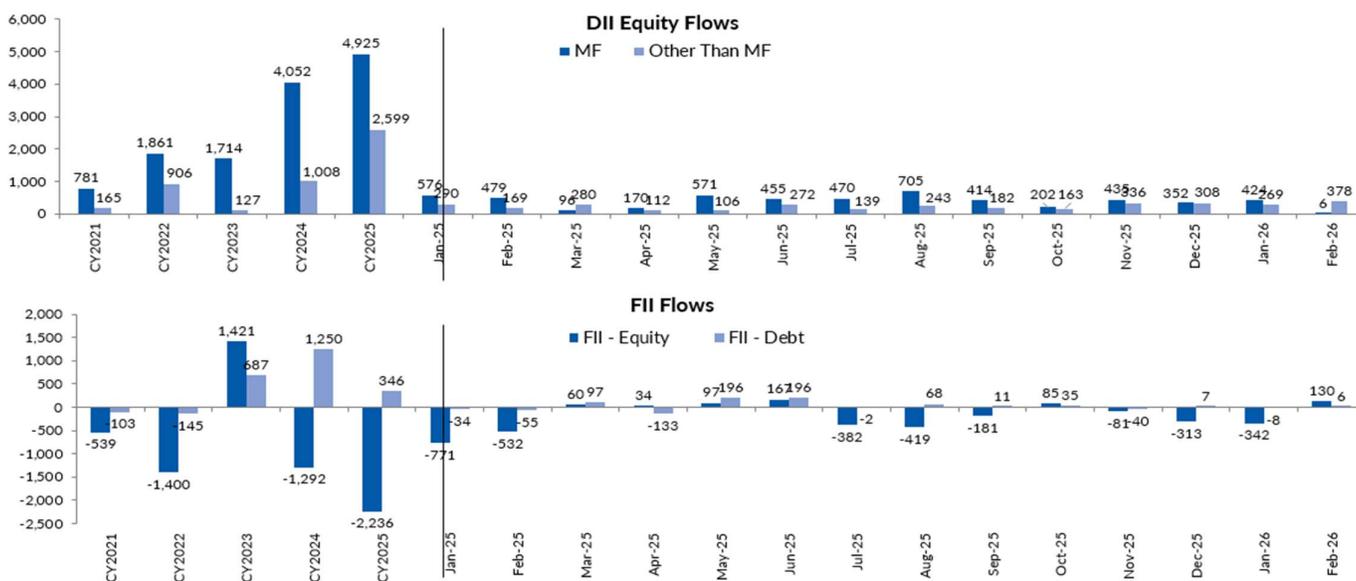
Against this other asset class movements for the month and for the year showed the following results.

1 Month		12 Months		Market returns - 12 Months (in US\$ terms)	
NIFTY	-0.6%	NIFTY	13.8%	BRAZIL IBOVESPA INDEX	72%
Nifty Next 50	2.8%	Nifty Next 50	22.2%	DOW JONES INDUS. AVG	13%
NSE Midcap	1.2%	NSE Midcap	23.4%	NASDAQ COMPOSITE	22%
NSE Smallcap	0.3%	NSE Smallcap	15.2%	S&P 500 INDEX	17%
10 Year	0.7%	10 Year	5.6%	KOSPI INDEX	140%
91 Day TBill	0.5%	91 Day TBill	5.7%	HANG SENG INDEX	12%
CRB Index	1.0%	CRB Index	2.4%	SHANGHAI SE COMPOSITE	30%
Crude	2.5%	Crude	-1.0%	NIFTY INDEX	7%
Gold	-3.5%	Gold	87.3%		
US CPI	0.3%	US CPI	0.6%		
INR/EUR	2.1%	INR/EUR	-15.2%		
INR/USD	1.1%	INR/USD	-3.8%		
MSCI EM	15.1%	MSCI EM	46.8%		
MSCI India	0.2%	MSCI India	16.2%		

In another development, the US courts ruled that the International Emergency Economic Powers Act to impose tariffs was not with the President which led to nullifying of the tariffs charged on imports. US government moved swiftly to impose 10% tariffs on imports which they said will eventually move to 15%.

Towards the end of the month geo political concerns relating to IRAN and US saw some sell off.

Details of funds flow in the markets are as follows:



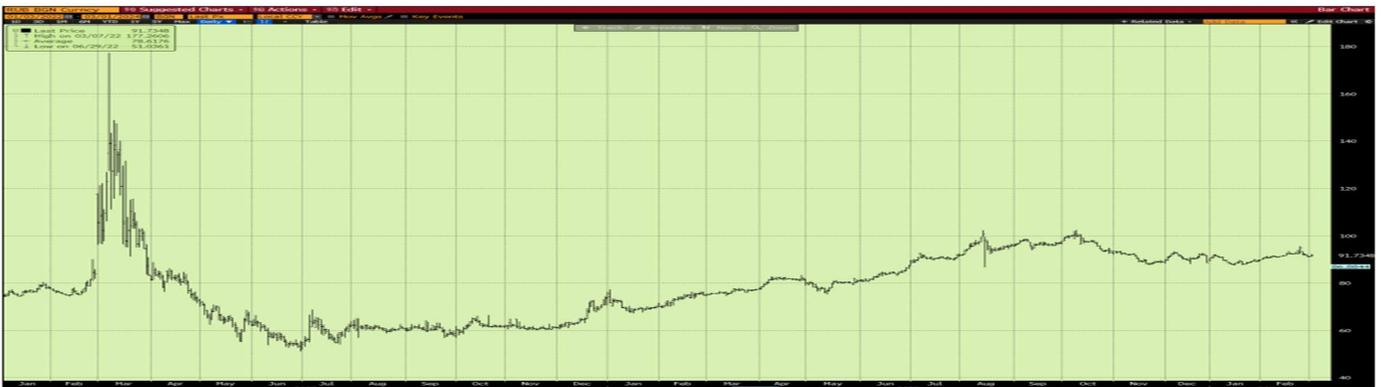
Power and Metals attracted most of the funds. Institutions pulled out of IT led by fear of AI.

Sectors – Power/Metals O/P, IT U/P

	1M		3M		6M		9M		12M	
	Returns	Rank								
Auto	4.9%	5	0.8%	7	11.2%	5	19.0%	2	35.7%	3
Banking	1.6%	8	1.8%	6	13.5%	4	7.9%	5	24.2%	6
Capital Goods	5.7%	3	1.8%	5	7.7%	8	-0.9%	9	27.5%	5
FMCG	0.0%	10	-8.2%	10	-9.1%	10	-7.7%	10	1.9%	10
Healthcare	6.2%	2	-2.2%	9	0.7%	9	3.1%	7	14.9%	9
IT	-18.7%	12	-18.0%	12	-13.6%	12	-19.3%	12	-18.9%	12
Metal	4.1%	7	18.5%	1	33.0%	1	31.4%	1	44.4%	1
Oil & Gas	5.3%	4	4.9%	4	15.9%	3	9.5%	4	31.1%	4
Power	9.0%	1	5.4%	3	9.0%	6	2.4%	8	20.9%	8
Realty	-0.6%	11	-13.5%	11	-10.3%	11	-17.3%	11	-1.7%	11
Financials	0.9%	9	-1.6%	8	8.0%	7	4.6%	6	21.7%	7
PSU	4.3%	6	10.1%	2	22.3%	2	13.9%	3	40.9%	2

The New CPI inflation came in @ 2.75% based on new series. WPI was at 1.8%. GST collected for the month of Feb was Rs.1.83 lakh crore, up 8.1%. We might have reached the end of rate cut cycle. RBI retained the repo rate at 5.25%, together maintained a neutral stance unanimously voted by all the members of the MPC. There was a revision in CPI numbers higher. The RBI revised growth for 1Q of FY 27 and 2Q of FY 27 to 6.9% and 7.0% respectively. At the same time, it revised the Inflation forecast for FY 26 to 2.1% from 2.0%.

If we look back and view currency (widely traded) markets when Russia Ukraine issues went on or when Israel attacked Hamas, the initial reaction was followed by positive movements in a few months meaning markets are always forward looking. Damages must have been there; however, the initial reaction is always knee jerk. From around 82 to a Dollar, Rubble crossed 140 when Russia Ukrain attacks and counter attacks started and then started to appreciate in a years time. Here is the chart for Rubble, the Russian currency when the war took place, and after that.



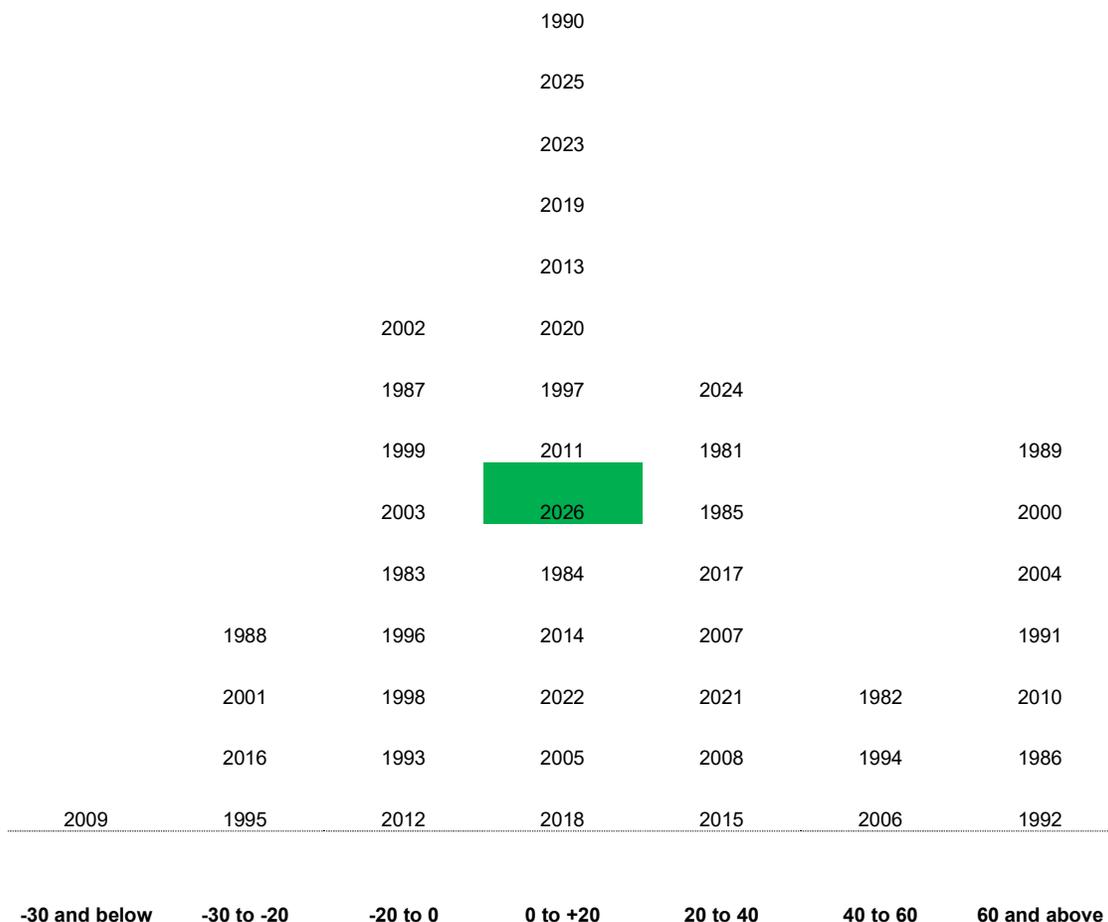
US markets saw clearly a trend shifting more towards AI led stocks versus Information Technology sector as a whole. Semi conductor led stocks that form the heart of AI computation widely used by many like Data Centre, Robots and Automobile saw a good demand. Here's a depiction of how markets differentiated between the two.



Commodity markets inched up indicating looming threat of war. US together with Israel has struck Iran. The leader of ruling party in Iran Ayatollah Khomeini has reportedly died in the Attack.

3Q results got concluded. Results were better than expected. A report from Avendus Spark says the picture more clearly. Broad based index (BSE500) companies have started to report better growth on revenue and profitability. Trend:

	Equity % in Fund	1m	1Y	3Y	5Y
Midcap Fund	95%	1.67%	22.44%	23.82%	19.27%
Benchmark		1.17%	23.38%	25.21%	20.50%
Bond Fund	0%	0.79%	6.46%	7.32%	5.84%
Benchmark		0.80%	5.51%	6.52%	5.16%
Equity Fund	99%	-0.30%	11.23%	13.84%	11.62%
Benchmark		-0.56%	13.80%	13.32%	11.62%
Balance Fund	51%	0.12%	10.08%	10.44%	8.84%
Benchmark		0.13%	9.64%	9.93%	8.46%



Sensex Yearly performance in percent

RISK MANAGEMENT PRACTICE FOR UNIT LINKED PORTFOLIOS

Company's investment exposure to any sector is as per limits prescribed by IRDAI under Investment Regulations and the same is monitored on a daily basis. In addition, the company also follows stringent asset allocation metrics as per policy features communicated to the policy holder and the same is adhered to while making investment decisions. In case of guaranteed products, investments are made in suitable asset classes taking into account market and credit risk, and liquidity of the investment to ensure fulfilment of guarantee promised. There is an efficient stop loss policy in place, which is triggered every time the stock price breaches a specific threshold level. This warrants review of investment decision and establishes the rationale for continuance or discontinuance of the specific investment thus preventing sharp fall in value of our holdings and prolonged underperformance of the portfolio. Significant importance is given to asset liability management and accordingly, portfolios are reviewed on a monthly basis to ensure adherence.



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