

invest care

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



September, 2025



UNIT LINKED PRODUCTS FROM SBI LIFE INSURANCE CO. LTD.

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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	30-Sep-25	31-Aug-25	Change (%)	31-Mar-25	Change (%)
₹/\$	88.69	87.60	▶ -1.24%	85.46	▶ -3.78%
Forex Res.(Bn- 1 Wk Lag)	\$ 702.57	\$ 690.72	▶ 1.72%	\$ 658.80	▶ 6.64%
Oil Price (\$/Barrel)	\$ 66.73	\$ 67.45	▶ -1.07%	\$ 73.63	▶ -9.37%
FII inflows (Net) - Crs (₹)					
Equity (monthly)	-23885	-34993	▶ -31.74%	-3973	▶ 501.18%
Debt (monthly)	12254	12662	▶ -3.22%	37789	▶ -67.57%

Indices

Particulars	30-Sep-25	31-Aug-25	Change (%)	31-Mar-25	Change (%)
BSE Sensex	80,267.62	79,809.65	▶ 0.57%	77,414.92	▶ 3.68%
S&P CNX Nifty	24,611.10	24,426.85	▶ 0.75%	23,519.35	▶ 4.64%
Dow Jones Industrial Avg	46,397.89	45,544.88	▶ 1.87%	42,001.76	▶ 10.47%
FTSE 100	9,350.43	9,187.34	▶ 1.78%	8,582.81	▶ 8.94%
Hang Seng Index	26,855.56	25,077.62	▶ 7.09%	23,119.58	▶ 16.16%
Nikkei 225	44,932.63	42,718.47	▶ 5.18%	35,617.56	▶ 26.15%
B S E Metal Index	33,252.87	30,388.49	▶ 9.43%	30,824.72	▶ 7.88%
B S E Power Index	6,715.08	6,392.75	▶ 5.04%	6,588.41	▶ 1.92%
B S E Realty Index	6,740.13	6,764.68	▶ -0.36%	6,601.58	▶ 2.10%
B S E Auto Index	59,255.34	55,959.85	▶ 5.89%	47,704.03	▶ 24.21%
B S E FMCG Index	20,107.82	20,610.64	▶ -2.44%	19,447.48	▶ 3.40%
B S E Bankex	61,513.30	60,025.39	▶ 2.48%	59,542.38	▶ 3.31%
B S E Healthcare Index	43,075.69	43,622.70	▶ -1.25%	41,421.50	▶ 3.99%
B S E Capital Goods Index	68,289.99	65,417.08	▶ 4.39%	62,724.28	▶ 8.87%
B S E Information Technology Index	33,184.74	34,437.32	▶ -3.64%	36,122.71	▶ -8.13%
B S E Oil & Gas Index	26,910.13	25,540.00	▶ 5.36%	25,133.51	▶ 7.07%

Primary Key Rates

Particulars	30-Sep-25	31-Aug-25	Change (%)	31-Mar-25	Change (%)
Repo Rate*	5.50%	5.50%	▶ 0.00%	6.25%	▶ -0.75%
Reverse Repo Rate**	3.35%	3.35%	▶ 0.00%	3.35%	▶ 0.00%
CRR #	3.75%	3.75%	▶ 0.00%	4.00%	▶ -0.25%
SLR *#	18.00%	18.00%	▶ 0.00%	18.00%	▶ 0.00%
Call money rate	5.05%	5.00%	▶ 0.05%	5.80%	▶ -0.75%
Current Inflation Rate (WPI)	-0.52%	-0.58%	▶ 0.06%	2.38%	▶ -2.90%
Current Inflation Rate (CPI)	2.07%	1.55%	▶ 0.52%	3.61%	▶ -1.54%
IIP (WPI) % Y-O-Y	4.00%	3.50%	▶ 0.50%	5.00%	▶ -1.00%
AAA spread (bps)	52.00	51.00	▶ 1.96%	40.00	▶ 30.00%

Particulars	2021-22	2022-23	2023-24	Q1 FY25	Q2 FY25
Real GDP % (New Growth No. by CSO)	-7.30%	7.20%	7.76%	6.65%	5.36%

Interest Rates (FIMMDA)

Particulars	30-Sep-25	31-Aug-25	Change (%)	31-Mar-25	Change (%)
91 days T - Bill	5.49%	5.51%	▶ -0.02%	6.45%	▶ -0.96%
364 days T - Bill	5.60%	5.64%	▶ -0.04%	6.54%	▶ -0.94%
5 Years G - Sec (Annualized)	6.35%	6.41%	▶ -0.06%	6.63%	▶ -0.28%
10 Years G - Sec (Annualized)	6.72%	6.78%	▶ -0.06%	6.78%	▶ -0.06%
30 Years G - Sec (Annualized)	7.33%	7.42%	▶ -0.09%	7.12%	▶ 0.21%

* 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

September 2025 – The rate cuts begin after a pause!

Benchmark 10-year treasury yields were slightly lower at 6.52% in September from 6.56% in August 2025. The US 10 Year yield was at 4.18% at the end September lower than 4.22% in August 2025. INR was hit hard this month again amidst USD strength, giving way to a 0.6% depreciation from 88.2 to 88.7

India Macro Movers:

Retail inflation came in at 1.55% in July 2025, this is a multi-year low, falling close to 500 bps from last year. But a large part of this is because of a favourable base. The CPI will slowly start heading back now but should be under control at least on year-on-year basis. Core inflation continues to move above 0.4% month on month, if we leave aside gold prices. We expect the August 2025 CPI to come in close to 2%.

GST collections have been steadily dropping falling from INR 2.36 trillion to INR 1.86 trillion in the last 5 months. PMIs have either been rising or been steady, manufacturing rising from 59.1 to 59.3 in the latest month and services also making a big jump from 60.5 to 62.9 last month.

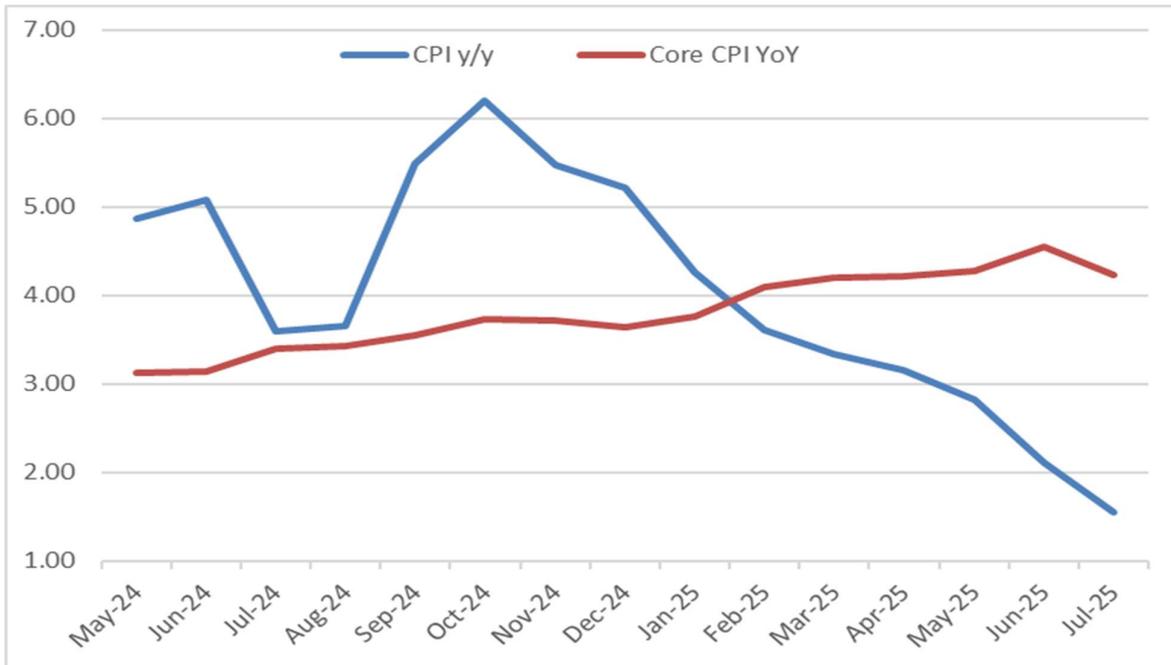
Global:

Economic data in the US started weakening in the month of August 2025 especially the biggest contributor to this bearish sentiment was the non-farm payrolls data which showed only 24000 job additions, which was much lower than the 75000 expected. The Bloomberg index for tracking potential rate cuts in the US puts 3 cuts this year and 3 for next year. US CPI had fallen from 3% in January 2025 to 2.3% in April 2025 but is back to 2.7% in July 2025. The markets are primed for a September rate cut by Fed and then with fresh guidance by the central bank, this could drive USD, UST and global yields accordingly.

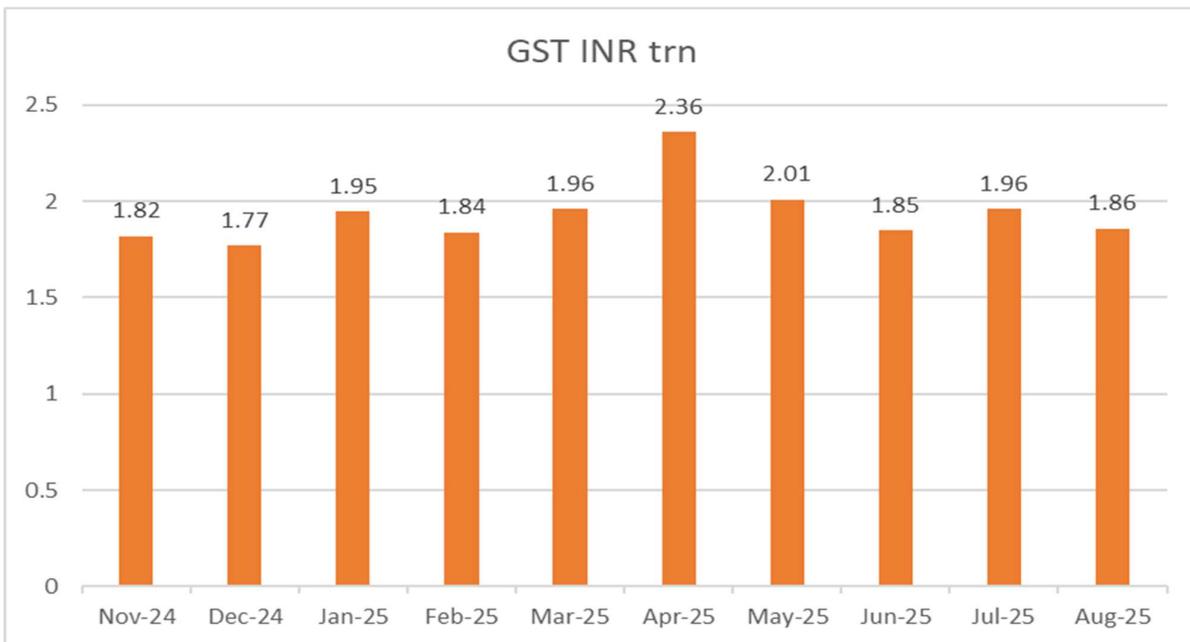
Outlook:

The 10 Year yield rose by close to 20 bps in August 2025 owing to many factors, all being domestic factor led. The MPC decided to keep rates at status quo and the statements did sound a bit hawkish, almost ruling any rate cuts soon. The low demand for G-secs especially the longer end bonds and the heavy supply that will once again hit in H2 seems to be the concern. There are rumours and expectations that the borrowing calendar will be tweaked in September 2025 end to help mark tensions ease. The CPI also has hit the bottom and so we will be awaiting higher food and core inflation in the coming months, all adding to bond market pressures. The earlier-than-expected rating upgrade by S&P to Indias sovereign status from BBB- to BBB, could hardly bring yields lower over a 2-day period. We expect 10 Year yield to range between 6.4% and 6.55%, with long end yields also to range between 7.15%-7.35%.

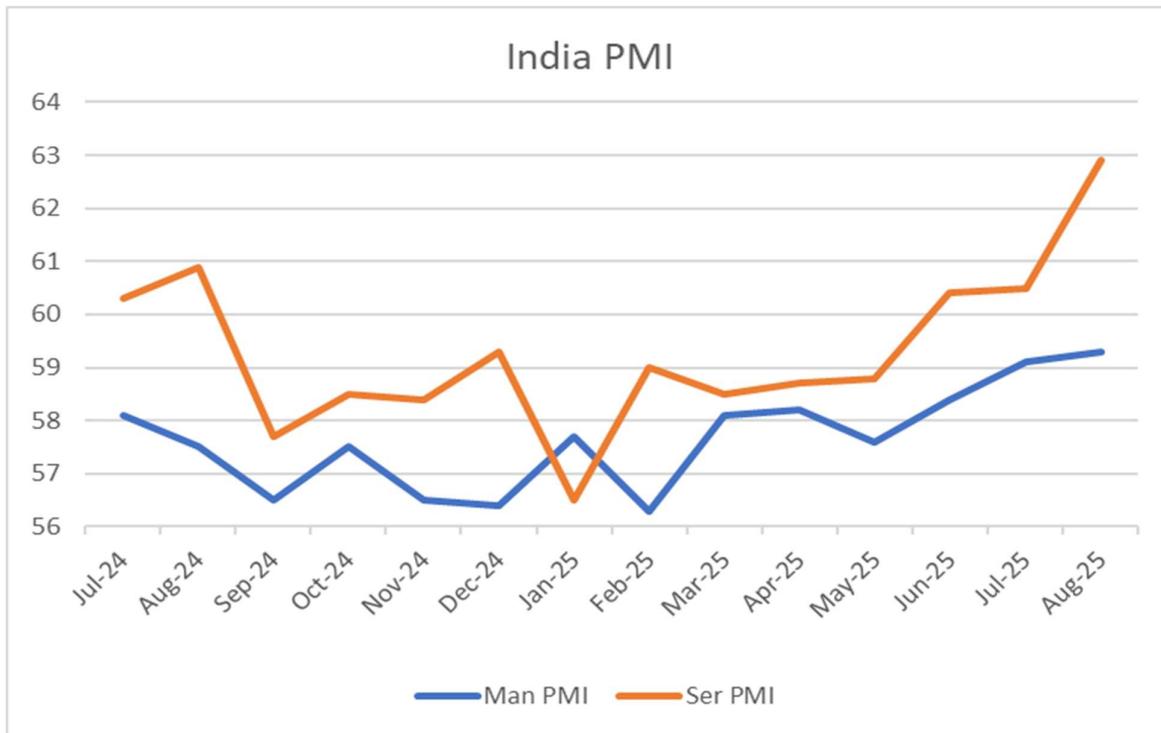
India CPI has hit a multi-year low, but helped largely by base effects,



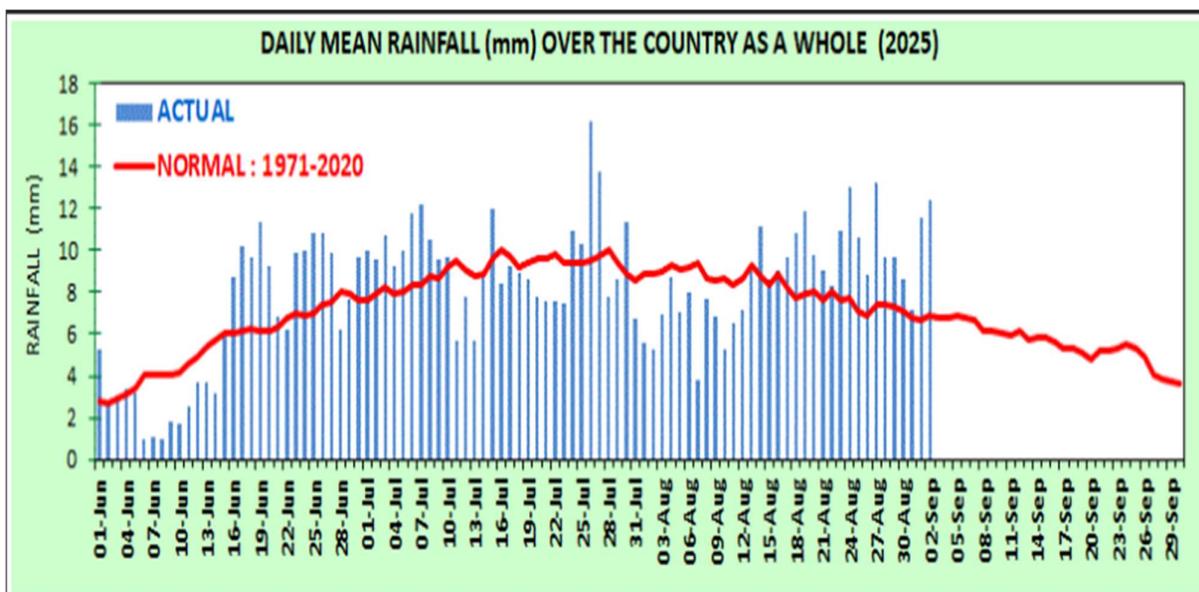
GST collections have slowed of late



PMIs don't show any sign of a slowdown



The monsoon rains keep improving



Equity Outlook

Equity Market Outlook for the Month of September 2025

Nifty and Sensex ended at 24,427 and 81,186 respectively, down 1.4% and 1.7% for the month of August 2025. Tariff woes continued to plague Indian equities, with 50% tariffs coming into force from 27th August 2025 on goods exported to the US (with exclusions), and no trade deal in sight. Markets were also driven by the promise of support and stimulus from the Indian Government, including GST rationalization that may boost consumption ahead of the upcoming festive season. FIIs continued to pull out of Indian equities, with secondary market outflows of USD 4.8 Bn, while DIIs bought equities to the tune of USD 7.6 Bn.

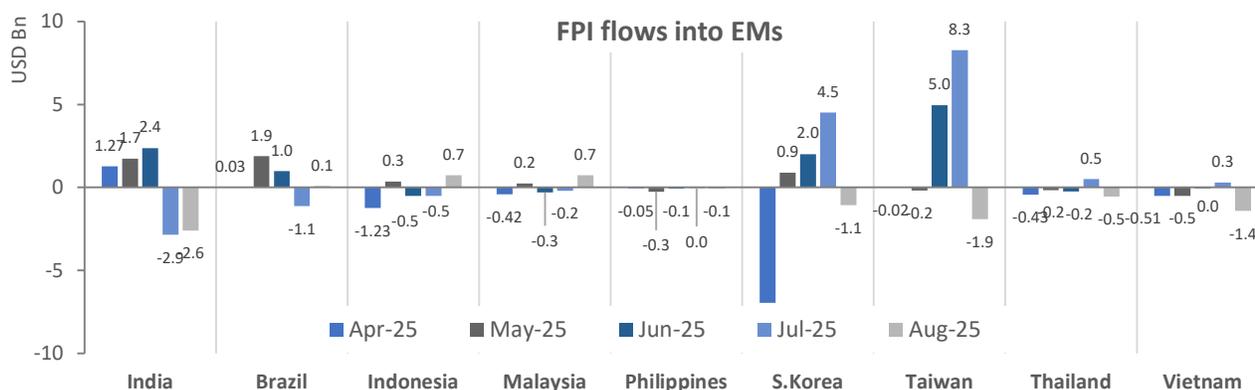
Broader markets in India continued their downward trajectory this month, with the NSE Mid-cap 100 index and NSE Small-cap 100 index down 2.9% and 4.1% respectively. Our markets underperformed US equity indices with the S&P 500 rising by 1.9% in August. In India, Auto took over as the best performing sector with returns of 6% in August 2025, while all other sectors were in the red, barring FMCG. Oil & Gas and Power were the worst performing sectors in August 2025, down -5% each.

Fig 1. Auto outperformed while most other sectors posted losses

	1M		3M		6M		9M		12M	
	Returns	Rank								
Midcap	-3%	-	-3%	-	16%	-	-1%	-	-6%	-
Smallcap	-4%	-	-4%	-	17%	-	-8%	-	-11%	-
Auto	6%	1	7%	1	22%	1	6%	1	-5%	4
Banking	-3%	5	-5%	6	9%	9	1%	3	3%	2
Cap. Goods	-4%	9	-8%	11	18%	2	-7%	8	-11%	7
FMCG	0%	2	1%	3	12%	7	-3%	6	-10%	6
Healthcare	-4%	7	2%	2	14%	4	0%	4	1%	3
IT	-1%	3	-7%	9	-6%	11	-20%	11	-21%	9
Metal	-2%	4	-1%	4	9%	10	0%	5	-6%	5
Oil & Gas	-5%	11	-6%	7	13%	5	-5%	7	-23%	11
Power	-5%	10	-6%	8	11%	8	-15%	10	-22%	10
Financials	-4%	6	-3%	5	13%	6	4%	2	5%	1
PSU	-4%	8	-7%	10	15%	3	-8%	9	-17%	8

FPI flows into Indian equities were negative during August at -4.8 Bn USD, while DIIs pumped 7.6 Bn USD into Indian equities. Net FII flows into India’s secondary equity markets this fiscal year stand at -6.7 Bn USD.

Fig 2. EM flows begin to suffer again

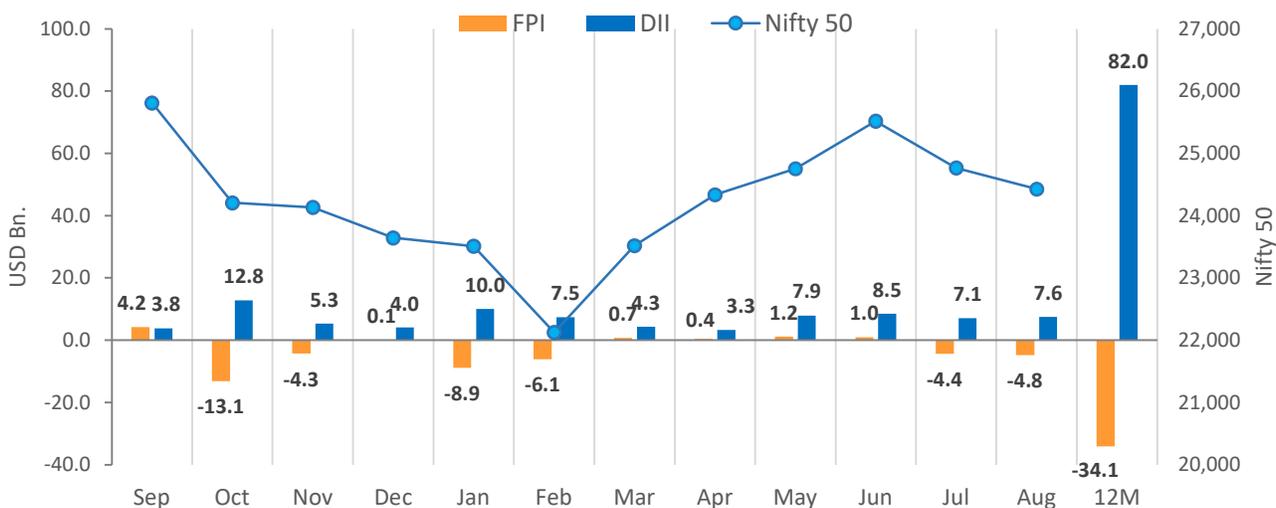


India’s CPI inflation continued to moderate with a print of 1.6% in July 2025, down from 2.1% in June 2025. WPI inflation posted its second month in deflationary territory, with a -0.6% print for July against -0.1% for June. Food inflation also continued its deflationary run in July, measuring at -1.76% in June from -1.06% in June. GST collections for August 2025 stood at INR 1.86 lakh crore, a Year-on-Year increase of 6.5%. GST reform has been in focus, with the government proposing to move to a 2-slab structure ahead of Diwali this year, as a form of stimulus to domestic consumption as well as policy simplification and reform.

In their MPC meeting in August, the RBI voted unanimously to keep the repo rate unchanged at 5.5%. RBI Governor Sanjay Malhotra expressed confidence in India’s growth in the upcoming quarters, citing good monsoons and the upcoming festive season, supportive fiscal and monetary policy and easing inflation. This month, S&P Global upgraded India’s sovereign debt rating from BBB- to BBB, with a stable outlook.

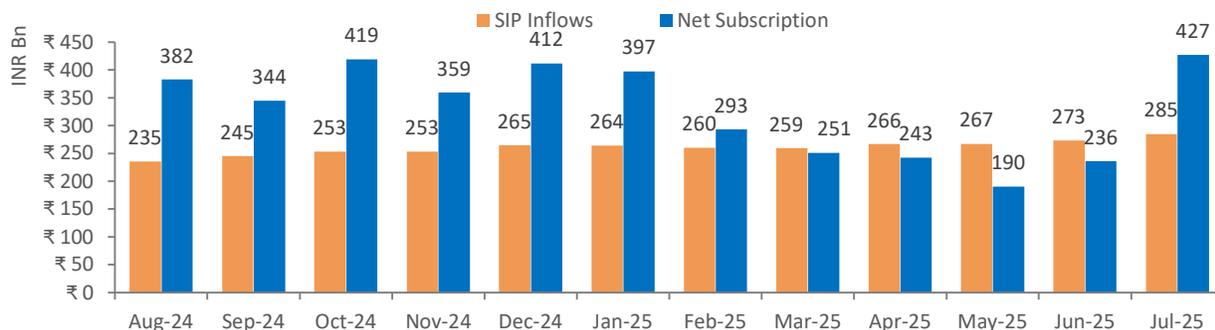
Meanwhile, Brent Crude ended August at USD 68/bbl, down 7.1% and gold continued its bull run up 4.7% in August up 34% in the last 12 months.

Fig 3. DII and FII flows from September 2024 to August 2025



Mutual fund inflows into equity-oriented funds in July rose from June levels, standing at a record 427 Bn INR, continuing the recent recovery in equity fund inflows. SIP inflows in July 2025 remained steady at 285 Bn INR.

Fig 4. Total Net subscription to domestic equity-oriented mutual funds and monthly SIP flows

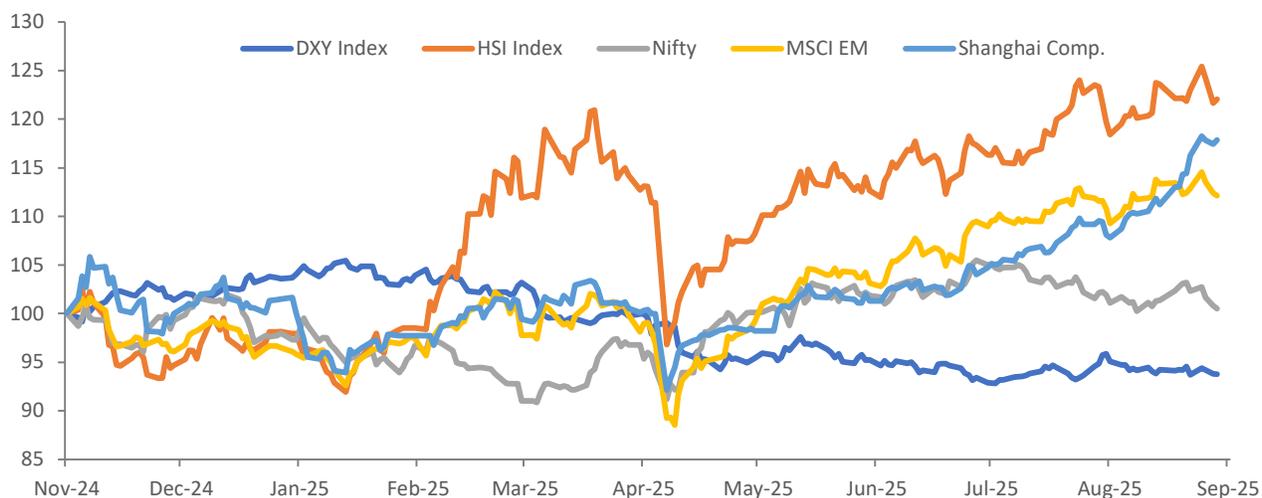


The Russia-Ukraine war was in focus during August 2025, as US President Trump held a meeting with Russian President Putin in Alaska, with the notable absence of Ukrainian representation. This was followed up by a meeting between Trump and Europe’s leaders including Ukrainian President Zelensky. On our Independence Day, markets watched with bated breath for any sign of a deal to conclude the war, and they were ultimately disappointed.

The Federal Reserve kept rates unchanged in their July meeting, with a rare divergence in opinions being seen among the ranks of Fed Governors. Global markets have also been jittery on the topic of executive overreach as Trump fired Fed Governor Lisa Cook over allegations of mortgage fraud, having fired the head of the US Bureau of Labor Statistics earlier in the month over large downward revisions in the nonfarm payroll growth during May and June. The same revisions indicate a weakening US job market, which has led Fed Chair Powell to soften his stance on interest rates, as indicated in his speech at the Jackson Hole symposium in late August. A rate cut of 25 bps is now expected in the FOMC’s September meeting.

In the US market, the Dow Jones moved up 3.2% and S&P 500 was up 1.9%. For 3 months ending August, the S&P500 has given a return of 9.3%. 10-year yields in US closed for the month @ 4.23% against 4.37% last month while the DXY has fallen to 97.771 from 99.968.

Fig 5. Performance of selected global assets since 2024 US elections – HK indices have outperformed



Markets have been weak with the FPI's selling. FPI's selling is well understood as they find other markets to be attractive which is evident in the returns that other markets have generated versus India.

However, the engines that fuel the growth for Indian markets are all well in place:

The income tax cut announced in this budget in Feb that gives benefits to people earning Rs.4 lac and above, the 56 million Indians who will decide to save or consume in the next few quarters.

The monsoons that started well in advance and have been spread across the countries breadth and width.

The GST cuts that simplify the slabs. And give benefits to the manufacturing sector.

The rating upgrade from BBB- to BBB by S&P that will improve the cost of borrowing for India Inc

The 25-basis rate cut that came in twice and 50 basis that came in 6th of June which will once again reduce the borrowing rate for MSME and the unsecured borrowers who are under stress.

Benefits here should be seen in the December quarter. FY 27 should be a much better year therefore for equities. On the fixed income side, unfortunately the 50 basis points cut resulted in yields moving up. Market is under the impression it was the last one.

Equity allocation therefore should be made at every fall. With a 3-year view.

Fig 6. Forward P/E levels across Large-Caps, Mid-Caps and Small-Caps – Small-caps back in overvalued zone

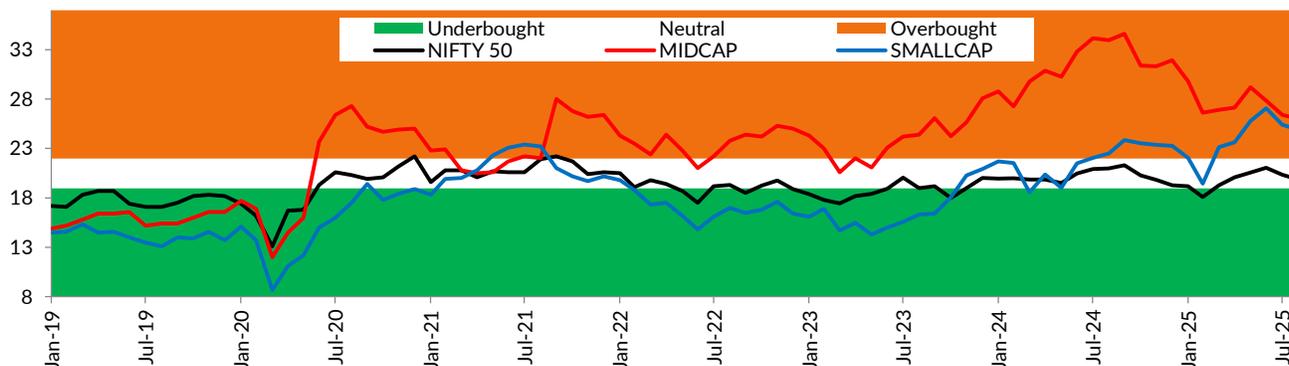


Fig 7. Major events and Nifty50 movements during August 2025

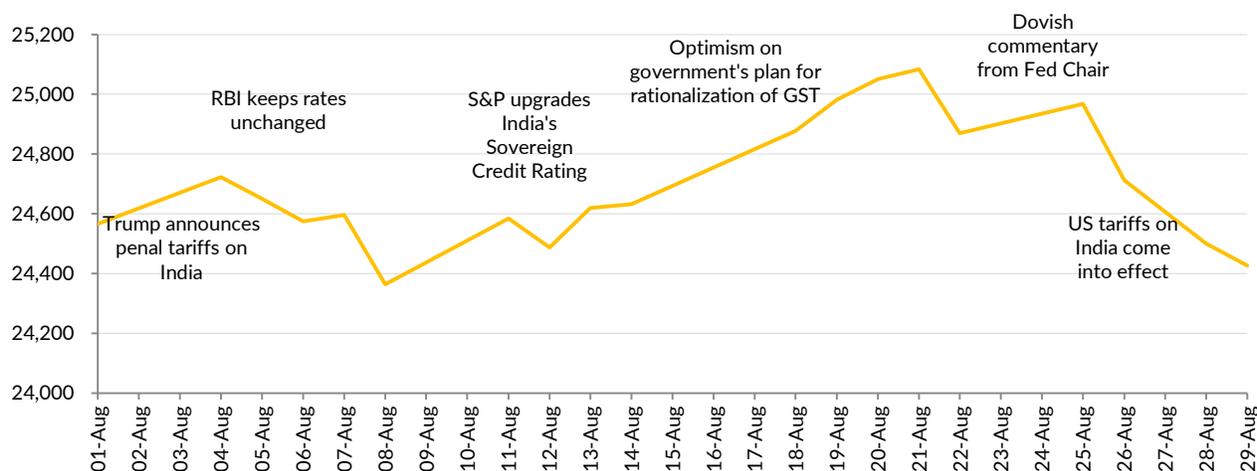


Fig 8. Fund Returns – AUM Mix and Performance (CAGR)

	Equity % in Fund	1M	1Y	3Y	5Y
Midcap Fund	95%	-2.79 %	-4.15 %	20.81 %	24.05 %
<i>Benchmark</i>		-3.89 %	-5.36 %	21.78 %	26.06 %
Bond Fund	0%	-0.78 %	6.63 %	7.03 %	5.66 %
<i>Benchmark</i>		-0.71 %	7.03 %	7.54 %	6.11 %
Equity Fund	99%	-1.91 %	-5.57 %	13.25 %	15.92%
<i>Benchmark</i>		-1.59 %	-2.88 %	12.16 %	15.96 %
Balance Fund	51%	-1.43 %	1.04 %	9.73 %	10.72 %
<i>Benchmark</i>		-1.14 %	2.17 %	10.03%	11.21 %

Fig 9. Major Index and Asset Class Returns

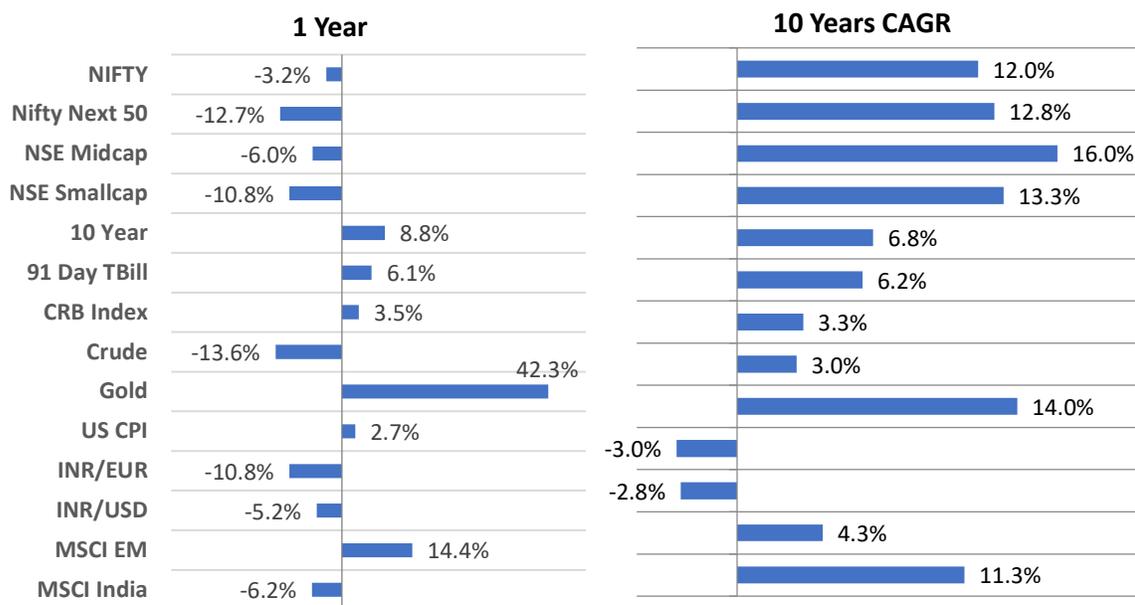
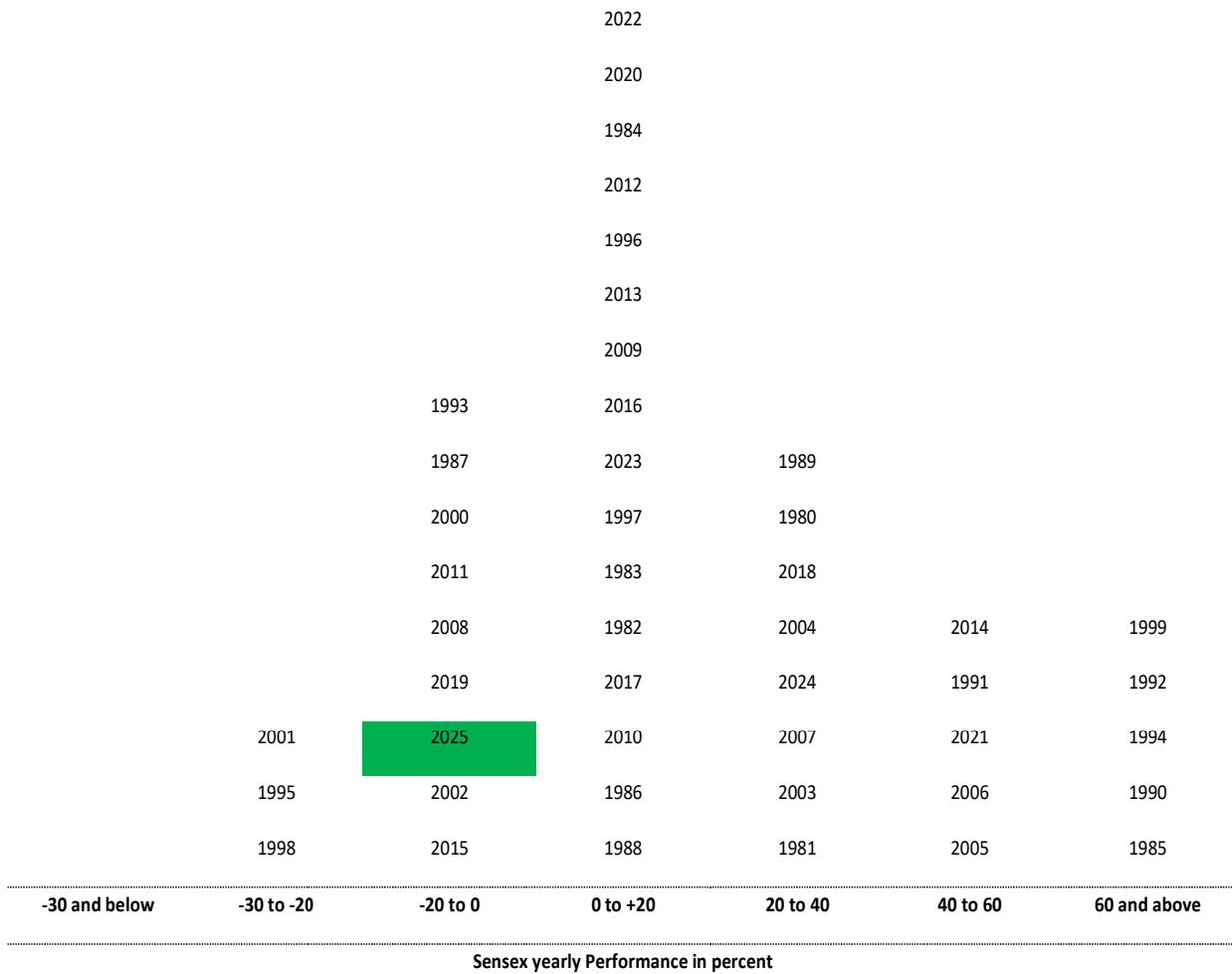


Fig 10. Sensex yearly Performance in August (percent)



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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