

(An open-ended medium-term debt scheme investing in instruments such that the Macaulay Duration of portfolio is between 4 years and 7 years)

For External Circulation

This product is suitable for investors who are seeking*:

- Long Term Capital Appreciation & Regular Income.
- Investment in Debt & Money Market Instruments / Government Securities.

***Investors should consult their financial advisors if in doubt about whether the product is suitable for them**

RISK - O - METER

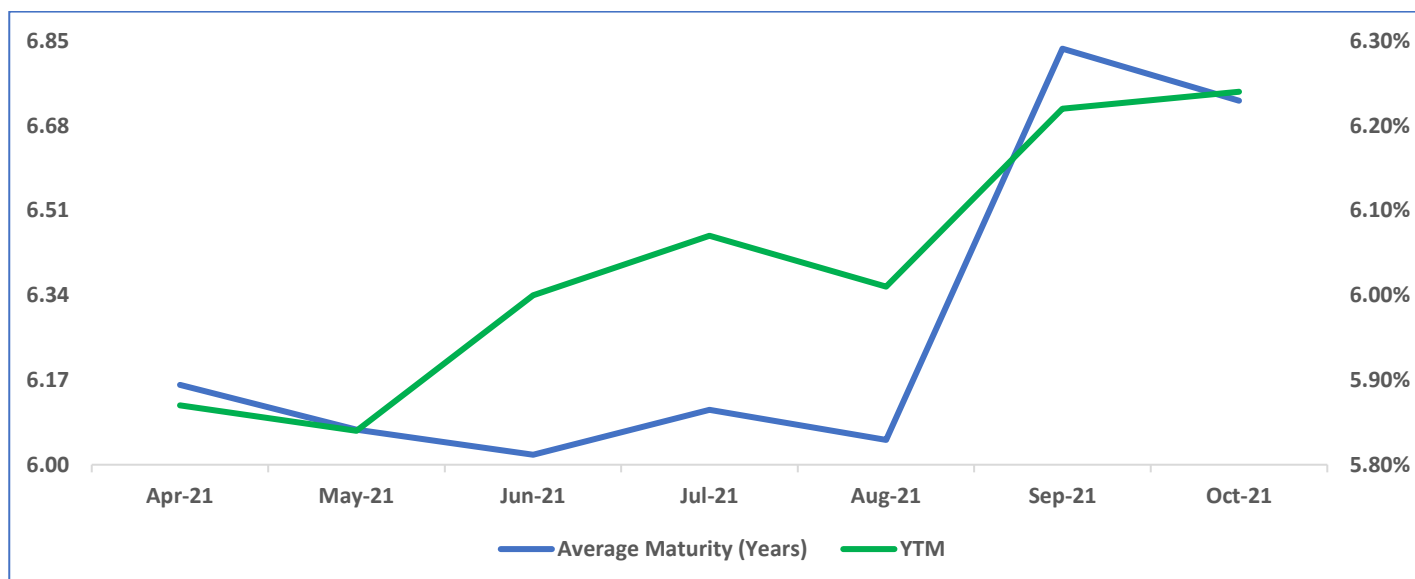
Investors understand that their principal will be at Moderate Risk

Mutual Fund investments are subject to market risk, read all scheme related documents carefully.

Fund Overview

The investment objective of the scheme is to generate income and capital appreciation over a longer-term horizon.

Fund Commentary



Between April and August 2021, the fund had kept its average maturity stable at the 6.00-6.20-year levels. However, in August, the fund has increased its maturity levels to ~6.80-year levels by adding to the 7–10-year segment of the portfolio. The fund also moderately increased its accrual levels from 5.87% in April-21 to 6.24% in October 2021.

In comparison with the benchmark, the fund has a lower maturity and duration position. The fund is overweight in AAA-rated papers w.r.t the benchmark, while being underweight in SOV papers and absent in sub-AAA papers.

Ratings-wise Breakdown of the Portfolio- As on 15th October 2021

Scheme	Cash	SOV	AAA	Total
Tata Income Fund	11.82%	18.53%	69.65%	100%

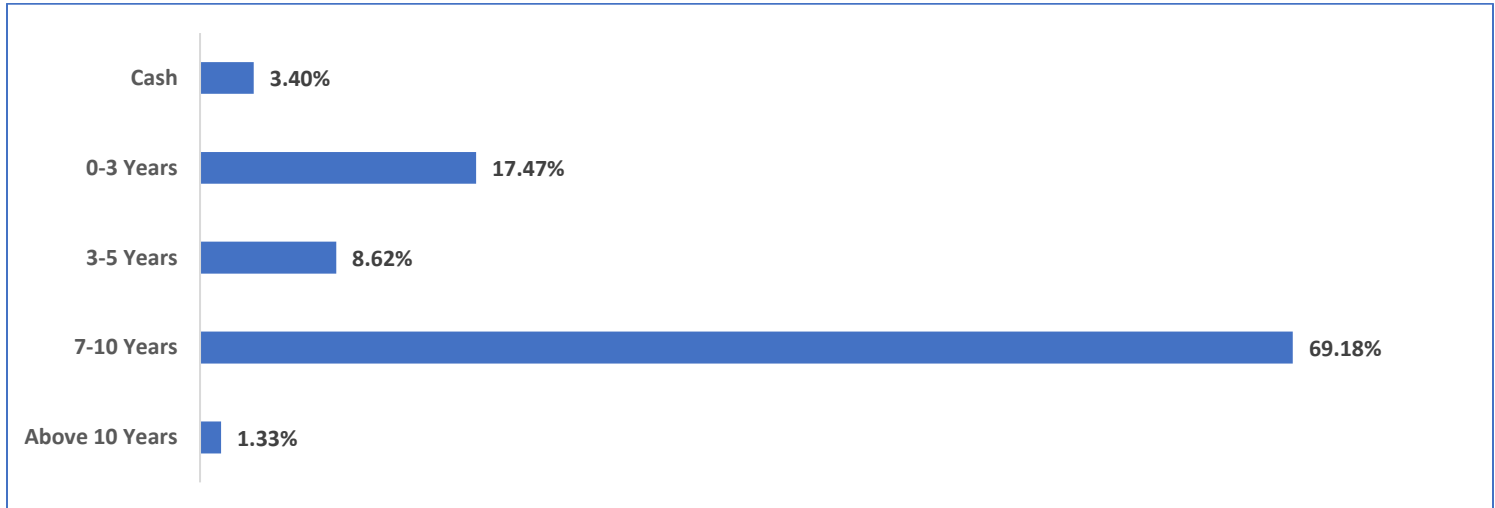
Instrument-wise breakdown of the Portfolio- As on 15th October 2021

Scheme	Cash	G-Secs	AAA-PSU Bonds	Non-PSU AAA Bonds	Total
Tata Income Fund	11.82%	18.53%	61.04%	8.61%	100%

Fund Metrics- As on 15th October 2021

YTM	Average Maturity	Macaulay Duration	Modified Duration
6.24%	6.73 Years	5.08 Years	4.79 Years

Maturity Profile



Current Portfolio Strategy*

Maturity	Liquidity	Accrual	Portfolio Quality
<ul style="list-style-type: none"> Portfolio is biased towards medium to long-term securities. ~26% of the portfolio is invested in the 0-5 years segment and ~69% of the portfolio is in the 7-10 years segment. 1.33% of the portfolio is invested in the 10 years and above segment 	<ul style="list-style-type: none"> Portfolio is sufficiently liquid with ~61% in AAA-PSU Bonds and 19% in G-Secs. 	<ul style="list-style-type: none"> YTM of the portfolio is 6.24% 	<ul style="list-style-type: none"> The portfolio is of a high quality, with ~70% in AAA-rated papers The fund holds ~19% in SOV papers.

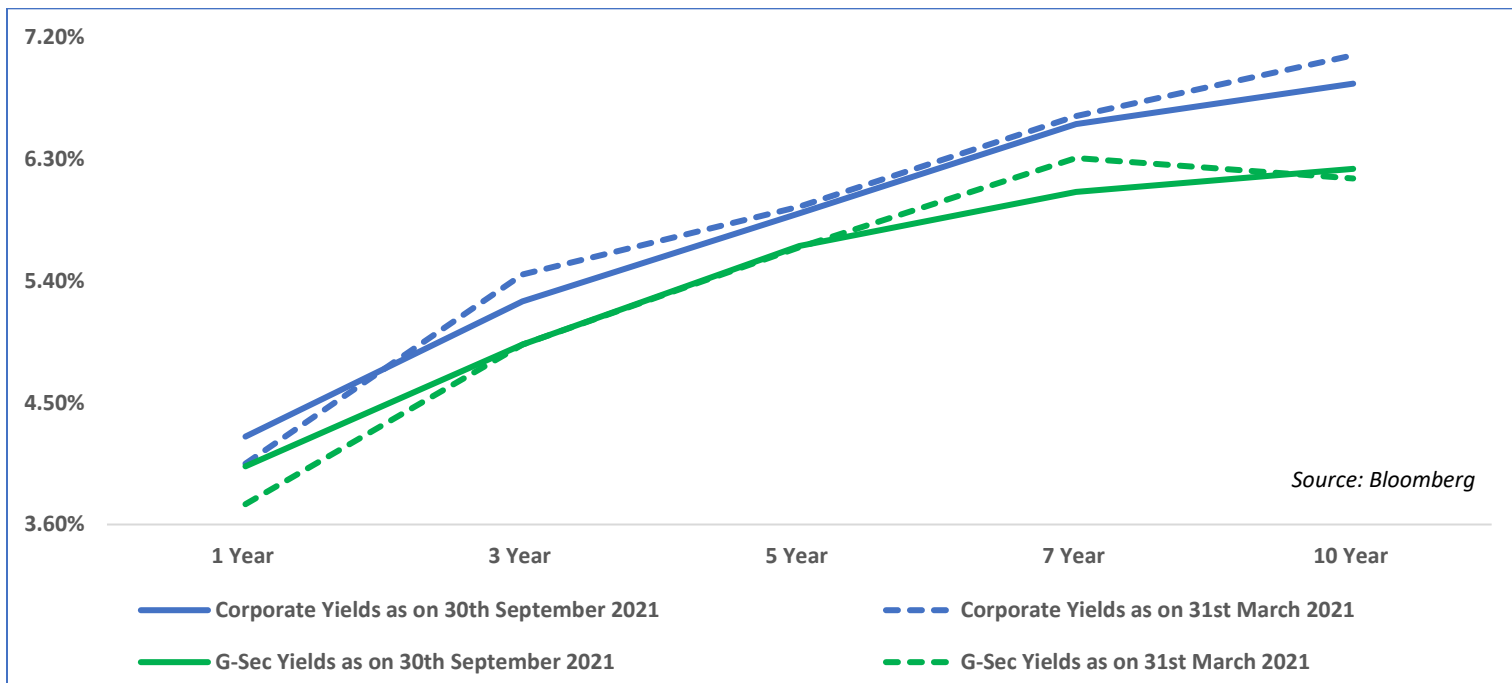
*Based on current market scenario. Strategy is subject to change without notice.

Investing in Tata Income Fund- Rationale

The investment objective of the scheme is to generate income and capital appreciation over a medium term. Investing in the fund gives investors access to a high-quality portfolio of securities for an investment horizon of 5-7 years.

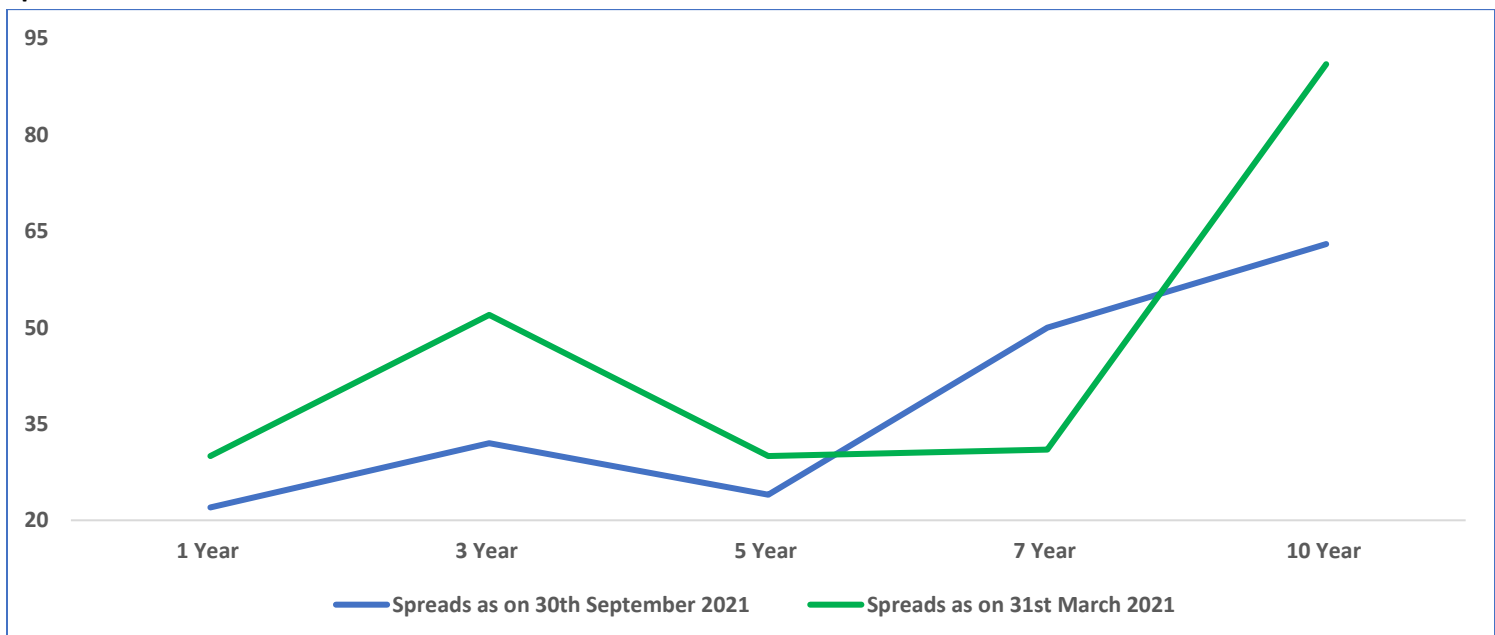
Movement of Yields and Spreads: March-2021 to September-2021

Yield Movements



- Corporate Yields rose by ~20 bps in the 1-year segment and fell by ~20 bps in the 3-year and 10-year segment and by ~5 bps in the 3–5-year segment.
- G-Sec yields rose by ~30 bps in the 1-year segment and fell by ~25 bps in 7-year segment, while being stable in the 3–5-year segment

Spread Movements



- Spreads in the short-medium end of the curve (1–5-year segment) compressed by 5-20 bps.
- Spreads in the 7-year segment widened by ~20 bps and compressed by ~28 bps in the 10-year segment.

Yield and Spreads

Yield Movements

Instrument	Yields as on 30 th September 2021	Yields as on 31 st March 2021	Change between Mat-21 to-Sep 21
1 Year AAA PSU	4.25%	4.05%	20
1 Year G-Sec	4.03%	3.75%	28
3 Year AAA PSU	5.25%	5.45%	-20
3 Year G-Sec	4.93%	4.93%	0
5 Year AAA PSU	5.90%	5.95%	-5
5 Year G-Sec	5.66%	5.65%	1
7 Year AAA PSU	6.56%	6.62%	-6
7 Year G-Sec	6.06%	6.31%	-25
10 Year AAA PSU	6.86%	7.07%	-21
10 Year G-Sec	6.23%	6.16%	7

Source: Bloomberg

Spread Movements

Instrument	Spreads over G-Secs on 30 th September 2021 (bps)	Spreads over G-Secs on 31 st March 2021 (bps)
1 Year AAA (PSU)	22	30
3 Year AAA (PSU)	32	52
5 Year AAA (PSU)	24	30
7 Year AAA (PSU)	50	31
10 Year AAA (PSU)	63	91

Source: Bloomberg

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