TATA MONEY MARKET FUND- AUGUST 2021 UPDATE

(An open-ended debt scheme investing in Money Market instruments)

Data as on 31st July 2021

This product is suitable for investors who are seeking*:

- Regular Income Over Short Term.
- Investment in Money Market Instruments.

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

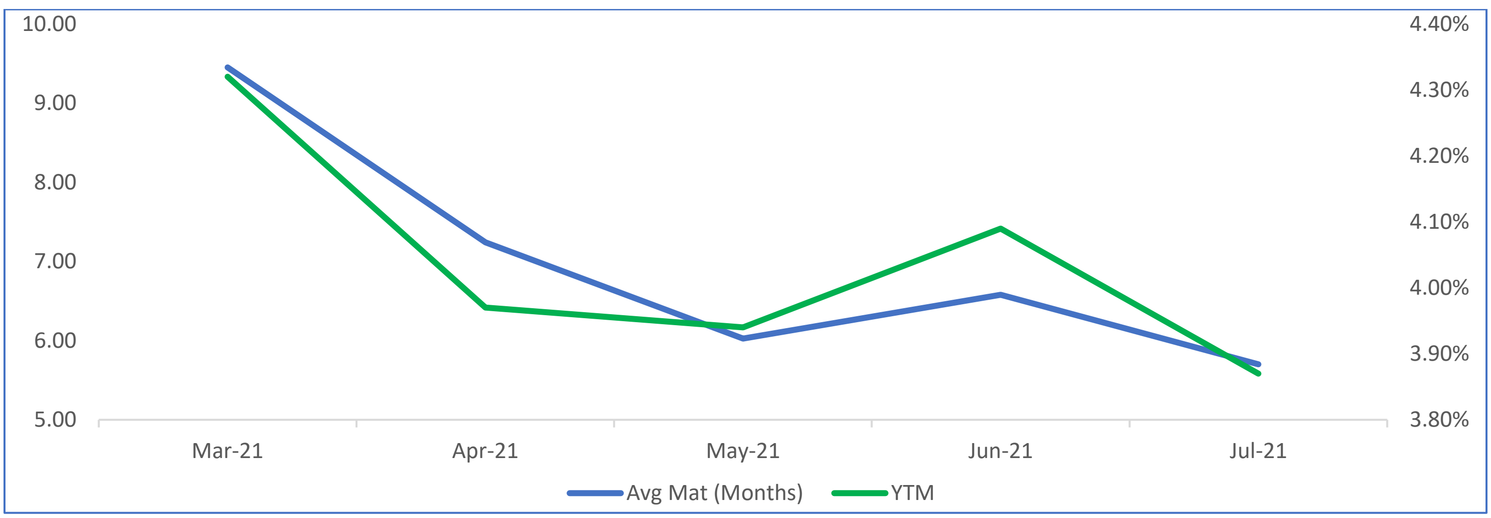
Mutual Fund Investments are subject to market risk, read all scheme related documents

Fund Overview

The investment objective is to generate returns for the unitholders by investing in money market instruments. The fund endeavors to generate returns predominantly from accrual income through a portfolio of highly liquid money market securities.

Fund Commentary

The fund holds a high-quality portfolio of assets, with ~29% in G-Secs and T-bills and ~65% in A1+ rated instruments. The fund has ~25% of assets in G-secs/SDLs, ~4% in T-bills, ~15% in Certificates of Deposit and ~50% in Commercial Papers.



The fund has reduced its average maturity sharply in Mar-May 2021. It will continue to do so gradually.

Ratings-wise breakdown of the portfolio

Scheme	SOV	A1+	Cash & Equivalents	Total
Tata Money Market Fund	29.15%	64.46%	6.39%	**100%**

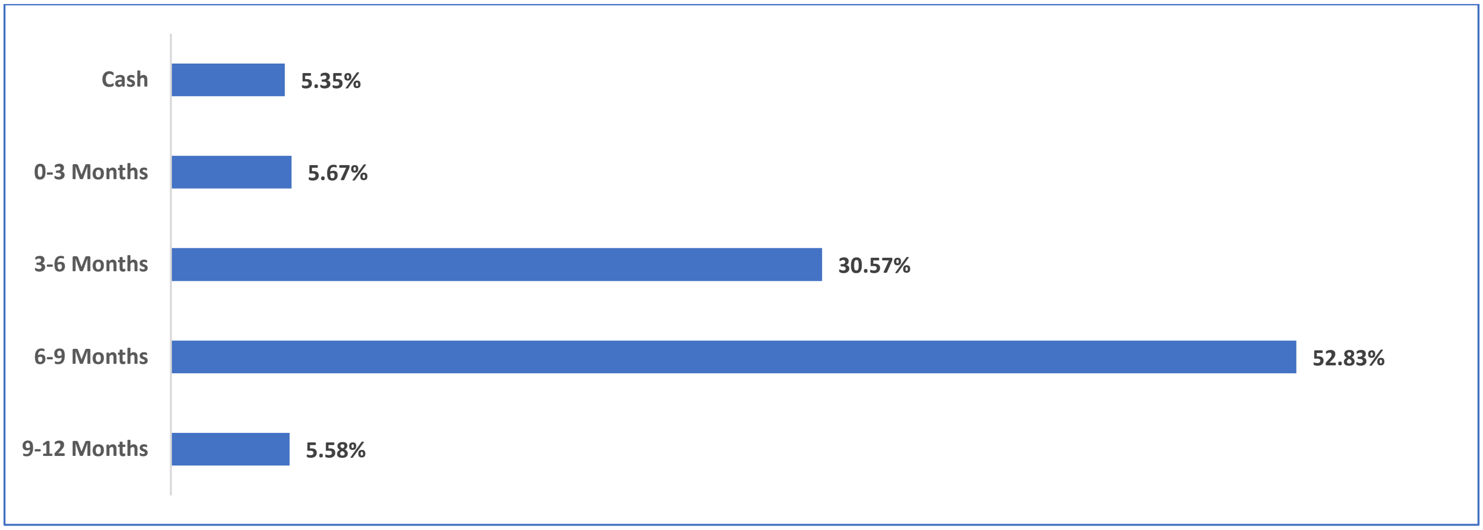
Instrument-wise breakdown of the portfolio

Scheme	G-Secs	SDL	T-Bills	CD	CP	Cash & Equivalents	Total
Tata Money Market Fund	22.94%	2.10%	4.11%	14.63%	49.83%	6.39%	**100%**

Fund Metrics

YTM	3.91%
Average Maturity	6.14 Months

Maturity Profile



Current Portfolio Strategy*

Maturity	Liquidity	Accrual	Portfolio Quality
• The portfolio invests in instruments with maturity up to 1 year • Portfolio is biased towards instruments maturing in Jan-March 2022	• Portfolio is very liquid, with ~25% of the portfolio in G-Secs& SDLs, 4% in T-Bills, ~15% in Certificates of Deposit and ~12% in PSU CPs.	• The YTM of the portfolio is 3.91%	• ~43% of the portfolio is from issuers with long term AAA ratings and ~29% is in SOV-rated papers.

*Based on current market conditions and may change in the future

Allocation to G-Secs

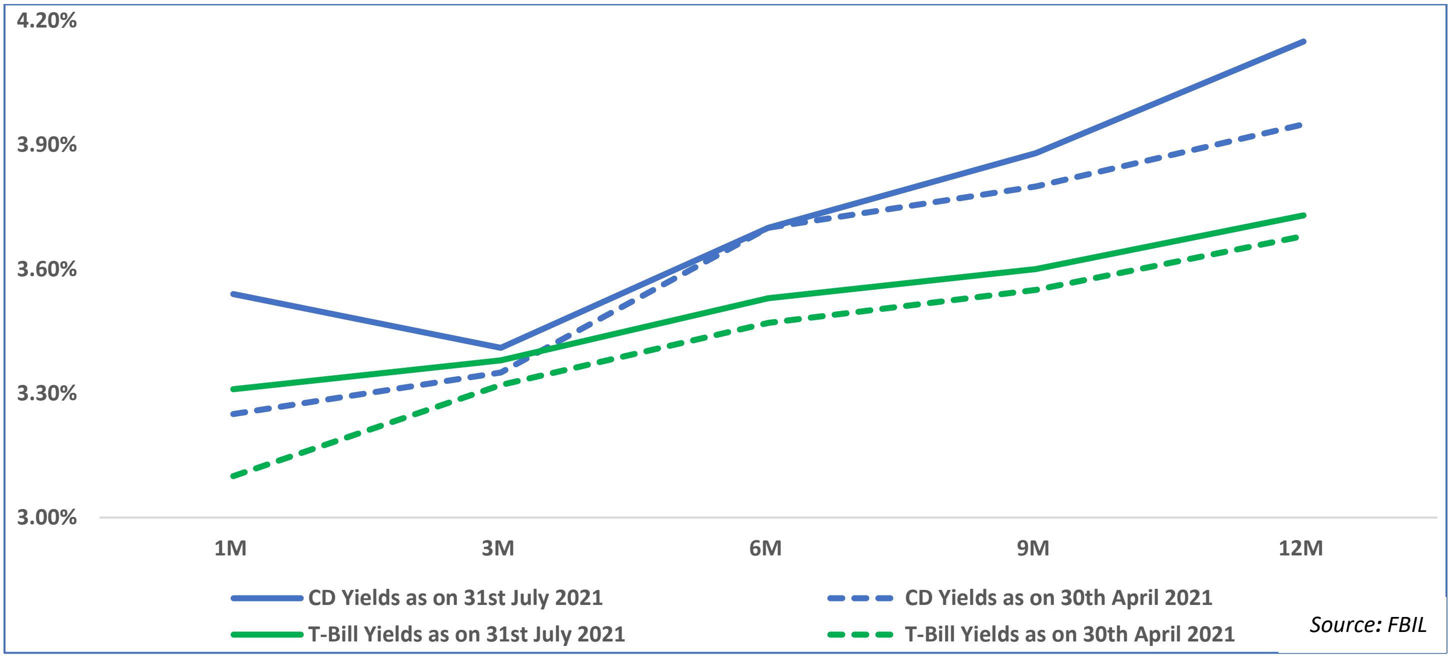
The fund has taken significant allocation to G-Secs. G-Sec & T-Bills will remain part of the core portfolio, to impart liquidity as well as trading opportunities. The fund has significant allocations to G-Secs maturing in 5-8 months. We find that with the fall in spreads, the risk-reward proposition of SOV papers have improved.

Why Invest in the Tata Money Market Fund?

Yields of medium-term money market instruments (6-9 months) are currently at suitable levels. The fund offers an opportunity to invest in a high-quality portfolio that endeavors to generate returns (primarily through accruals) with low volatility

Yields and Spread Movements: April to July 2021

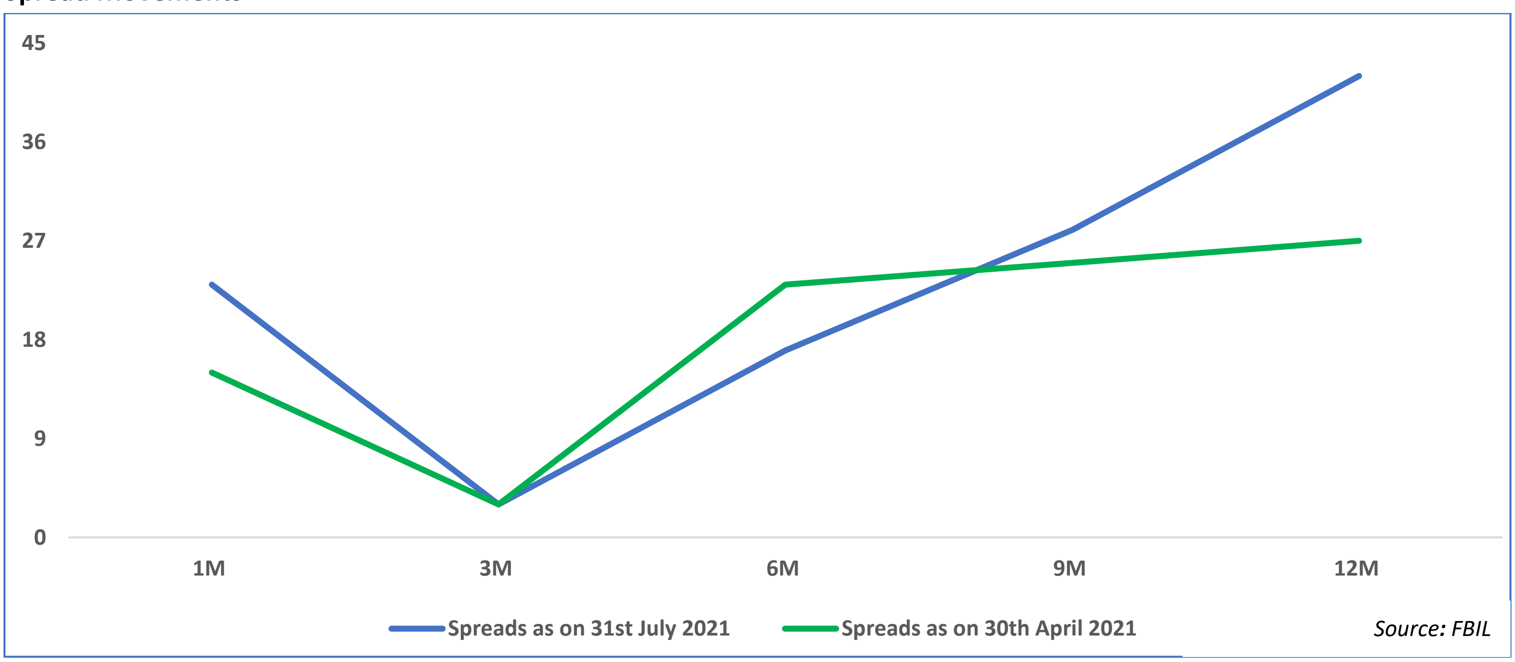
Yield Movements



- Yields of CDs in the 0–1-month segment rose by ~30 bps and by ~0-5 bps in the 3-6-month segment. Yields rose by 10-20 bps in the 9–12-month segment.

- T-Bill yields in the 0-6 -month segment rose by ~5-20 bps and by ~5 bps in the 6-12-month segment.

Spread Movements



- Spreads in the 0-3-month segment fell by ~10 bps and fell by ~5 bps in the 6-month segment.

- Spreads in the 9-12-month segment widened by 3-15 bps.

Debt Outlook

- Growth Impulse continue to remain strong with GST collection coming at Rs 1.16 Lakh crores.

- Corporate profitability has improved, and activity levels have picked up in many industries to pre pandemic levels.

- We expect markets to be rangebound with an upward bias in yields in the coming months.

- RBI in its monetary policy, has indicated premature withdrawal of accommodative stance, is not warranted when growth is still fragile. RBI has indicated its intent to withdraw excess liquidity in the coming months by hiking 14-day variable repo rate auction from 2 Lakh to 4 Lakh crores.

- Economic data is expected to sequential improve in the coming months allowing for partial withdrawal of excess liquidity in the system. Hiking of Reverse Repo Rates is expected to commence in the first half of the next calendar yea, hiking of repo rates in the second half of the calendar year.

Yields and Spreads Movements

Yield Movements

Instrument	Yields as on 31st July 2021	Yields as on 30th April 2021	Change Between Apr-July (bps)
1 Month CD	3.54%	3.25%	29
1 Month T-Bill	**3.31%**	**3.10%**	21
3 Month CD	3.41%	3.35%	6
3 Month T-Bill	**3.38%**	**3.32%**	6
6 Month CD	3.70%	3.70%	0
6 Month T-Bill	**3.53%**	**3.47%**	6
9 Month CD	3.88%	3.80%	8
9 Month T-Bill	**3.60%**	**3.55%**	5
12 Month CD	4.15%	3.95%	20
12 Month T-Bill	**3.73%**	**3.68%**	5

Source: FBIL

Spread Movements

Instrument	Spreads over G-Secs on 31st July 2021 (bps)	Spreads over G-Secs on 30th April 2021 (bps)
1 Month CD	23	15
3 Month CD	3	3
6 Month CD	17	23
9 Month CD	28	25
12 Month CD	42	27

Source: FBIL