

IN ULIP PRODUCTS THE INVESTMENT RISK IN THE INVESTMENT PORTFOLIO SHALL BE BORNE BY THE POLICY HOLDER



December 2025

Aviva Group Investor



Economy:

As we bid goodbyes to 2025 and prepare to welcome 2026, the global monetary landscape entered a turning point as major central banks diverged in their rate actions. In India, the Reserve Bank of India adopted a growth-supportive stance, balancing rate cuts with vigilance on inflation and financial stability while allowing market-driven currency movements. Meanwhile, US-India trade talks generated more headlines than breakthroughs, as even though strategic intent was clear, the absence of a finalized deal kept uncertainty alive. Against this backdrop of global rate shifts, capital flow volatility, and trade ambiguity, the Indian rupee weakened during the year, reflecting external pressures rather than domestic weakness, and underscoring how interconnected global policy and geopolitics shaped financial markets in 2025.

Headline CPI inflation for Nov-25 rebounded to 0.71% YoY against 0.25% for Oct-25 owing to slight moderation in the deflation in food prices. Food and beverages contracted by 2.8% YoY compared to 3.7% decline seen a month ago, due to a positive sequential momentum. Core inflation in Nov-25 moderated slightly to 4.4% due to some softening in elevated precious metal prices. Core-core inflation remained low signaling presence of negative output gap. India's wholesale price inflation came in at -0.3% YoY in Nov-25, compared to -1.2% in Oct-25, helped by an easing of deflationary pressures in food. Looking ahead, as food prices are expected to move back into positive territory due to the fading of favorable base effects WPI inflation is expected to firm up.

The IIP for Nov-25 rebounded sharply, printing 6.7% YoY from low of 0.5% in the previous month indicating a broad-based recovery. Manufacturing growth accelerated to 8.0% from 2% in the previous month, while electricity output contracted by 1.5% from a decline of 6.9% in Oct-25. Mining activity grew robustly, rising by 5.4% compared with a contraction of 1.8% in Oct-25. Growth picked up across all use-based segments in Nov-25 compared with the previous month. Strong growth in consumer durables & consumer non-durables indicated revival in rural & urban demand. Capital goods, intermediate goods and construction goods demonstrated healthy growth reflecting strong capex activity. Credit growth held strong 11.5% YoY and deposit growth at 10.2%, widening the gap between credit offtake and deposit accretion.

India's Merchandise trade deficit narrowed sharply to a 5-month low of USD 24.5 bn in Nov-25 from the record USD 41.7 bn in Oct-25 driven by normalization in gold imports and a rebound in non-oil exports. Merchandise exports growth rose to 19.4% YoY in Nov-25 v/s -11.8% YoY in Oct-25, aided by large base-effect. Country-wise detail showed that exports to US were surprisingly strong at 23% YoY in Nov-25 after declining by 10% in Sept-Oct-25. Exports to other countries were tracking higher by 18.7% YoY after declining by 12.5% in previous month. Services surplus remained robust at USD 17.9 bn, cushioning the external account.

Centre's fiscal deficit in 8MFY26 widened to 62.3% of FY2026BE against 52.5% for same period last year. The widening of the fiscal deficit was a result of combination of muted growth in tax revenues and front loading of capital expenditure. Total receipts were up 2.9% YoY supported by dividends particularly from RBI, spectrum receipts and divestment revenue. Gross tax revenue was up 3.3% YoY in FY26YTD while net tax revenue declined 3.4% YoY mainly on account of transfers to states. Direct taxes were up 7.2% YoY while indirect taxes declined 1.2% YoY. Total expenditure was up 6.7% YoY outpacing growth in receipts. Revenue expenditure was up 1.8% YoY while capital expenditure was up 28.2% YoY for FY26YTD. Moderation in tax revenues is expected to be negated by higher non-tax revenue and muted revenue expenditure helping government to stay on fiscal glide path.

Global:

In December 2025, economic data underscored a transition phase for global monetary policy. The Federal Reserve lowered the federal funds rate by 25 basis points to a 3.50-3.75% range for 3rd consecutive time since Sept-25. However, the decision revealed a widening divergence among FOMC members, reflecting differing assessments of persistent inflation risks versus a cooling labor market. US inflation continued to ease but remained above the 2% target, reinforcing the Fed's cautious and data-dependent approach. US GDP printed a strong growth for Q3CY25 supported by strong consumption and exports. Labor market indicators were mixed with Non-Farm Payrolls growing modestly with a marginal rise in unemployment indicating slower job creation. Weekly jobless claims stayed relatively low, signaling resilience despite softening momentum. A prolonged US government shutdown created significant economic data distortions by halting key releases, leading to information vacuums. The year end seasonality added to the volatility of employment numbers.

Bank of England opted to cut interest rates by 25 bps to support growth while European Central Bank chose to stay put on rates. In contrast, Bank of Japan moved in the opposite direction, opting for a rate hike in December in response to sustained domestic inflation pressures, highlighting an increasingly divergent global policy landscape at the close of 2025.

Fixed Income Outlook and Strategy:

Domestic bond yields are expected to remain largely range-bound, with Union Budget 2026 and borrowing size and tenor by state governments emerging as key catalysts for G-sec yield direction. Despite currency pressures, RBI's continued liquidity management and OMO support should help anchor sovereign bond demand. India's inflation outlook remains benign and is likely to stay low over the medium term, strengthening the case for stable carry returns. The uncertain global trade landscape and its impact on domestic economy, weakening currency may limit the MPC's room for aggressive rate cuts despite a benign inflation environment. In this environment, a calibrated duration approach and selective deployment during periods of market dislocation will remain our strategy.

Equity Outlook and Strategy:

Indian Equity market slipped in the month of December 2025 with Nifty50 Index declining 0.3%, and NSE Midcap100 Index declining 0.9%. Metal sector, BSE Metal Index, outperformed registering gain of 8%, while Real estate, Capital goods and Consumer durables sector underperformed with 3% decline each on their respective BSE indices.

Calendar Year 2025 ended with 10.5% gain on Nifty50 Index, while Midcap underperformed with 5.7% gain on NSE Midcap100 Index. Small cap saw significant underperformance with NSE small cap 100 Index losing 5.6% for CY2025. Amongst the sectoral outperformers for CY25, BSE Metals Index lead with 27.4% gain followed by BSE Auto Index with 21.1% gain; BSE Realty Index dragged with 17.3% loss for CY2025. FIIs net sold Rs 34,350 crores of cash Equities last month, while DIIs net bought Rs 79,620 crores of cash Equities.

The divergence in returns from broader equity market and frontline indices is widening. This, coupled with the positive earnings outlook and buoyant business sentiment, makes us cautiously optimistic on return expectations ahead, while being watchful of the evolving global geo-political scenario and the challenges that are emerging on the external front. Finalization of the India US trade pact is a key monitorable. We continue to focus on opportunities in the market that offer decent risk reward balance. ULIP Policyholders should continue to follow their asset allocation and invest systematically for long term wealth creation.

No. Of Funds Managed

Fund Manager	Equity Fund	Debt Fund	Balanced Fund	Cash Fund
Anshul Mishra	-	NA	3	NA
Mandar Pandeshwar	NA	1	3	1

Fund Details

Investment Objective: The investment objective of the debt fund is to provide progressive capital growth with relatively lower investment risks

The risk profile for this fund is Low

NAV as on December 31,2025: 40.5747

Inception Date: 10-Mar-06

Fund Manager: Mandar Pandeshwar

Fund v/s Benchmark Return (%)

	1 Month	6 Months	1 Year	2 Years*	3 Years*	4 Years*	5 Years*	Inception*
Portfolio return	0.26%	1.08%	7.01%	7.55%	7.14%	5.87%	5.37%	7.62%
Benchmark**	0.27%	2.01%	6.82%	7.87%	7.68%	6.36%	5.77%	7.36%

* Compound Annual Growth Rate (CAGR)

Targeted Asset Allocation (%)

Security Type	Min	Max
Debt Securities	60.00%	100.00%
Money Market Instruments & Cash	0.00%	40.00%

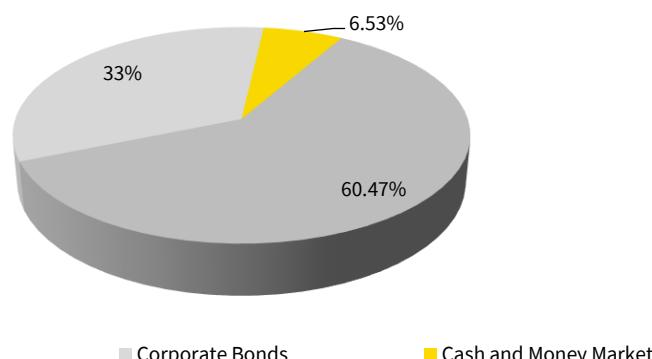
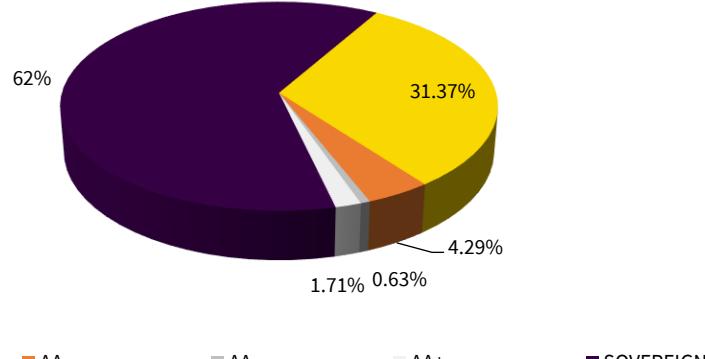
The actual asset allocation will remain within the 'minimum' and 'maximum' range based on market opportunities and future outlook of the markets.

Asset Class Wise AUM

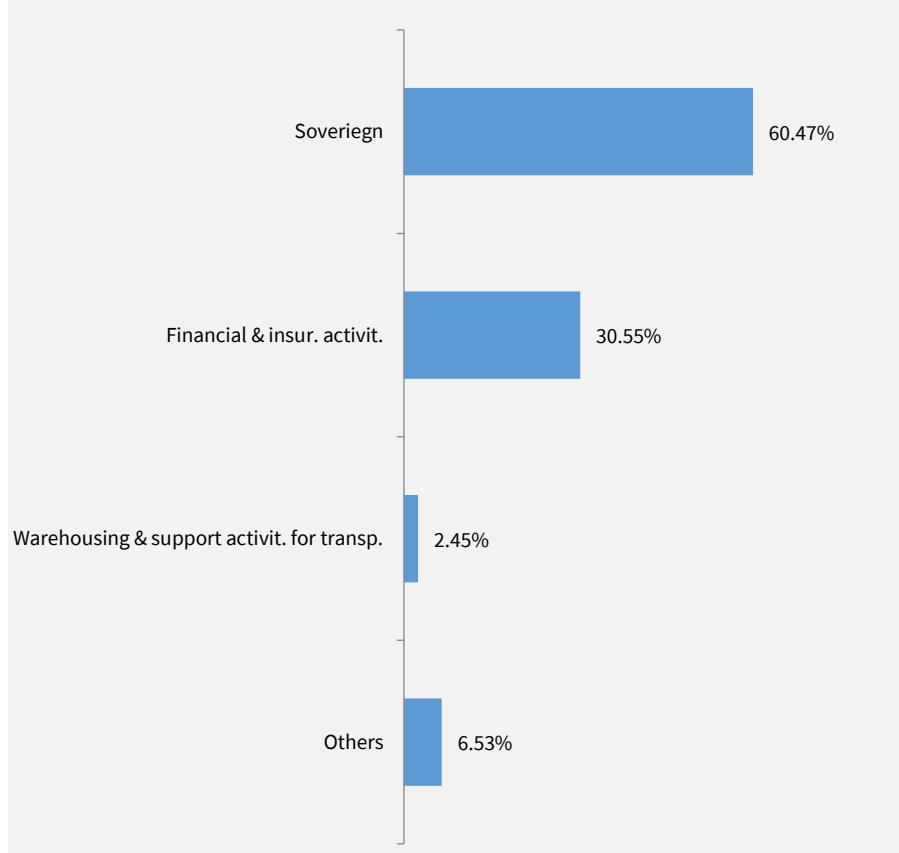
Asset Class	AUM (in Cr.)
Equity	Nil
Debt	234.97
Total	234.97

Modified Duration[#]

Security Type	Duration
Debt and Money Market Instruments	5.67

Asset Mix**Rating Profile****Security Name**

Security Name	Net Asset (%)
Goverment Securities	60.47%
6.48% GS 06-10-2035	8.46%
6.68% GS 07-07-2040	7.16%
6.33% GS 05-05-2035	6.24%
6.90% GS 15-04-2065	5.62%
6.75% GS 23-12-2029	4.05%
7.24% GS 18-08-2055	3.66%
7.27% Maharashtra SGS 24-09-2036	3.44%
7.09% GS 25-11-2074	3.43%
7.20% Maharashtra SGS 23-10-2036	2.82%
7.09% GS 05-08-2054	2.75%
Others	12.84%
Corporate Bonds	33.00%
7.9265 % LIC Housing Finance Ltd. 14-07-2027	5.79%
6.45 ICICI Bank Ltd. Series DJU21LB 15-06-2028	4.38%
8.43% Samman Capital Ltd 22-02-2028	4.19%
7.62% NABARD 31-01-2028 Bonds Series 23I	3.72%
7.58% NABARD 31-07-2026	3.46%
7.95% HDFC BANK Ltd. 21-09-2026	3.00%
7.77% HDFC BANK LTD 28-06-2027 SERIES AA-08	2.59%
9.35% Adani Ports & SEZ Ltd. 04-07-2026	2.45%
8.75% Shriram Finance 15-06-2026	1.22%
6.83% HDFC Limited 08-01-2031	1.14%
Others	1.06%
Cash and Money Markets	6.53%
Portfolio Total	100.00%

Sectoral Break-Up^{\$}

Fund Details**Investment Objective:** To provide progressive return on the investment

The risk profile for this fund is Low

NAV as on December 31,2025: 48.3429**Inception Date:** 13-Jul-05**Fund Manager:** Anshul Mishra, Mandar Pandeshwar**Fund v/s Benchmark Return (%)**

	1 Month	6 Months	1 Year	2 Years*	3 Years*	4 Years*	5 Years*	Inception*
Portfolio return	0.17%	1.68%	8.16%	8.47%	8.66%	7.14%	7.57%	8.34%
Benchmark**	0.17%	2.10%	7.59%	8.32%	8.73%	7.28%	7.24%	8.22%

* Compound Annual Growth Rate (CAGR)

Targeted Asset Allocation (%)

Security Type	Min	Max
Debt Securities	40.00%	100.00%
Equity	0.00%	20.00%
Money Market Instruments & Cash	0.00%	40.00%

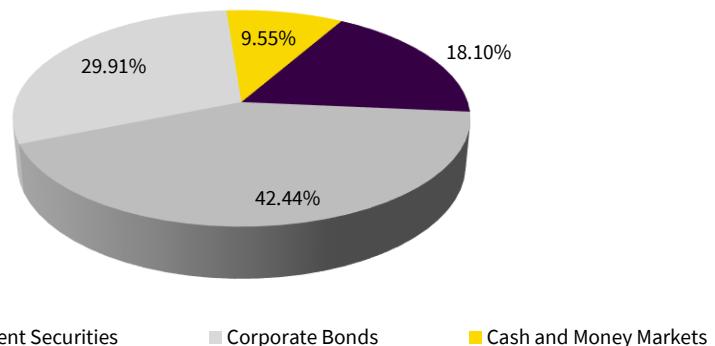
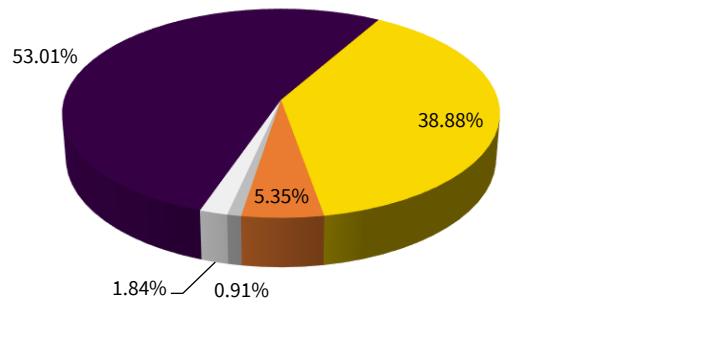
The actual asset allocation will remain within the 'minimum' and 'maximum' range based on market opportunities and future outlook of the markets.

Asset Class Wise AUM

Asset Class	AUM (in Cr.)
Equity	10.29
Debt	46.49
Total	56.78

Modified Duration[#]

Security Type	Duration
Debt and Money Market Instruments	4.86

Asset Mix**Rating Profile****Security Name**

Security Name	Net Asset (%)
Equities	18.10%
HDFC Bank Ltd.	2.29%
Reliance Industries Ltd.	1.76%
ICICI Bank Ltd.	1.51%
Bharti Airtel Ltd.	1.09%
Larsen & Toubro Ltd.	0.97%
Infosys Ltd.	0.93%
State Bank of India	0.69%
Maruti Suzuki India Ltd.	0.65%
Mahindra & Mahindra Ltd.	0.59%
Bajaj Finance Ltd.	0.51%
Others	7.11%

Goverment Securities

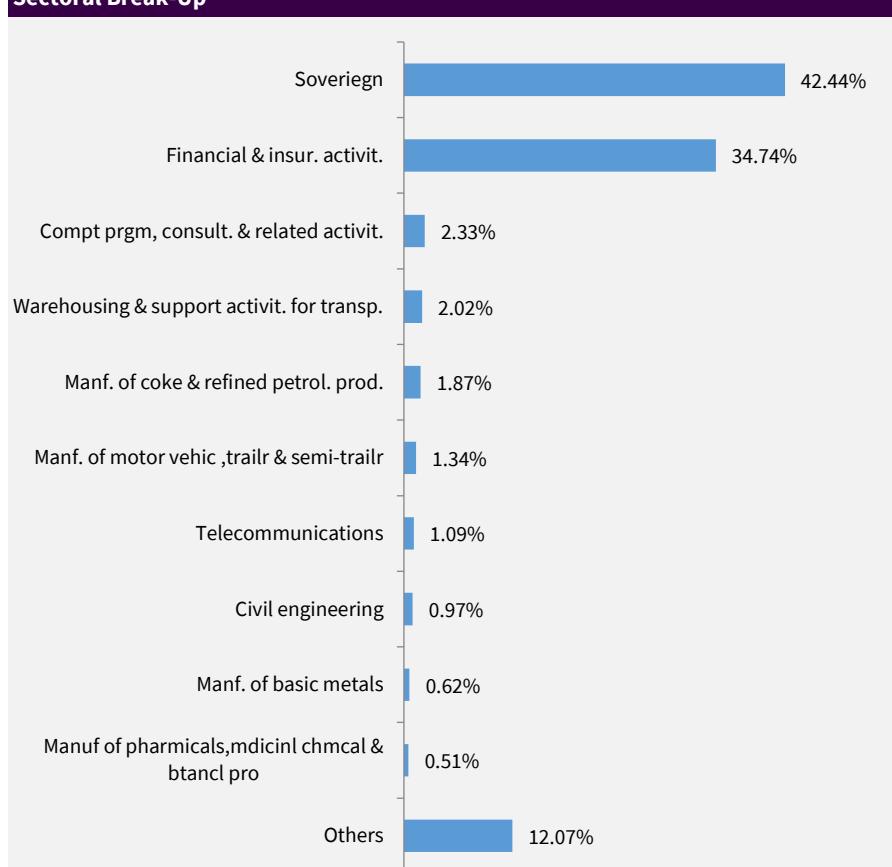
6.48% GS 06-10-2035	6.16%
6.68% GS 07-07-2040	5.98%
6.33% GS 05-05-2035	4.67%
6.90% GS 15-04-2065	3.72%
7.24% GS 18-08-2055	2.86%
7.27% Maharashtra SGS 24-09-2036	2.33%
7.09% GS 05-08-2054	2.23%
6.75% GS 23-12-2029	2.06%
7.52% HR SGS 02-05-2034	2.05%
07.06% GS 10-04-2028	2.02%
Others	8.36%

Corporate Bonds

7.9265 % LIC Housing Finance Ltd. 14-07-2027	5.72%
8.43% Samman Capital Ltd 22-02-2028	4.29%
6.45 ICICI Bank Ltd. Series DJU21LB 15-06-2028	4.18%
7.62% NABARD 31-01-2028 Bonds Series 23I	3.40%
7.95% HDFC BANK Ltd. 21-09-2026	2.84%
7.58% NABARD 31-07-2026	2.65%
9.35% Adani Ports & SEZ Ltd. 04-07-2026	1.96%
7.77% HDFC BANK LTD 28-06-2027 SERIES AA-08	1.96%
8.75% Shriram Finance 15-06-2026	1.06%
6.75% Piramal Finance Limited 26-09-2031	0.73%
Others	1.12%

Cash and Money Markets

Portfolio Total	100.00%
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Sectoral Break-Up^{\$}

Fund Details

Investment Objective: To provide capital growth by availing opportunities in debt and equity markets and providing a good balance between risk and return.

The risk profile for this fund is Medium

NAV as on December 31,2025: 49.0456

Inception Date: 10-Mar-06

Fund Manager: Anshul Mishra, Mandar Pandeshwar

Fund v/s Benchmark Return (%)

	1 Month	6 Months	1 Year	2 Years*	3 Years*	4 Years*	5 Years*	Inception*
Portfolio return	0.17%	1.82%	9.25%	9.17%	10.00%	8.15%	9.20%	8.77%
Benchmark**	0.08%	2.18%	8.27%	8.68%	9.68%	8.10%	8.59%	9.01%

* Compound Annual Growth Rate (CAGR)

Targeted Asset Allocation (%)

Security Type	Min	Max
Debt Securities	15.00%	90.00%
Equity	0.00%	45.00%
Money Market Instruments & Cash	0.00%	40.00%

The actual asset allocation will remain within the 'minimum' and 'maximum' range based on market opportunities and future outlook of the markets.

Asset Class Wise AUM

Asset Class	AUM (in Cr.)
Equity	6.62
Debt	12.84
Total	19.46

Modified Duration[#]

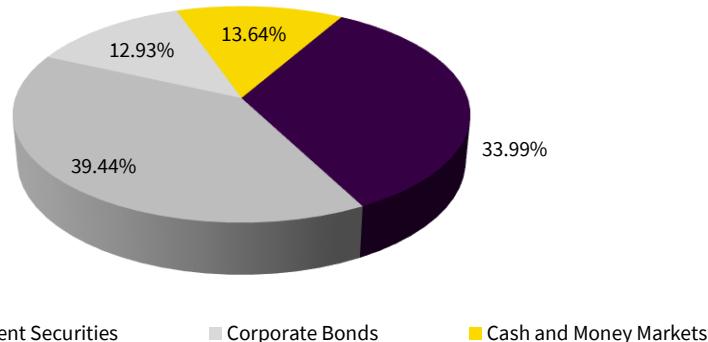
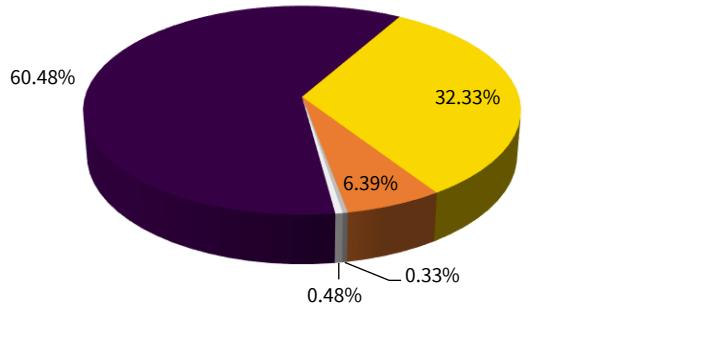
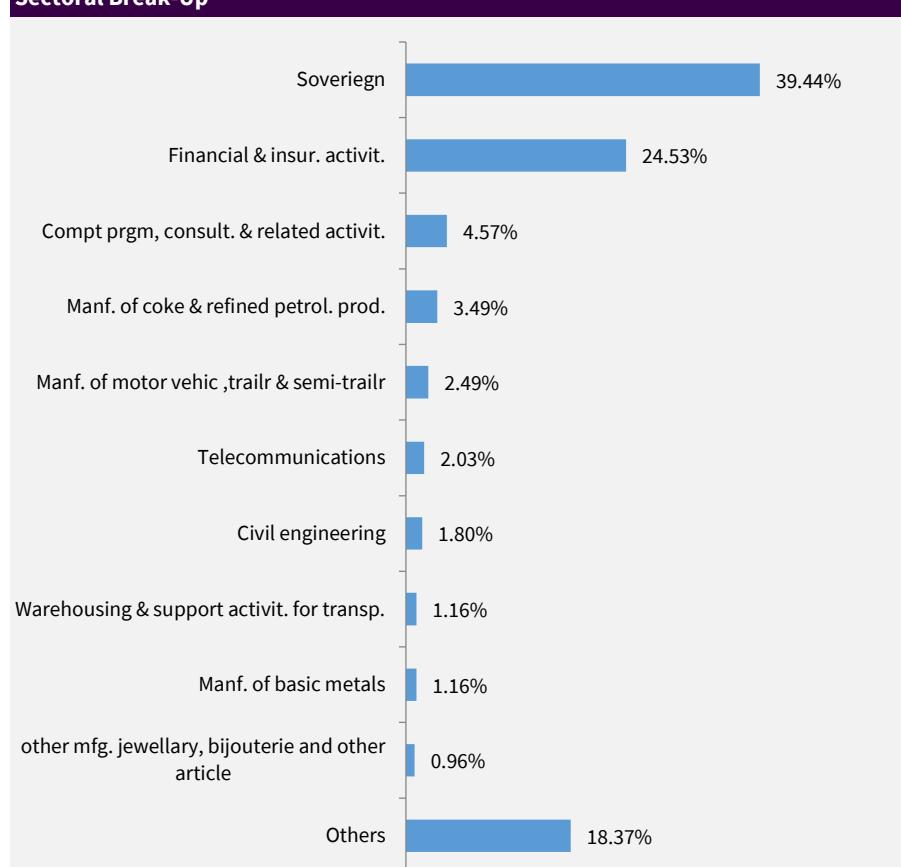
Security Type	Duration
Debt and Money Market Instruments	4.98

Security Name

Security Name	Net Asset (%)
Equities	33.99%
HDFC Bank Ltd.	4.27%
Reliance Industries Ltd.	3.29%
ICICI Bank Ltd.	2.81%
Bharti Airtel Ltd.	2.03%
Larsen & Toubro Ltd.	1.80%
Infosys Ltd.	1.72%
State Bank of India	1.29%
Maruti Suzuki India Ltd.	1.21%
HCL Technologies Ltd.	1.10%
Mahindra & Mahindra Ltd.	1.10%
Others	13.37%

Goverment Securities

6.48% GS 06-10-2035	6.26%
6.68% GS 07-07-2040	4.70%
6.33% GS 05-05-2035	3.68%
7.70% AP SGS 06-12-2029	3.66%
6.90% GS 15-04-2065	2.94%
7.24% GS 18-08-2055	2.23%
7.37% GS 23-10-2028	2.09%
7.27% Maharashtra SGS 24-09-2036	1.83%
7.09% GS 05-08-2054	1.76%
6.75% GS 23-12-2029	1.63%
Others	8.66%
Corporate Bonds	12.93%
8.43% Samman Capital Ltd 22-02-2028	4.17%
6.45 ICICI Bank Ltd. Series DJU21LB 15-06-2028	3.05%
7.9265 % LIC Housing Finance Ltd. 14-07-2027	2.09%
9.35% Adani Ports & SEZ Ltd. 04-07-2026	1.04%
7.95% HDFC BANK Ltd. 21-09-2026	1.03%
7.58% NABARD 31-07-2026	1.03%
9.20% Shriram Finance 22-05-2026 Series PPD XXI 24-25	0.31%
6.75% Piramal Finance Limited 26-09-2031	0.21%
Cash and Money Markets	13.64%
Portfolio Total	100.00%

Asset Mix**Rating Profile****Sectoral Break-Up^{\$}**

Fund Details

Investment Objective: To provide high capital growth by investing higher element of assets in the equity market.

The risk profile for this fund is High

NAV as on December 31,2025: 64.5217

Inception Date: 10-Mar-06

Fund Manager: Anshul Mishra, Mandar Pandeshwar

Fund v/s Benchmark Return (%)

	1 Month	6 Months	1 Year	2 Years*	3 Years*	4 Years*	5 Years*	Inception*
Portfolio return	-0.06%	2.07%	8.85%	9.12%	10.78%	9.08%	10.97%	10.28%
Benchmark**	-0.03%	2.26%	9.02%	9.06%	10.76%	9.00%	10.11%	9.71%

* Compound Annual Growth Rate (CAGR)

Targeted Asset Allocation (%)

Security Type	Min	Max
Debt Securities	20.00%	60.00%
Equity	20.00%	60.00%
Money Market Instruments & Cash	0.00%	60.00%

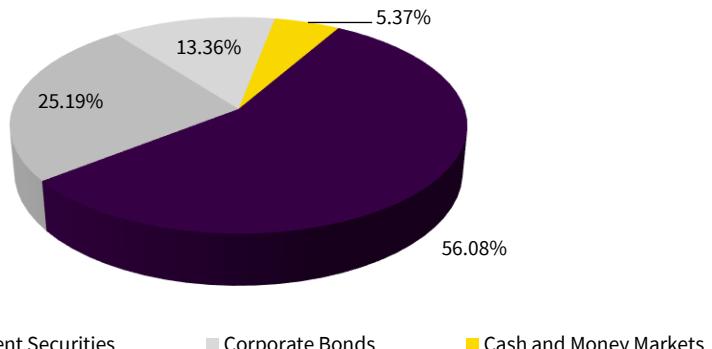
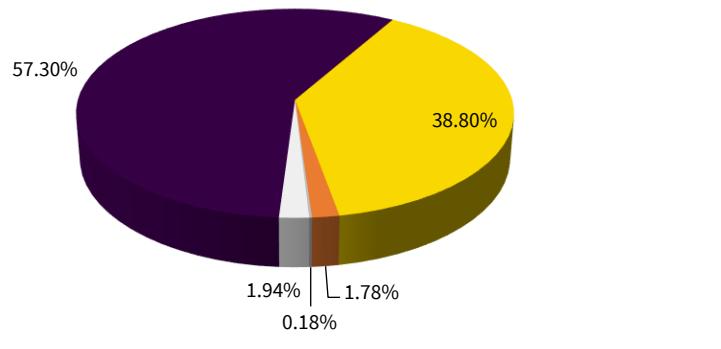
The actual asset allocation will remain within the 'minimum' and 'maximum' range based on market opportunities and future outlook of the markets.

Asset Class Wise AUM

Asset Class	AUM (in Cr.)
Equity	14.56
Debt	11.41
Total	25.96

Modified Duration[#]

Security Type	Duration
Debt and Money Market Instruments	5.13

Asset Mix**Rating Profile****Security Name**

Security Name	Net Asset (%)
Equities	56.08%
HDFC Bank Ltd.	6.70%
Reliance Industries Ltd.	5.08%
ICICI Bank Ltd.	4.67%
Infosys Ltd.	3.31%
Bharti Airtel Ltd.	2.96%
Larsen & Toubro Ltd.	2.96%
State Bank of India	2.39%
Maruti Suzuki India Ltd.	2.24%
Mahindra & Mahindra Ltd.	1.77%
Titan Company Ltd.	1.74%
Others	22.26%

Government Securities

6.48% GS 06-10-2035	3.38%
6.68% GS 07-07-2040	3.25%
6.33% GS 05-05-2035	3.10%
7.70% AP SGS 06-12-2029	2.30%
6.90% GS 15-04-2065	2.04%
7.09% GS 05-08-2054	1.66%
7.24% GS 18-08-2055	1.54%
7.27% Maharashtra SGS 24-09-2036	1.25%
6.75% GS 23-12-2029	1.13%
7.52% HR SGS 02-05-2034	1.13%
Others	4.41%

Corporate Bonds

7.9265 % LIC Housing Finance Ltd. 14-07-2027	3.13%
6.45 ICICI Bank Ltd. Series DJU21LB 15-06-2028	2.29%
7.62% NABARD 31-01-2028 Bonds Series 23I	1.95%
7.95% HDFC BANK Ltd. 21-09-2026	1.55%
7.77% HDFC BANK LTD 28-06-2027 SERIES AA-08	1.17%
7.44% NABARD 24-02-2028	1.17%
8.43% Samman Capital Ltd 22-02-2028	0.78%
8.75% Shriram Finance 15-06-2026	0.62%
7.58% NABARD 31-07-2026	0.39%
9.20% Shriram Finance 22-05-2026 Series PPD XXI 24-25	0.23%
Others	0.08%

Cash and Money Markets

Portfolio Total	100.00%
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Sectoral Break-Up^{\$}

Financial & insur. activit.	34.00%
Sovereign	25.19%
Compt prgm, consult. & related activit.	8.02%
Manf. of coke & refined petrol. prod.	5.24%
Manf. of motor vehic ,trailr & semi-trailr	4.31%
Telecommunications	2.96%
Civil engineering	2.96%
Manf. of basic metals	1.78%
other mfg. jewellery, bijouterie and other article	1.74%
Manuf of pharmaceuticals,medicinal chmcal & btancr pro	1.67%
Others	12.13%

Fund Details

Investment Objective: The investment objective is to provide progressive returns with very low risk of market movement.

The risk profile for this fund is Low

NAV as on December 31,2025:	34.9182
Inception Date:	31-Mar-06
Fund Manager:	Mandar Pandeshwar

Fund v/s Benchmark Return (%)

	1 Month	6 Months	1 Year	2 Years*	3 Years*	4 Years*	5 Years*	Inception*
Portfolio return	0.40%	2.37%	5.25%	5.76%	5.86%	5.32%	4.79%	6.81%
Benchmark**	0.48%	2.69%	6.16%	6.64%	6.79%	6.36%	5.81%	6.95%

* Compound Annual Growth Rate (CAGR)

Targeted Asset Allocation (%)

Security Type	Min	Max
Debt Securities	0.00%	20.00%
Money Market Instruments & Cash	80.00%	100.00%

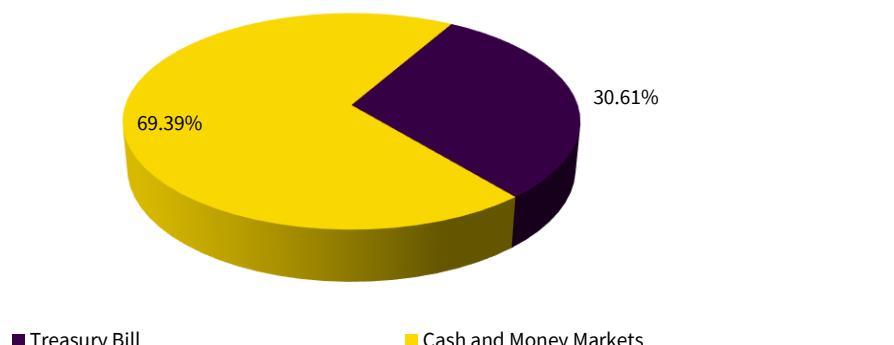
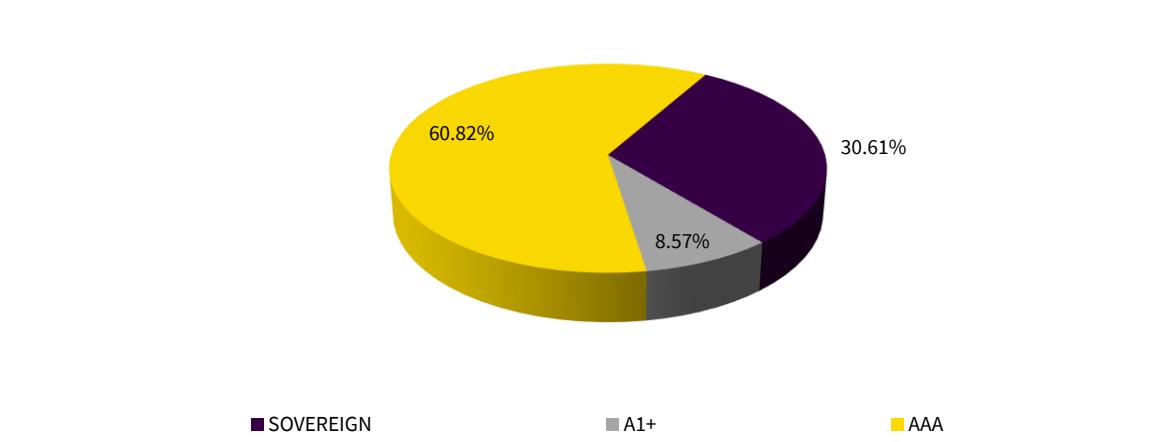
The actual asset allocation will remain within the 'minimum' and 'maximum' range based on market opportunities and future outlook of the markets.

Asset Class Wise AUM

Asset Class	AUM (in Cr.)
Equity	Nil
Debt	5.63
Total	5.63

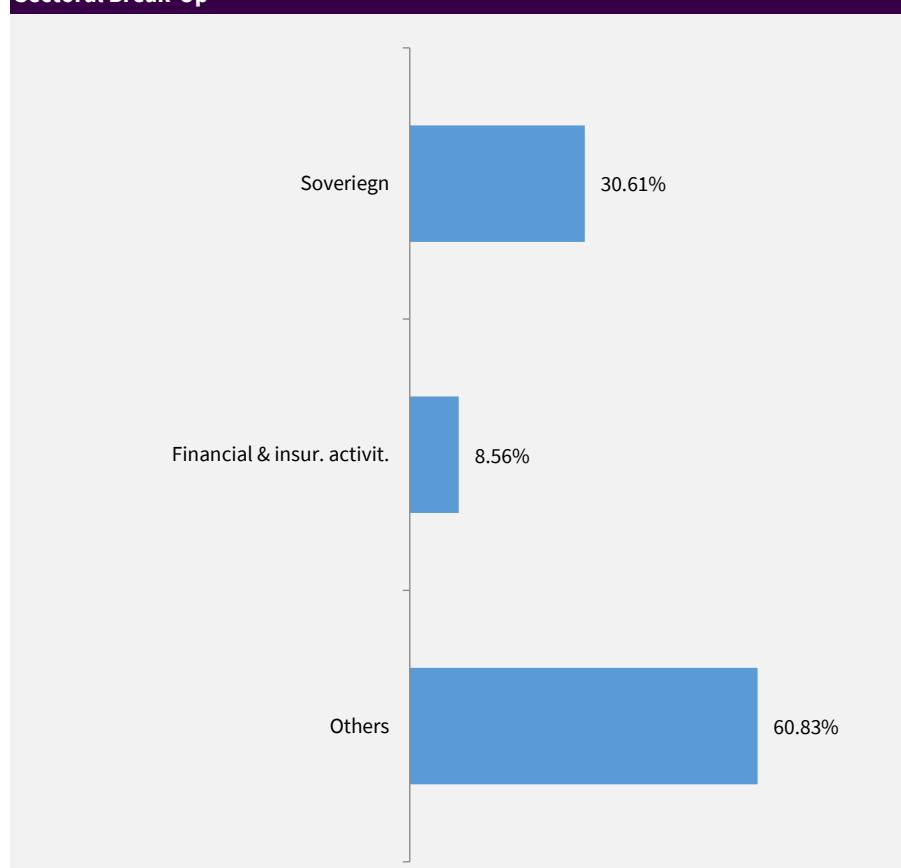
Modified Duration[#]

Security Type	Duration
Debt and Money Market Instruments	0.14

Asset Mix**Rating Profile****Security Name****Cash and Money Markets****Portfolio Total****Net Asset (%)**

100.00%

100.00%

Sectoral Break-Up^{\$}

Disclaimer

Benchmark Indices Provided by CRISIL

The composite indices are computed based on notional Asset allocation (weights for sub-indices) provided by Aviva from time to time. Such weights for the sub-indices would impact the return of the composite index. CRISIL does not take responsibility of variations in the returns due to such changes in weights for sub-indices. CRISIL Indices are the sole property of CRISIL Limited (CRISIL) indices shall not be copied, retransmitted or redistributed in any manner for any commercial use. CRISIL has taken due care and caution in computation of indices, based on data obtained for any errors or for the results obtained from the use of the Indices. CRISIL especially states that it has no financial liability whatsoever to the users of CRISIL indices.

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