

Dear Policyholder,

Thank you for choosing Max Life as your preferred partner.

We are driven by the vision to be India's most admired Life Insurance company by securing the financial future of our customers. In our endeavor to be transparent and share the performance of the funds that you have invested in, please find attached the Annual Investment Report.

We hope that the current environment of despondency and lockdowns end soon. The economy witnessed extreme economic pain in the first half of FY'21. The second half showed improvement with pent up demand, monetary steps by the Reserve Bank and fiscal intervention by the Government aided by export-led demand.

Indian equities rallied sharply in FY'21, after a sharp fall in March 2020 in the face of increasing COVID-19 infections. The concerted effort by global Central Banks to infuse liquidity and subsequent fiscal stimuli by most developed economies led to rise in all asset classes viz. equities, fixed income, commodities, real estate and even cryptocurrencies like Bitcoin. Markets were volatile throughout the year as concerns of spikes in COVID-19 infections and lockdowns were followed with more stimulus, drug discoveries and progress in vaccines development. In the Financial Year ending March 2021, we were and even today, continue to be in an unprecedented environment. Huge blows to economy were counteracted by bigger measures by central banks and Governments, leading to excess of savings and liquidity. This has led to extremely high market valuations.

In terms of flows into equities in FY'21, domestic institutions sold nearly USD 18bn, while FIIs bought. In the period from November 2020 to February 2021 FII inflows were USD 22.5bn, out of total annual inflows of USD 27.5bn.

Fixed income markets were driven by both conventional and non-conventional measures taken by the RBI. Due to the slowdown, the RBI followed an ultra-accommodative policy. The Monetary policy committee (MPC) actions were mainly focussed on supporting growth and to ensure stable interest rates environment. The MPC cut the policy rates during the year by 65 basis points (bps) and injected massive amount of liquidity into the banking system.

With a slowing economy and lower tax revenues, Government invoked the escape clause of the Fiscal Responsibility and Budget Management Act (FRBM) to expand the fiscal deficit. In a sharp departure from earlier policy of fiscal consolidation, the Government raised its fiscal deficit target to 6.8% for FY'22 and revised glide path to reach 4.5% in 5-years, against a long-term target of 3%. In addition, the Government also announced a series of reforms such as Production Linked Incentive (PLI) scheme for the private sector to boost domestic manufacturing, attract large investments and to create employment.

We are constructive on both equities and fixed income in India in the long-term. In the near term, however valuations are stretched, and we will be watchful on


- 1) Pace of vaccination and the subsequent economic recovery
- 2) Asset quality stress in the financial sector
- 3) Signs of liquidity withdrawal by global central banks
- 4) inflation trends


Given that we operate in a dynamic environment, we would urge you to look at your investments and evaluate the fund performance of the fund(s) selected by you. In case your needs / expectations and risk-taking ability have changed since the time you selected your present fund(s), you can change (switch) the existing fund(s) you have invested in at any time during the Policy Term. Further, you have the option of allocating (redirecting) future premiums, or a part thereof, to an alternate fund(s), while existing investments would continue as per fund(s) selected earlier. You could do this any time during the policy term by logging on to our website www.maxlifeinsurance.com or by giving us a written request at any of our offices. We will be delighted to offer you any further assistance you may require and look forward to continuing being your partner for life.

Warm Regards,

Max Life Insurance Company Limited


#YouAreTheDifference™

 **Our virtual assistant**
Chat with MILI
on our website

 **WhatsApp**
Send 'Hi' to
+91 74283 96005

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maxlifeinsurance.com/contact-us

 Call us at 1860 120 5577



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ARN: Max Life/AURAA/Marketing/Customer Marketing/Annual Investment/Cover Letter/Adapt/June 2021

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