Insurance Category Definitions
India

Equity

Large-Cap
Large-Cap funds primarily consist of stocks which are the Top 100 stocks by full market capitalization of the equity market. These funds invest at least 80% of total assets in Indian equities and the balance can be invested in other asset classes such as fixed income and overseas equities, among others. Funds in this category would invest at least 80% of their total assets in large-cap stocks.
Morningstar Category Index: S&P BSE 100 TR

Mid-Cap
Mid-Cap funds primarily consist of stocks ranked 101st to 250th by full market capitalization of the equity market. These funds invest at least 65% of total assets in Indian equities, and the balance can be invested in other asset classes such as fixed income and overseas equities, among others. Funds in this category would invest at least 65% of their total assets in mid-cap stocks.
Morningstar Category Index: S&P BSE Mid Cap TR

Small-Cap
Small-Cap funds primarily consist of stocks ranked 251st onwards by full market capitalization of the equity market. These funds invest at least 65% of total assets in Indian equities, and the balance can be invested in other asset classes such as fixed income and overseas equities, among others. Funds in this category would invest at least 65% of their total assets in small-cap stocks.
Morningstar Category Index: S&P BSE Small Cap TR

Multi-Cap
Multi-Cap funds invest at least 65% of their total assets in Indian equities, and the balance can be invested in other asset classes such as fixed income and overseas equities, among others. These funds will invest into a mix of Large, Mid and small-cap stocks.
Morningstar Category Index: S&P BSE 500 TR
Large & Mid-Cap
Large & Mid-Cap funds primarily consist of stocks which are the Top 250 stocks by full market capitalization of the equity market. These funds invest at least 70% of total assets in Indian equities and the balance can be invested in other asset classes such as fixed income and overseas equities, among others. Funds in this category would invest at least 35% of their total assets in large-cap stocks and 35% of their total assets in mid-cap stocks.
Morningstar Category Index: S&P BSE 200 TR

Equity – Other
Equity – Other funds include those funds that invest at least 80% of total assets in Indian equities and at least 80% of equity assets in a specific sector or theme such as automobile, media, among others that cannot be classified in the other sector categories.
[Funds in this category do not receive a Morningstar Rating™ due to the diverse nature of the constituents.]

Index
Index Funds invest at least 95% in Indian equities. These funds will mirror an index and will invest at least 95% of total assets in the Index constituents.

Group Equity
Group Equity funds invest at least 65% of their total assets in Indian equities, and the balance can be invested in other asset classes such as fixed income and overseas equities, among others. These funds will invest into a mix of Large, Mid and small-cap stocks. These funds are not offered to individual investors but only to employer-employee groups.
Morningstar Category Index: S&P BSE 500 TR
**Fixed Income**

**Ultra Short Duration**
Ultra Short Duration funds primarily invest in fixed-income securities with portfolio Macaulay duration between 3 to 6 months. Given their focus on instruments with a short duration, they offer low interest-rate sensitivity. They typically invest in treasury bills, call money, commercial papers, certificate of deposits & corporate bonds, among others.

Morningstar Category Index: CRISIL Liquid Fund Index

**Low Duration**
Low Duration funds primarily invest in fixed-income securities with portfolio Macaulay duration between 6 to 12 months. Given their focus on instruments with a short duration, they offer low interest-rate sensitivity. They typically invest in treasury bills, call money, commercial papers, certificate of deposits & corporate bonds, among others.

Morningstar Category Index: CRISIL Liquid Fund Index

**Money Market**
Money Market funds primarily invest in money market instruments with maturities upto 1 year. Given their focus on instruments with a short duration, they offer low interest-rate sensitivity. They typically invest in treasury bills, call money, commercial papers & certificate of deposits.

Morningstar Category Index: CRISIL Liquid Fund Index

**Short Duration**
Short Duration funds primarily invest in fixed-income securities with portfolio Macaulay duration ranging from one to three years. Given their focus on instruments with a short duration, they offer lower interest-rate sensitivity as compared to funds with longer durations. They typically invest in debentures, government securities, call money, corporate bonds, commercial papers and certificate of deposits, among others.

Morningstar Category Index: CRISIL Short Term Bond Fund Index

**Medium Duration**
Medium Duration funds primarily invest in fixed-income securities with portfolio Macaulay duration ranging from three to four years. Given their focus on instruments with a medium duration, they offer lower interest-rate sensitivity as compared to funds with longer durations, but are more sensitive to interest rate risk than Short Duration funds. They typically invest in debentures, government securities, call money, corporate bonds, commercial papers and certificate of deposits, among others.

Morningstar Category Index: CRISIL Short Term Bond Fund Index

**Medium to Long Duration**
Medium to Long Duration funds primarily invest in fixed-income securities with portfolio Macaulay duration ranging from four to seven years. Given their focus on instruments with a medium to long duration, they offer lower interest-rate sensitivity as compared to funds with longer durations, but are more sensitive to interest rate risk than Short Duration & Medium Duration funds. They typically invest in debentures, government securities, call money, corporate bonds, commercial papers and certificate of deposits, among others.
Long Duration
Long Duration funds primarily invest in fixed-income securities with portfolio Macaulay duration greater than seven years. Given their focus on instruments with longer durations, they are exposed to the highest interest rate risk. They typically invest in longer-dated debentures and government securities, call money, corporate bonds, commercial papers and certificate of deposits, among others.

Dynamic Bond
Dynamic Bond Funds would primarily invest in Indian fixed-income securities. These funds don’t have a fixed average maturity band as they have the flexibility to change their maturity profile in line with the changing interest rate scenario in the country. Comparatively, these funds stand to navigate the interest rate cycle better than Short Duration, Medium to Long Duration Bond and Long Duration funds. The risk in these funds is high given their management entails taking active duration calls. They typically invest in debentures, government securities, corporate bonds, call money, corporate bonds, commercial papers and certificate of deposits, among others.

Corporate Bond Funds
Corporate Bond Funds primarily invest into corporate bonds that are rated AA+ and above. These funds will have at least 80% of the portfolio invested in securities rated AA+ and above.

Government Bond
Government Bond funds primarily invest in securities issued by the central government, state governments and government-backed entities. These funds don’t have a fixed average maturity band as they have the flexibility to change their maturity profile in line with the changing interest rate scenario in the country.

10 yr Government Bond
10 yr Government Bond funds primarily invest in securities issued by the central government, state governments and government-backed entities. These funds have average portfolio Macaulay duration greater than ten years. Given their focus on instruments with longer durations, they are exposed to the highest interest rate risk.

Floating Rate
Floating Rate funds primarily invest into floating rate instruments. These funds will invest Minimum 65% into floating rate instrument. They can also invest into fixed rate instruments coupled with a swap to convert the exposure to floating rate.
**Fixed Maturity Intermediate-Term Bond**

Fixed Maturity Intermediate-Term Bond funds have a fixed horizon of existence ranging from four to seven years. They primarily invest in investment-grade fixed-income securities whose average effective maturities coincide with the investment horizon. Given their focus on instruments with a medium duration, they offer lower interest-rate sensitivity as compared to funds with longer durations, but are more sensitive to interest rate risk than Short-Term Bond funds. They typically invest in debentures, government securities, call money, commercial papers and certificate of deposits, among others.

**Fixed Maturity Short-Term Bond**

Fixed Maturity Short-Term Bond funds have a fixed horizon of existence ranging from one to four years. They primarily invest in investment-grade fixed-income securities whose average effective maturities coincide with the investment horizon. Given their focus on instruments with a short duration, they offer low interest-rate sensitivity. They typically invest in debentures, government securities, call money, commercial papers and certificate of deposits, among others.

**Fixed Maturity Ultrashort Bond**

Fixed Maturity Ultrashort Bond funds have a fixed horizon of existence of up to one year. They primarily invest in investment-grade fixed-income securities whose average effective maturities coincide with the investment horizon. Given their focus on instruments with a short duration, they offer minimal interest-rate sensitivity. They typically invest in treasury bills, call money, commercial papers and certificate of deposits, among others.

**Other Bond**

These are funds that invest in fixed income instruments like debentures, government securities, call money, commercial papers and certificate of deposits and where their effective average maturities are not currently known.

**Group Bond**

Group Bond Funds would primarily invest in Indian fixed-income securities. These funds don’t have a fixed average maturity band as they have the flexibility to change their maturity profile in line with the changing interest rate scenario in the country. They typically invest in debentures, government securities, corporate bonds, call money, corporate bonds, commercial papers and certificate of deposits, among others. These funds are not offered to individual investors but only to employer-employee groups.
**Allocation**

**Conservative Allocation**
Conservative Allocation funds invest across asset classes such as equity, fixed income and cash. These funds tend to make smaller allocations to equities than Balanced Allocation funds. The allocation to Indian equities ranges between 10-25% of total assets in the normal running of the fund.

Morningstar Category Index: CRISIL Hybrid 85+15 - Conservative Index

**Balanced Allocation**
Balanced Allocation funds invest across asset classes such as equity, fixed income and cash. These funds tend to make larger allocations to equities than Conservative Allocation funds. The allocation to Indian equities usually ranges from 40%–60% of total assets in the normal running of the fund.

**Aggressive Allocation**
Aggressive Allocation funds invest across asset classes such as equity, fixed income and cash. These funds tend to make larger allocations to equities than Balanced Allocation funds. The allocation to Indian equities usually ranges from 65%–80% of total assets in the normal running of the fund.

Morningstar Category Index: CRISIL Hybrid 35+65 - Aggressive Index

**Dynamic Asset Allocation**
Dynamic Allocation funds invest into equity and debt in varying proportions. These funds have the flexibility to dynamically shift their allocation between equity and debt depending on the asset class’s attractiveness and manager’s view.

**Multi Asset Allocation**
Multi Asset Allocation funds invest across multiple asset classes such as equity, fixed income, foreign securities, cash and precious metal exchange traded funds, among others. These funds will invest at least 10% each in three asset classes and have the flexibility to shift the remaining allocation from one asset class to another depending on the asset class’s attractiveness and manager’s view.

**Group Allocation**
Group Allocation funds can invest across multiple asset classes such as equity, fixed income, foreign securities, cash and precious metal exchange traded funds, among others. These funds are not offered to individual investors but only to employer-employee groups.
**Alternative**

**Guaranteed Fund**
Funds that promise and/or guarantee the repayment of all or part of the capital invested OR the latest declared Highest NAV is guaranteed at the time of redemption of the fund OR a rate of return is guaranteed as defined by the company.
Money Market

Liquid
Liquid funds primarily invest in investment-grade fixed-income securities with maturities of up to 91 days. Given their focus on instruments with a short duration, they offer minimal interest-rate sensitivity. They typically invest in treasury bills, call money, commercial papers and certificate of deposits, among others.

Morningstar Category Index: CRISIL Liquid Fund Index