

# Investment options under NPS

NPS offers you with the flexibility to design your own portfolio based on your preference. The two investment options are '**Auto Choice**' and '**Active Choice**'.

**Allocation under Active Choice:** Apart from three available asset classes viz. Equity (E), Corporate Debt (C) and Government Securities (G), now you have the option of a fourth scheme - Alternate Investment Fund (A). Like the three asset classes, investment in A is optional. However, if selected, the minimum allocation should be 1% and the maximum allocation can be 5%. Few examples of allocation under Active Choice (E, C, G and A) are given below:

Equity ( E ) (in %)	Corporate Debt ( C ) (in %)	Government Securities ( G ) (in %)	Alternate Investment Fund* ( A ) (in %)
50 (max.)	30	15	5 (max.)
50 (max.)	30	20	0
0	50	50	0
0	100	0	0
0	0	100	0
0	0	99	1
0	99	0	1

\*Investment in SEBI Regulated 'Alternative Investment Funds' AIF (Category I and Category II only) as defined under the SEBI (Alternative Investment Fund) regulations 2012 are permitted for the NPS Schemes (Other than Govt. Sector (CG &SG), Corporate CG, NPS Lite and APY).

**Allocation under Auto Choice:** If you opt for 'Auto Choice', your fund will be invested as per the Life cycle fund matrix designed by experts. In addition to the "Moderate Life Cycle Fund", now you have the option of two more Life Cycle Funds - "Aggressive Life Cycle Fund" and "Conservative Life Cycle Fund". The "Moderate Life Cycle Fund" option provides you with the option of a Life Cycle fund with a reasonable risk profile where the maximum equity allocation is kept at 50% upto the age of 35 years. For "Aggressive Life Cycle Fund" maximum equity allocation is kept at 75% upto the age of 35 years while for "Conservative Life Cycle Fund" maximum equity allocation is kept at 25% upto the age of 35 years. The detailed age-wise asset allocation for all three Life Cycle Funds is given below.

<b>Aggressive Life Cycle Fund</b>			
Age	Asset Class E	Asset Class C	Asset Class G
Up to 35 years	75%	10%	15%
36 years	71%	11%	18%
37 years	67%	12%	21%
38 years	63%	13%	24%
39 years	59%	14%	27%
40 years	55%	15%	30%
41 years	51%	16%	33%
42 years	47%	17%	36%
43 years	43%	18%	39%
44 years	39%	19%	42%
45 years	35%	20%	45%
46 years	32%	20%	48%
47 years	29%	20%	51%
48 years	26%	20%	54%
49 years	23%	20%	57%
50 years	20%	20%	60%
51 years	19%	18%	63%
52 years	18%	16%	66%
53 years	17%	14%	69%
54 years	16%	12%	72%
55 years and above	15%	10%	75%

<b>Moderate Life Cycle Fund</b>		
Asset Class E	Asset Class C	Asset Class G
50%	30%	20%
48%	29%	23%
46%	28%	26%
44%	27%	29%
42%	26%	32%
40%	25%	35%
38%	24%	38%
36%	23%	41%
34%	22%	44%
32%	21%	47%
30%	20%	50%
28%	19%	53%
26%	18%	56%
24%	17%	59%
22%	16%	62%
20%	15%	65%
18%	14%	68%
16%	13%	71%
14%	12%	74%
12%	11%	77%
10%	10%	80%

<b>Conservative Life Cycle Fund</b>		
Asset Class E	Asset Class C	Asset Class G
25%	45%	30%
24%	43%	33%
23%	41%	36%
22%	39%	39%
21%	37%	42%
20%	35%	45%
19%	33%	48%
18%	31%	51%
17%	29%	54%
16%	27%	57%
15%	25%	60%
14%	23%	63%
13%	21%	66%
12%	19%	69%
11%	17%	72%
10%	15%	75%
9%	13%	78%
8%	11%	81%
7%	9%	84%
6%	7%	87%
5%	5%	90%

Choice of Investment options along with choice of Pension Fund Manager (PFM) can be changed once in the Financial Year for Tier I and Tier II account.

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