

Investment Option:

An NPS Subscriber is required to choose the Pension Fund Manager (PFM) as well as scheme preference while registering in CRA system under NPS. The Subscriber has been provided with several options to choose from. Moreover, existing Subscribers can also change his/her scheme preference and switch existing units to any other scheme.

In NPS, there are multiple PFMs, Investment options (Auto or Active) and four Asset Classes i.e. Equity, Corporate Bond, Government Bond and Alternative Infrastructure Fuds. The Subscriber first selects the PFM, and post selection of PFM, Subscriber has an option to select any one of the following Scheme Preference type.

1. Active Choice: Individual Funds

In this type of investment choice, subscriber has the right to decide as to how his / her contribution is to be invested, based on personal preference. The Subscriber has to provide the PFM, Scheme as well as percentage allocation to be done in each scheme of the PFM. Subscriber can also select multiple schemes under a single PFM.

There are four Asset Classes (Equity, Corporate Bond, Government Bond and Alternative Infrastructure Fuds) from which the allocation is to be specified under single PFM. Percentage contribution value cannot exceed 50% for Equity Scheme and 5% for Alternative Infrastructure Fund. However, the total allocation across the specified asset classes must be equal to 100%.

2. Auto Choice: Lifecycle Fund

In this type of scheme preference, the Scheme Setup (scheme as well as allocation ratio) will be determined by the system based upon the age of the Subscriber at the time of registration.

A Subscriber who wants to automatically reduce exposure to more risky investment options as he / she gets older, Auto Choice is the best option. As age increases, the

individual's exposure to Equity and Corporate Debt tends to decrease. Depending upon the risk appetite of subscriber, there are three different options available within 'Auto Choice' - Conservative, Moderate and Aggressive. The details of these Funds are provided below:

- **Moderate Life Cycle Fund:** This Life cycle fund provides a cap of 50% of the total assets for Equity investment.

Age	Asset Class E	Asset Class C	Asset Class G
Up to 35 years	50	30	20
36 years	48	29	23
37 years	46	28	26
38 years	44	27	29
39 years	42	26	32
40 years	40	25	35
41 years	38	24	38
42 years	36	23	41
43 years	34	22	44
44 years	32	21	47
45 years	30	20	50
46 years	28	19	53
47 years	26	18	56
48 years	24	17	59
49 years	22	16	62
50 years	20	15	65
51 years	18	14	68
52 years	16	13	71
53 years	14	12	74
54 years	12	11	77
55 years & above	10	10	80

- **Aggressive Life Cycle Fund:** This Life cycle fund provides a cap of 75% of the total assets for Equity investment.

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 & above	15	10	75

- **Conservative Life Cycle Fund:** This Life cycle fund provides a cap of 25% of the total assets for Equity investment.

Age	Asset Class E	Asset Class C	Asset Class G
Up to 35 years	25	45	30
36 years	24	43	33
37 years	23	41	36
38 years	22	39	39
39 years	21	37	42
40 years	20	35	45
41 years	19	33	48
42 years	18	31	51
43 years	17	29	54
44 years	16	27	57
45 years	15	25	60
46 years	14	23	63
47 years	13	21	66
48 years	12	19	69
49 years	11	17	72
50 years	10	15	75
51 years	9	13	78
52 years	8	11	81
53 years	7	9	84
54 years	6	7	87
55 years & above	5	5	90

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