Circular No. PFRDA/2016/8/PFM/04

Date: 04.11.2016

To

All stakeholders of National Pension System (NPS)

Subject: Creation of Separate Asset Class-“A” (for Alternate Investments)

1. A separate asset class- A (for Alternate Investments) is created for Private Sector NPS subscribers in addition to the existing asset classes i.e. Equity (E), Corporate Bond (C) and Government Debt (G).

2. A separate Asset Class “A” (for Alternate Investments) has been introduced such that-
   - Total Investment (E+C+G+A)= 100%
   - Investment in E upto 50%
   - Investment in C upto 100%
   - Investment in G upto 100%
   - Investment in A upto 5%

3. Investments in Asset Class “A” consists of following-
   - Commercial mortgage based securities or Residential mortgaged based securities
   - Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India
   - Asset backed securities regulated by the Securities and Exchange Board of India
   - Units issued by Infrastructure Investment Trusts regulated by the Securities and Exchange Board of India
   - Alternative Investment funds (AIF Category I & II) registered with SEBI.

4. This circular is to be read along with the circular on Investment in ‘Alternative Investment Funds (AIF) issued on 08.04.2016 and circular on Investment Guidelines for NPS Schemes (Other than Govt. Sector (CG & SG), Corporate CG, NPS Lite and APY) w.e.f. 10th September, 2015 amended from time to time.

5. This is applicable with effect from 01.10.2016.

(Sumeet Kaur Kapoor)
General Manager