

ASSET ALLOCATION PATTERN FOR NPS VATSALYA SCHEME

1. Objective of the Scheme

The NPS Vatsalya Scheme is designed to create a long-term retirement corpus for minors with a higher investment horizon, enabling optimal wealth creation through a disciplined and diversified asset allocation strategy. The scheme aims to balance growth and capital preservation, taking advantage of the extended investment tenure.

2. Investment Philosophy

Given the long investment horizon under the scheme, the portfolio shall adopt a growth-oriented approach through higher allocation to equity, with de-risking achieved through allocation to fixed income instruments. The portfolio will remain diversified across equity, fixed income, and government securities to optimize risk-adjusted returns, with fungibility within prescribed asset class limits to allow tactical increases in equity exposure during market drawdowns, subject to regulatory guidelines and risk management frameworks.

3. Asset Classes & Allocation Limits

Permitted Asset Classes	Standard Asset Allocation*	Proposed Asset Allocation#
Government Securities & related investments	15-20%	0-35%
Debt Instruments & related investments	10-30%	
Equity & related investments	50-75%	65-100%
Short-term debt instruments & related investments	Upto 10%	Upto 10%

*Standard Asset Allocation are indicative limits as prescribed by PFRDA in NPS Vatsalya Scheme Guidelines, 2025 dated 07th June 2026

Proposed Asset Allocation approved by Investment Committee and Board on 17th April 2026

Based on the PFRDA Circular dated 23rd February 2026, which permits Pension Fund Managers to determine their own asset allocation pattern, and considering that the subscriber is a minor with a long investment horizon, a higher tilt towards equity is deemed appropriate to benefit from long-term compounding and wealth creation.

Correspondence & Registered office:

Aditya Birla Sun Life Pension Fund Management Limited
(Formerly known as Aditya Birla Sun Life Pension Management Limited)
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CIN: U66000MH2015PLC260801

Accordingly, the Company has adopted above proposed asset allocation pattern for NPS Vatsalya Scheme, permitting tactical equity exposure of up to 100%, along with fungibility between corporate bonds and government securities to capture relative value opportunities and dynamically optimize portfolio returns in line with prevailing market conditions, while remaining within the overall risk management framework and subject to prudent risk controls.

The above asset allocation pattern for NPS Vatsalya Scheme has been duly approved by the Investment Committee and the Board of the Company.

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