



Rationalization of Names and Structure of Auto Choice / Life Cycle Funds under NPS

PFRDA has reviewed the existing Auto Choice / Life Cycle (LC) Funds under the NPS to ensure better alignment between the names of the funds and their actual investment patterns.

The *Balanced Life Cycle Fund (BLC)* had a higher equity allocation at the ages of 45 and 55 years as compared to the *LC 75 Fund*, which is currently categorized as an *Aggressive* investment pattern. To address this inconsistency and enhance clarity for subscribers, PFRDA has decided to revise and rationalize the nomenclature of the Life Cycle Funds so that the names accurately reflect their risk–return profiles and equity allocation patterns.

Key Highlights

- The Balanced Life Cycle Fund (BLC) has been incorporated within the Auto Choice category.
- The names of the existing Life Cycle Funds have been rationalized as per the framework provided in below in the table.
- The revised names have been designed for simplicity, transparency, and uniformity, enabling subscribers to make informed investment choices based on their risk appetite and retirement goals.
- It may further be noted that the existing investment options under NPS — namely, Auto Choice and Active Choice — shall henceforth be referred to as *Common Schemes (CS)*, in accordance with PFRDA’s Circular dated 16th September 2025. Under the Multiple Scheme Framework (MSF), subscribers under their PRAN shall have the flexibility not only to invest across multiple schemes of one or more Pension Funds but also to invest in multiple CS.

For the convenience of all stakeholders and subscribers, the details of the revised names and their respective risk profiles are provided below.

Existing Names	Proposed Names	Equity allocation (%)	Branding Tagline & Market Positioning
LC 25 (Conservative Life Cycle Fund)	Life Cycle 25 – Low (5E / 55 Y)	25% up to 35 years, falling to 5% at 55+	“Preserve your savings with steady growth — designed for stability as you near retirement.”
LC 50 (Moderate Life Cycle Fund)	Life Cycle 50 – Moderate (10E / 55 Y)	50% up to 35 years, falling to 10% at 55+	“Balance growth and protection — a steady path for building and safeguarding retirement wealth.”
LC 75 (Aggressive Life Cycle Fund)	Life Cycle 75 – High (15E / 55 Y)	75% up to 35 years, falling to 15% at 55+	“Accelerate wealth creation early — harnessing high equity for your retirement goals.”
Balanced Life Cycle Fund	Life Cycle – Aggressive (35E / 55 Y)	50% up to 45 years, falling to 35% at 55+	“Be aggressive & Stay invested longer in growth assets — for a stronger retirement corpus.”

(Growth is presented in four differentiated categories to clearly convey the underlying risk–return characteristics, thereby enabling subscribers to make informed decisions in planning their retirement journey)