

National Pension System (NPS) Trust

Annual Report

2011 - 2012



Office

*National Pension System Trust
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Board of Trustees of National Pension System (NPS Trust)

1. Shri G. N. Bajpai [former Chairman of Life Insurance Corporation (LIC) and Securities & Exchange Board of India (SEBI)]	Chairman & Trustee (with effect from 27 th February 2012)
2. Shri Yogendra Narain (former Defence Secretary Govt of India and Secretary General Rajya Sabha).	Chairman & Trustee (Till 26 th February 2012)
3. Shri N. R. Rayalu (former Deputy CAG, Government of India)	Chief Executive Officer & Trustee (Trustee till 26 th February 2012)
4. Sh. Naresh Dayal (former Secretary, Ministry of Health and Family Welfare Government of India)	Trustee (Till 26 th February 2012)
5. Sh. Umrao Mal Purohit (General Secretary Hind Mazdoor Sabha and President all India Railway men Federation)	Trustee (Till 26 th February 2012)
6. Shri Nagendra Bhatnagar (Former MD & CEO of IDBI Capital Markets Ltd. and Chairman / CEO of Association of Investment Bankers of India)	Chief Executive Officer & Trustee (Trustee with effect from 27 th February 2012)
7. Sh. M Damodaran (Former Chairman of Securities & Exchange Board of India)	Trustee (Till 1 st March 2012)
8. Shri Syed Shahabuddin (Former MD & CEO of SBI Mutual Fund and Clearing Corporation of India)	Trustee (with effect from 27 th February 2012)
9. Shri Deepak Satwalekar (Former MD & CEO of HDFC Standard Life Insurance)	Trustee (with effect from 27 th February 2012)
10. Dr. Rajan Saxena (Vice Chancellor of SVKN's NIMMS University, Mumbai)	Trustee (with effect from 8 th June 2012)

INTERMEDIARIES FOR THE NATIONAL PENSION SYSTEM (NPS) SCHEMES

Pension Fund Managers (PFMs)

S. No.	Pension Fund Managers	Subscriber Class
1.	LIC Pension Fund Limited, 7th Floor, East Wing, Yogakshema, Jeevan Bima Marg, Nariman Point, Mumbai – 400021. Contact Person:- Sh. S. Hariharan, Chief Executive Officer	Central Government & State Government (CG & SG)
2.	SBI Pension Funds (P) Ltd, No. 32, 3rd Floor, Maker Chambers-III, Nariman Point, Mumbai – 400 021 Contact Person:- Sh. Biswajit Mohanty, Managing Director & CEO	Central Government & State Government (CG & SG and Private / Unorganized Sector)
3.	UTI Retirement Solutions Ltd, UTI Tower, 'Gn' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Contact Person:- Sh. Balram P. Bhagat, Chief Executive Officer	Central Government & State Government (CG & SG and Private / Unorganized Sector)
4.	ICICI Prudential Pension Funds Management Company Ltd ICICI Prulife Towers, 1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025 Contact Person:- Ms. Meghana Baji, Chief Executive Officer	Private / Unorganized Sector
5.	IDFC Pension Fund Management Co. Ltd, One Indiabulls Centre, 6th floor, Jupiter Mills Compound, 841, Senapati Bapat Marg, Elphinstone (W), Mumbai – 400 013. Contact Person:- Sh. Vikash Raj, Chief Executive Officer	Private / Unorganized Sector
6.	Kotak Mahindra Pension Fund Ltd 6th floor, Kotak Infinity Tower, Building No. 21, Infinity Park Off. Western Express Highway, Goregaon- Mulund Link Road, Malad (East), Mumbai – 400 097 Contact Person:- Sh. V. R. Narasimhan, Chief Executive Officer	Private / Unorganized Sector
7.	Reliance Capital Pension Fund Ltd. One Indiabulls Centre, 11th floor, Jupiter Mills Compound, 841, Tower –I, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013. Contact Person:- Sh. Ranganathan Seshagiri, Chief Executive Officer	Private / Unorganized Sector

Central Record Keeping Agency

National Securities Depository Ltd. (NSDL)
4th Floor, 'A' Wing, Trade World,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013

Contact Person: Sh. Amit Sinha, Executive Vice President

Trustee Bank

Bank of India
Head Office, NPS Cell,
Star House, Plot No. G/5,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

Contact Person: 1. Sh. S. C. Arora, General Manager
2. Sh. Ashok Gupta, Asstt. General Manager

Custodian

Stock Holding Corporation of India Ltd. (SCHIL)
301, Centre Point, Parel,
Dr. Babasaheb Ambedkar Road,
Mumbai – 400 012

Contact Person: Sh. R. Anand, Vice President

Trustees' Report

The Trustees of National Pension System (NPS) Trust have pleasure in presenting the Annual Report of the Trust for the Financial Year 2011 – 12.

About NPS Trust

The NPS Trust was established in terms of the Central Government letter D.O. No 5(75)/2006-ECB & PR dated 24th April 2007. PFRDA is the Settlor of the Trust and the execution of the NPS Trust Deed by PFRDA took place on 27th February, 2008. A memorandum of Understanding was signed between PFRDA and the NPS Trust highlighting the rights and obligations of both the parties on 1st July 2009. The Board of Trustees of NPS Trust was initially constituted with three members.

The NPS Trust has been set up and constituted for taking care of the assets and funds under the NPS in the interest of the beneficiaries (subscribers). Trustees have the legal ownership of the Trust Fund and the general superintendence, direction and management of the affairs of the Trust and all powers, authorities and discretions appurtenant to or incidental to the purpose of the trust absolutely vest in the Trustees, subject nevertheless to the provision of the Deed and further subject to such directions or guidelines that may be issued by PFRDA from time to time. However, the beneficial interest shall always vest with the beneficiaries of the NPS Trust.

To begin with the NPS was operational for the Central Government Employees (except defense forces) joining the service on after 1.1.2004. Subsequently the State Governments have also started joining the NPS. As on 31st December 2010, 22 State Governments and Union Territories as mentioned below have joined NPS by signing agreement with NPS Trust.

In fulfillment of its objectives, as broadly mentioned in the NPS Trust Deed, the NPS Trust supervises the Pension Fund Managers and interacts with other intermediaries like Trustee Bank (Bank of India), Central Record Keeping Agency (NSDL) and the Custodian (Stock Holding Corporation of India Ltd), etc. The Trust is empowered to enter into agreements with other intermediaries and operating agencies to discharge its obligations. NPS Trust has also signed separate agreements with SHCIL and TB. The agreements entail the duties and obligations on the part of these entities towards NPS Trust.

As part of its obligations to monitor the functioning of Fund Managers some of the duties and responsibilities of Trustees/ Board are as under:-

- (i) It shall be the responsibility of the Trustees in carrying out their duties and responsibilities to maintain arms' length relationship with other companies or institutions or financial intermediaries or anybody corporate with which the Trustee may be associated.
- (ii) It shall be the duty of the Trustees to take into its custody or under their control all the property of the Pension Funds and hold these in trust for the beneficiaries. The Trustees shall be accountable for and be the custodian of the funds and property of the Trust and

shall hold the same for the benefit of the beneficiaries in accordance with the PFRDA guidelines/directions and the provisions of the NPS Trust Deed.

- (iii) It shall be the duty of the Trustees to take reasonable care to ensure that the funds are managed by the PF(s) in accordance with the NPS Trust Deed and the PFRDA guidelines/directions.
- (iv) The Trustees shall communicate in writing to the PF(s) of the deficiencies and checking on the rectification of deficiencies.
- (v) The Trustees shall ensure that-
 - (a) the PF(s) has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker;
 - (b) the PF(s) has not given any undue or unfair advantage to any associates or dealt with any of the associates of the Pension Fund in any manner detrimental to interest of the beneficiaries;
 - (c) the PF(s) has been managing the Fund Schemes independently of other activities and has taken adequate steps to ensure that the interests of the beneficiaries are not compromised;
 - (d) All the activities and the transactions of the PF(s) are in accordance with the provisions of the PFRDA guidelines/directions.
 - (e) The Trustees shall take steps to ensure that the transactions of the PFs are in accordance with the provisions of the NPS Trust Deed.

NPS Trust has appointed Morningstar India (P) Ltd as Institutional Adviser to NPS Trust on 15th January, 2010 and an agreement has been signed with them indicating the duties/obligations of the Adviser towards NPS Trust. The adviser, professional in the field of financial management particularly Pension Funds, has been hired to examine the performance of the fund managers and advise the ways and means to improve the performance of the Fund Managers.

An agreement was signed between NPS Trust and the Trustee bank (Bank of India) on 22nd May 2008. Trustee Bank has been appointed for a period of 5 years. Funds are transmitted by the Trustee Bank (TB) as per the time limits prescribed in the agreement with TB. Some of the important responsibilities of TB are as under:-

- (i). The Bank shall assume the day to day banking of the funds under the NPS and the Bank shall provide Banking facilities in accordance with the provisions of the PFRDA guidelines/ directions.

- (ii). The Bank shall exercise all due diligence and vigilance in carrying out its duties and in protecting the rights and interests of the subscribers.

As per the NPS Trust Deed, Trust is empowered to issue instructions to the custodian not to assign, transfer, hypothecate, pledge, lend or otherwise dispose of any assets or property of the NPS Trust, except as per the provisions of the custody agreement.

Tripartite agreements have been signed between NPS Trust, Stock Holding Corporation of India and respective Fund Managers after signing of IMAs. As per the agreement, the custodian is authorized to maintain all accounts, registers, corporate books and other documents on computer records and to produce when required by the client and / or PFRDA/ SEBI/ or a Court of competent jurisdiction true and authenticated copies or reproduction of these records made by photographic, photo static or data processing methods.

The scope of work of the Custodian includes:-

- (i) Providing Custodial and depository participant services.
- (ii) To hold the Properties as agent and discharge such custodial functions as are specifically provided.

NPS Trust Board: Appointments, Retirements & Resignations

During the financial year 2011 – 12, Shri G N Bajpai was reappointed to the Board as a trustee and he took over as Chairman of the Trust at the conclusion of the 20th Board meeting held on 24th February 2012. Shri M Damodaran, Shri Syed Shahabuddin, Shri Deepak Satwalekar and Shri Nagendra Bhatnagar were appointed to the Board of Trustees of NPS Trust.

During the Financial Year 2011 – 12, Shri Yogendra Narain, the then Chairman & Trustee of the Board retired. Shri Naresh Dayal, Shri Umrao Mal Purohit and Shri N R Rayalu also retired from the Board of Trustee of the NPS Trust. We place on record our appreciation of the services and contribution made by the outgoing Trustees.

Shri M Damodaran resigned from the Board of Trustees with effect from 1st March 2011.

Meetings of the Board of Trustees of NPS Trust held and Attendance

Four meeting of the NPS Board of Trustees were held during the financial year 2011 -12. The details of Board meetings attended by the Trustees are as under:-

Name		No. of Meetings attended
1. Shri G. N. Bajpai	Chairman & Trustee (reappointed as Trustee on 27 th February 2012)	4
2. Shri Yogendra Narain	Chairman & Trustee (Till 26 th February 2012)	4
3. Shri N. R. Rayalu	Chief Executive Officer & Trustee (Trustee till 26 th February 2012)	4
4. Sh. Naresh Dayal	Trustee (Till 26th February 2012)	3
5. Sh. Umrao Mal Purohit	Trustee (Till 26th February 2012)	3
6. Shri Nagendra Bhatnagar	Chief Executive Officer & Trustee (Trustee with effect from 27 th February 2012)	1
7. Sh. M Damodaran	Trustee (Till 1 st March 2012)	---
8. Shri Syed Shahabuddin	Trustee (with effect from 27 th February 2012)	1
9. Shri Deepak Satwalekar	Trustee (with effect from 27 th February 2012)	---

Accounts of National Pension System (NPS) Trust

The Accounts of the Trust for the year 2010-11 were prepared and got audited by M/s. Arvind Sunil & Co. The Audited Accounts are annexed to this report.

Developments in International Pension Markets

The global economy faced a turbulent time during 2011 and economic issues continued to engage various economies with varied magnitude. Euro zone member nations found themselves in the centre of the economic storm which raged across the world in 2011. Countries like Portugal, Italy, Ireland, Greece, Spain, Belgium, Hungary and even France experienced rating downgrades¹.

The UK, Canada, Japan and Australia accounted for a quarter of all pension assets but US continuing to dominate with a 58% share of the global pension assets. Bonds continuing to show a positive return of 8% and thus key asset classes had a mixed year in 2011. US equity market defeated the ongoing global trend by making a positive return of 2% against the global return on equity which was down by 8%².

During 2011, in the 13 major markets, the global institutional pension fund assets increased by 4% thus creating a new benchmark with a corpus of UD\$28 trillion. Investors' confidence started moving towards the less risky assets and hence the allocation to fixed-income investment rose and the percentage held in equities fell over the year with United Kingdom facing the largest movement toward bonds. Investors in the United States, which holds 80% of pension assets within its borders, withdrew 16 percentage points from equities over the last five years, preferring split these assets between alternatives and fixed-income securities. The pension assets in Brazil and South Africa increased by over 16% which is a major increase in the assets from developing economies³.

Eurozone sovereign debt crisis had begun to undermine the sustainability of pension systems in Europe along with the volatility in the financial markets. Consistently low interest rates and bond yields, against which private sector funds tend to measure their liabilities were the biggest challenges of those economies. This issue is especially critical in UK, where schemes reported record deficits in December⁴. One major initiative in Europe was the review of IORP Directive, the framework directive for occupational pension schemes in EU. The European Commission issued a Call for Advice (CfA) on the IORP Directive to EIOPA asking specific questions encompassing a number of different areas⁵.

The world's biggest public pension fund, Japan's Government Pension Investment Fund, sold or cashed out a total of 2.54 trillion yen (\$31.77 billion) of domestic and foreign bonds in the financial year that

¹ Morningstar

²

http://www.google.co.in/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CCMQFjAA&url=http%3A%2F%2Fwww.thecityuk.com%2Fassets%2Fuploads%2FPension-markets-2012-F.pdf&ei=xAU3UPvaKsPUrQfI3YCABg&usg=AFQjCNHKhnmIhb9MgwHotanLTfe0QX53BA&sig2=tT8_zfrfzCQSVZGiq7iEw

³ <http://pensionpulse.blogspot.in/2012/01/record-high-pension-assets-hit-by.html>

⁴ <http://www.efinancialnews.com/story/2011-12-19/europe-pensions-run-out-of-money-2011>

⁵ <http://www.official-documents.gov.uk/document/hc1213/hc03/0340/0340.pdf>

ended in March to raise cash to cover to payout shortfalls⁶. OECD highlighted the importance of a strong pension system, especially during periods of global uncertainty. It recommended that Asian pension systems need to modernize urgently to deliver secure and adequate retirement incomes for its workers⁷. At the same time, pension funds are increasing their allocations to real estate in the search of yields to match their long-term liabilities, and are considering direct ownership as well as through funds⁸.

Agreements signed during the Financial Year 2011 - 12

Stock Holding Corporation of India (SCHIL) were appointed for doing an independent valuation of the securities. The agreement with Morningstar India for providing Institutional Advisor services was also extended by a year.

NPS Trust entered into agreements with the Governments of West Bengal (for extending NPS to All India Officers), Government of Uttar Pradesh and Sikkim (for extending NPS to all employees of the state) during the year.

⁶ <http://www.reuters.com/article/2012/07/06/us-japan-publicfund-idUSBRE86508W20120706>

⁷ <http://www.financialexpress.com/news/oecd-report-finds-asian-pension-systems-inadequate/904257/0>

⁸ <http://www.joneslanglasalle.com/MediaResources/Global/GMP/Global-Market-Perspective-Q2-2012.pdf>

National Pension System (NPS) Schemes

NPS Schemes showed a robust overall growth of 76.6% in its AUM during the financial year, as shown in Table I below. All the schemes witnessed double digit growth. All Tier 1 schemes saw a triple digit increase in its AUM. Tier 2 schemes did record high growth in percentage terms but in absolute terms, the gross inflows amounts were not significant as compared to Tier I inflows.

Scheme CG for central government employees saw its AUM growing by 54.9% during the year. On the other hand, Scheme SG's assets grew handsomely by 189.4% during the year. This is as a result of more state governments joining the scheme and uploading of legacy funds.

The assets of NPS Lite grew by Rs. 137.3 Crores during the year.

TABLE I : Asset Under Management (AUM) Break up in NPS - Growth - Scheme Wise Position as on Quarter ended 30th June 2012				
Schemes	Actuals - AUM as on 30th June 2012		Growth in AUM	
	Mar-11	Mar-12	Annual	
			YoY March 12	
			Amount	%
Equity Tier I	27.71	63.91	36.20	130.65
Equity Tier II	3.58	7.07	3.49	97.38
Equity Total	31.29	70.98	39.69	126.85
Bonds Tier I	19.86	48.21	28.35	142.74
Bonds Tier II	2.97	7.89	4.92	165.72
Bonds Total	22.83	56.10	33.27	145.73
G Sec Tier I	28.92	77.51	48.59	168.01
G Sec Tier II	3.67	7.08	3.41	92.83
G Sec Total	32.59	84.59	52.00	159.55
Sub Total Tier I	76.49	189.63	113.14	147.92
Sub Total Tier II	10.22	22.03	11.81	115.60
Tier I + Tier II	86.71	211.66	124.95	144.11
NPS Lite	3.13	140.46	137.33	4,390.80
Central Govt	7,266.39	11,256.05	3,989.65	54.91
State Govt	1,228.51	3,555.10	2,326.59	189.38
Grand Total	8,584.74	15,163.26	6,578.53	76.63

There was a healthy growth in the AUM of all the NPS Scheme for the unorganized sector as shown in Table II given below. The increase is significantly high at 250.9% in percentage terms, while in absolute terms, the corpus increased by Rs 287 Crores.

TABLE II : Asset Under Management (AUM) Break up in NPS - Growth - Subscriber Class Wise Position as on Quarter ended 30th June 2012				
Subscriber Class	Actuals - AUM as on 30th June 2012		Growth in AUM	
	Mar-11	Mar-12	Annual	
			YoY March 12	
			Amount	%
NPS Main	54.92	132.33	77.40	140.92
NPS Corporate	56.34	128.60	72.27	128.27
NPS Lite	3.13	140.46	137.33	4,390.80
Sub Total	114.39	401.38	286.99	250.89
Central Govt	7,266.39	11,256.02	3,989.62	54.91
State Govt	1,203.95	3,505.83	2,301.88	191.19
Grand Total	8,584.74	15,163.23	6,578.49	76.63

There has an increase of 97.9% in the number of subscribers in the private /unorganized sector as shown in Table III below. NPS Lite contributed the maximum number of additional accounts – 4.81 lacs during the year. NPS (Corporate) Scheme picked up during the latter part of the year.

TABLE III : Number of Accounts Break up in NPS - Growth - Subscriber Class Wise Position as on Quarter ended 30th June 2012				
Subscriber Class	Actuals - Number of Accounts as on 30th June 2012		Growth in Number of Accounts	
	Mar-11	Mar-12	Annual	
			YoY March 12	
			Numbers	%
NPS Main	34,537	56,594	22,057	63.9
NPS Corporate	1,839	9,122	7,283	396.0
NPS Lite	485,570	966,997	481,427	99.1
Sub Total	521,946	1,032,713	510,767	97.9
Central Govt	747,808	933,311	185,503	24.8
State Govt	583,207	1,157,964	574,757	98.6
Grand Total	1,852,961	3,123,988	1,271,027	68.6

Performance of Pension Fund Managers

Asset Under Management with PFMs

The position of the corpus / AUM with the Pension Fund Managers is shown in the following table:-

PFM	AUM (in Rs Lakhs)			
	Mar-11	Mar-12	Increase in AUM	
			Amount	Percentage (%)
SBI Pension Fund Pvt. Ltd.	376,306	602,321	226,015	60.1%
UTI Retirement Solution Ltd.	291,723	511,952	220,229	75.5%
LIC Pension Fund Ltd.	187,785	396,896	209,111	111.4%
ICICI Prudential Pension Funds Management Company Ltd.	1,077	2,919	1,842	171.1%
Reliance Capital Pension Fund Ltd.	562	1,115	553	98.4%
Kotak Mahindra Pension Fund Ltd.	330	974	644	195.1%
IDFC Asset Management Company Ltd.	270	786	516	190.7%
Total	858,054	1,516,963	658,909	76.8%

All the PFMs continued to witness good growth in assets under management. All the PFMs maintained their relative ranking in terms of size of AUM with SBI PF having the largest corpus. Kotak Mahindra PF registered the highest growth in AUM in percentage terms.

Funds of Central Government Employees

Three Fund managers (SBI Pension Funds Private Limited, UTI Retirement Solutions Limited, and LIC Pension Fund Limited) were appointed for a period of three years to manage the Funds of the Government employees. These Fund Managers signed Investment Management Agreement with NPS Trust on 29th March 2008. After the expiry of terms of agreement, subsequent extension was granted by PFRDA for six months i.e. till 28th September 2011. A further extension for another six months was granted by the PFRDA to the below mentioned PFMs i.e. till 31st March 2012. In the meanwhile, PFRDA floated a RFP, calling for bids for managing this corpus. Bids were received from the existing three PFMs only. The three PFMs were re-selected in March 12 at a fee of 0.0102% per annum on AUM, which was lowest quoted fee bid.

Performance of the Fund Managers during the financial year 2011 - 12 was as under:-

SCHEME CG								
PFM	Financial Year Return (%)				Trailing Return (%)			
	FY 2008-09	FY 2009-10	FY2010-11	FY 2011-12	1-Yr	2-Yr	3-Yr	Since Inception
LIC	10.02	12.27	8.30	5.80	5.80	7.04	8.76	9.07
SBI	17.36	8.88	8.05	5.81	5.81	6.92	7.57	9.93
UTI	12.90	9.27	8.45	5.52	5.52	6.98	7.73	9.00

On the basis of performance of PFMs in the previous period, PFRDA revised the allocation of incremental fund for the year 2010-11 as 35%, 33% and 32% for LIC, SBI and UTI respectively with effect from 19th July 2010. For the year 2011-12, the allocation of incremental funds was again revised by PFRDA on the basis of performance of PFMs for the year 2010-2011 as 33.5%, 32.5% and 34% for LIC, SBI and UTI respectively with effect from 1st July 2011.

Funds of State Government Employees

State Governments / UTs had started remittance of Pension Funds of their employees from 25th June 2009. As on 31st March 2011, 18 State Governments/UTs were remitting the Pension Funds for investment by the Fund Managers. The returns generated by the Fund Managers on the State Government Funds were as follows:-

SCHEME SG					
PFM	Financial Year Return (%)		Trailing Return (%)		
	FY 2010-11	FY 2011-12	1-Yr	2-Yr	Since Inception
LIC	10.77	6.68	6.68	8.71	8.49
UTI	11.34	6.04	6.04	8.66	8.42
SBI	9.88	6.80	6.80	8.33	8.33

Funds of Unorganized Sector

The NPS was opened up for all citizens of India with effect from 1st May 2009. PFRDA appointed six Pension Fund Managers for a period of three years to manage the funds of the new subscribers under the unorganized sector. Investment Management Agreement (IMA) was signed with the following fund managers on 29th April 2009 (except Kotak Mahindra Pension Fund Limited who signed on 30th April 2009) before transfer of funds to them for investment.

- SBI Pension Funds Private Limited
- UTI Retirement Solutions Limited
- ICICI Prudential Pension Funds Management Company Limited
- Kotak Mahindra Pension Fund Limited
- IDFC Pension Fund Management Company Limited
- Reliance Capital Pension Fund Limited

The following tables show the returns generated by PFMs for the various schemes under Private / Unorganized sector.

SCHEME E - TIER 1					
PFM	Financial Year Return (%)		Trailing Return (%)		
	FY 2010-11	FY 2011-12	1-Yr	2-Yr	Since Inception
ICICI	11.83	-7.75	-7.75	1.57	8.35
Kotak	11.89	-10.23	-10.23	0.22	4.83
SBI	8.05	-7.18	-7.18	0.15	2.76
Reliance	10.77	-10.49	-10.49	-0.42	6.14
UTI	8.35	-10.58	-10.58	-1.57	6.93
IDFC	8.89	-9.32	-9.32	-0.63	7.04
<i>BSE SENSEX</i>	<i>10.94</i>	<i>-10.50</i>	<i>-10.50</i>	<i>-0.77</i>	<i>14.48</i>
<i>S&P/CNX Nifty</i>	<i>11.14</i>	<i>-9.23</i>	<i>-9.23</i>	<i>-0.32</i>	<i>14.30</i>

SCHEME E - TIER 2					
PFM	Financial Year Return (%)		Trailing Return (%)		
	FY 2010-11	FY 2011-12	1-Yr	2-Yr	Since Inception
Reliance	5.37	-10.37	-10.37	-2.82	0.49
Kotak	11.66	-9.80	-9.80	0.36	0.86
ICICI	10.12	-10.41	-10.41	-0.67	-0.45
UTI	10.16	-10.74	-10.74	-0.84	-0.60
IDFC	7.05	-9.46	-9.46	-1.55	-1.23
SBI	7.86	-7.51	-7.51	-0.12	-0.02
<i>BSE SENSEX</i>	<i>10.94</i>	<i>-10.50</i>	<i>-10.50</i>	<i>-0.77</i>	<i>14.48</i>
<i>S&P/CNX Nifty</i>	<i>11.14</i>	<i>-9.23</i>	<i>-9.23</i>	<i>-0.32</i>	<i>14.30</i>

SCHEME C - TIER 1					
PFM	Financial Year Return (%)		Trailing Return (%)		
	FY 2010-11	FY 2011-12	1-Yr	2-Yr	Since Inception
Kotak	10.86	10.19	10.19	10.52	10.66
SBI	12.66	11.07	11.07	11.86	11.55
ICICI	9.41	11.43	11.43	10.42	10.59
UTI	9.20	10.19	10.19	9.69	7.99
Reliance	8.12	8.13	8.13	8.12	7.02
IDFC	6.26	9.15	9.15	7.70	8.66

SCHEME C - TIER 2					
PFM	Financial Year Return (%)		Trailing Return (%)		
	FY 2010-11	FY 2011-12	1-Yr	2-Yr	Since Inception
ICICI	10.74	12.27	12.27	11.50	10.62
SBI	14.46	10.73	10.73	12.58	11.92
IDFC	6.02	10.02	10.02	8.00	7.34
Kotak	7.20	9.70	9.70	8.44	7.69
UTI	7.62	11.40	11.40	9.49	8.61
Reliance	7.28	7.86	7.86	7.57	6.97

SCHEME G - TIER 1					
PFM	Financial Year Return (%)		Trailing Return (%)		
	FY 2010-11	FY 2011-12	1-Yr	2-Yr	Since Inception
Reliance	7.65	5.63	5.63	6.63	5.45
UTI	12.52	3.75	3.75	8.05	6.10
ICICI	7.71	6.07	6.07	6.88	6.26
SBI	12.25	5.46	5.46	8.80	9.48
Kotak	9.14	6.14	6.14	7.63	6.41
IDFC	6.97	5.90	5.90	6.43	5.25

SCHEME G - TIER 2					
PFM	Financial Year Return (%)		Trailing Return (%)		
	FY 2010-11	FY 2011-12	1-Yr	2-Yr	Since Inception
Reliance	4.68	5.76	5.76	5.22	5.56
Kotak	6.40	5.37	5.37	5.88	5.42
UTI	16.44	3.81	3.81	9.94	8.95
IDFC	6.00	7.22	7.22	6.61	6.14
ICICI	6.43	6.36	6.36	6.39	6.04
SBI	11.82	5.31	5.31	8.52	9.98

NPS Lite Return (%)			
PFM	1-Yr	Since Inception	Inception Date
IDFC	-	6.26	17/04/2011
LIC	10.10	9.57	30/09/2010
SBI	8.70	10.64	15/09/2010
UTI	8.55	10.53	30/09/2010

The performance of the Pension Fund Managers is reviewed at quarterly intervals by the Board of Trustees of NPS Trust. Morningstar India Ltd., as the Institutional advisors to the NPS Trust assist the board in the process and make a detailed presentation on the performance of various schemes under the National Pension System. Morningstar India also presents a report on the compliance by the PFM, which is deliberated upon in the Board meetings.

SD/-

G. N. Bajpai

Chairman of the Board of Trustees

Date: 29th August 2012

New Delhi