

Item No. 8: Status note on Investment in Exchange Traded Fund (ETF) by EPFO.

1. The Pattern of Investment, notified on 23rd April 2015 prescribes 05 to 15% investments in equity and related investment. The Central Board in its 207th Meeting held on 31.03.2015 while recommending the said Pattern of Investment for adoption decided to invest 5% of the total investments made during the year in Exchange Traded Fund (ETF) of Nifty and Sensex. Accordingly, investment in ETF started w.e.f from 06th August 2015 in SBI Mutual Fund Nifty and Sensex ETF.
2. Initially investment was permitted only in ETFs of SBI Mutual fund. Later the Central Board in its 213th meeting held on 8th July, 2016 approved selection of UTI Mutual Fund in addition to the SBI Mutual Fund. In the 214th meeting of the Central Board held on 26th July, 2016 the ratio of allocation of funds between SBI MF and UTI MF was fixed at 75% and 25% respectively.
3. Later, the Ministry of Labour and Employment vide letter order F. No. G-20031/2/2016 SS.II dated 19th September, 2016 conveyed the direction to under section 20 of the EPF & MP Act 1952 to enhance investment in Equity (ETF) from 5% to 10% within the scope of Investment Pattern notified by the Ministry of Labour and Employment.
4. In pursuance to the direction of Central Government, the allocation to ETF was increased so as to achieve 10% of investment in ETF by the end of the financial year 2015 -16. A total of Rs 14,983 crores was invested during 2015-16. Subsequently in the 218th CBT held on 27.05.2017 the investment percentage in ETF has been increased from 10% to 15%.
5. The Investment and notional return on ETF investments from **August 2015** to till **31st May 2018** is as under:

Scheme	Amount invested in Crores:- August 2015 to 31 st May 2018		Return in % (As on 31 st May 2018)	
	Nifty 50	Sensex	Nifty 50	Sensex
	SBI			
EPF	16,393.66	5,540.55	16.70%	17.64%

EPS	8,329.91	2,804.41	15.85%	16.82%
EDLI	618.79	212.88	17.47%	18.62%
PNG	474.28	172.19	16.40%	17.59%
SPF	32.59	24.37	17.25%	18.82%
Total SBI MF	34,603.64		16.69%	
UTI				
EPF	4,670.25	1,563.39	16.54%	18.67%
EPS	2,052.45	708.94	16.31%	18.44%
Total UTI MF	8,995.04		17.01%	

Scheme	CPSE (Amount invested in Crores)	Return in % (As on 31stMay 2018)
EPF	1359.09	7.94%
EPS	448.72	
Total	1807.81	

Scheme	Bharat 22 (Amount invested in Crores)	Return in % (As on 31stMay 2018)
EPF	1524.75	1.46%
EPS	500.00	
Total	2,024.75	

Grand Total	47,431.24	16.07%
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Proposal: The item is placed before the CBT for information.