

## Bajaj Allianz Ulip returns best among equity-oriented plans

Ashley Coutinho  
& Devanqi  
Gandhi

**Mumbai, July 18:** Most of the Ulip schemes have outperformed the Sensex in the three-year period ending May 2011, data compiled by Anand Rathi Insurance Brokers shows. Just six of the 35 schemes (or 17%) had underperformed the market during the period.

Five schemes from the Bajaj Allianz stable featured among the top 10 outperformers, with Bajaj Allianz Equity Midcap Plus Fund topping the chart with returns of 16.9% for a 3-year period on a CAGR basis. The scheme has an 80-100% allocation into equities and invests about 50% in the mid-cap space. The Sensex gave CAGR returns of 4.1% during this time.

Bajaj Allianz Pure Stock Fund (13.9%), Bajaj Allianz Accelerator Midcap Fund (11.4%), Bajaj Allianz Equity Midcap Fund (10.2%) and Bajaj Allianz Asset Allocation Fund (9.1%) are the remaining top 10 outperformers from the Bajaj Allianz stable. Three of these schemes have mid-cap theme.

"Risk levels are significantly higher in the mid-cap space. Having said that, mid-caps can deliver significantly higher returns compared to large caps in the medium to long-term," said Sashi Krishnan, CIO, Bajaj Allianz Life Insurance.

Other top performers that

### ULIP BEST PERFORMERS

(3-year horizon)

Scheme	3-year returns (CAGR %)	Investment allocation in equity (% of total)
Bajaj Allianz Equity Midcap Plus	16.9	80-100*
Bajaj Allianz Pure Stock	13.9	80-100
Birla Sunlife Multiplier	12.7	80-100
LIC Bima Plus Risk	12.1	not less than 50
Max New York Life Growth Super	11.5	70-100
Bajaj Allianz Accelerator Midcap	11.4	80-100*
SBI Life Equity Elite	10.7	60-100
Bajaj Allianz Equity Midcap	10.2	80-100*
HDFC Standard Life Equity managed-II	9.4	60-100
Bajaj Allianz Asset Allocation	9.1	0-100
<b>Sensex</b>	<b>4.1</b>	<b>100%</b>

Returns as on May 31, 2011

Source: Anand Rathi Insurance Brokers

\*50% in mid-cap

make up the list of top 10 Ulip schemes include Birla Sunlife Multiplier (12.7%), LIC Bima Plus Risk Fund (12.1%), Max New York Life Growth Super Fund (11.5%), SBI Life Equity Elite Fund (10.7%) and HDFC Standard Life Equity managed Fund II (9.4%). Most of the top performers have allocated 80-100% into equities. Ulips are Unit Linked Insurance Plans and for the sake of the return comparison, all equity-oriented plans were clubbed under the category 'growth'.

Schemes that have lagged market returns include Kotak Dynamic Growth (2.6%), Metlife Multiplier (3.1%), SBI Life Growth Fund (0.9%), Tata AIG Life Growth (3.2%) and

Tata AIG Life Equity (2.4%).

Krishnan insisted that there is no specific strategy for delivering top-notch returns. "There is no specific strategy for success. It depends on the right sector exposure, appropriate stock selection and suitable asset allocation," he said. According to Prashant Sharma, CIO of Max New York Life Insurance, having a long-term horizon helps. "We are not unduly worried by short-term market movements and work with a strict risk-return framework in mind."

Investment officers are aware of the headwinds. High inflation, rising interest rates and a fiscal deficit above comfort levels could easily derail India's growth story.