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Bajaj Allianz Ulip returns best among equity-oriented plans

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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
Sensex	**4.1**	**100%**

Returns as on May 31, 2011 *50% in mid-cap
Source: Anand Rathi Insurance Brokers

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 mar-ketduringthe period.

Five schemes from the Ba-jaj Allianz stable featured among the top 10 outperform-ers, with Bajaj Allianz Equity MidcapPlus 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 MidcapFund (11.4%), Bajaj Allianz Equity Midcap Fund(10.2%) andBajaj Allianz Asset Allocation Fund (9.1%) are the remaining top 10 outper-formers from the Bajaj Allianz stable. Three of these schemes haveamid-cap theme.

"Risklevelsare 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 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-orient-ed 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 deliv-eringtop-notchreturns. "There is no specific strategy for success. It depends on the right sector exposure, appropriate stock selection andsuitable assetallo-cation," he said. According to PrashantSharma.CIOof 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-re-turnframework in mind."

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