

Highest NAV..... Guaranteed!

PPFAS

Basic Features

- Defined tenure
 - Eg: 10 year ULIP, guarantee of first 7 years highest NAV
- Close ended structure
 - Either exit is barred
 - Or Guarantee is not operational on early exit
- Dynamic mix of Debt and Equity allocation

Asset allocation

- Depends on
 - Investment horizon (longer the horizon, more the risky asset (Equity))
 - Higher the interest rate on the risk free asset (debt) more the allocation to risky asset
- Asset allocation examined continuously (Daily, minute by minute?)

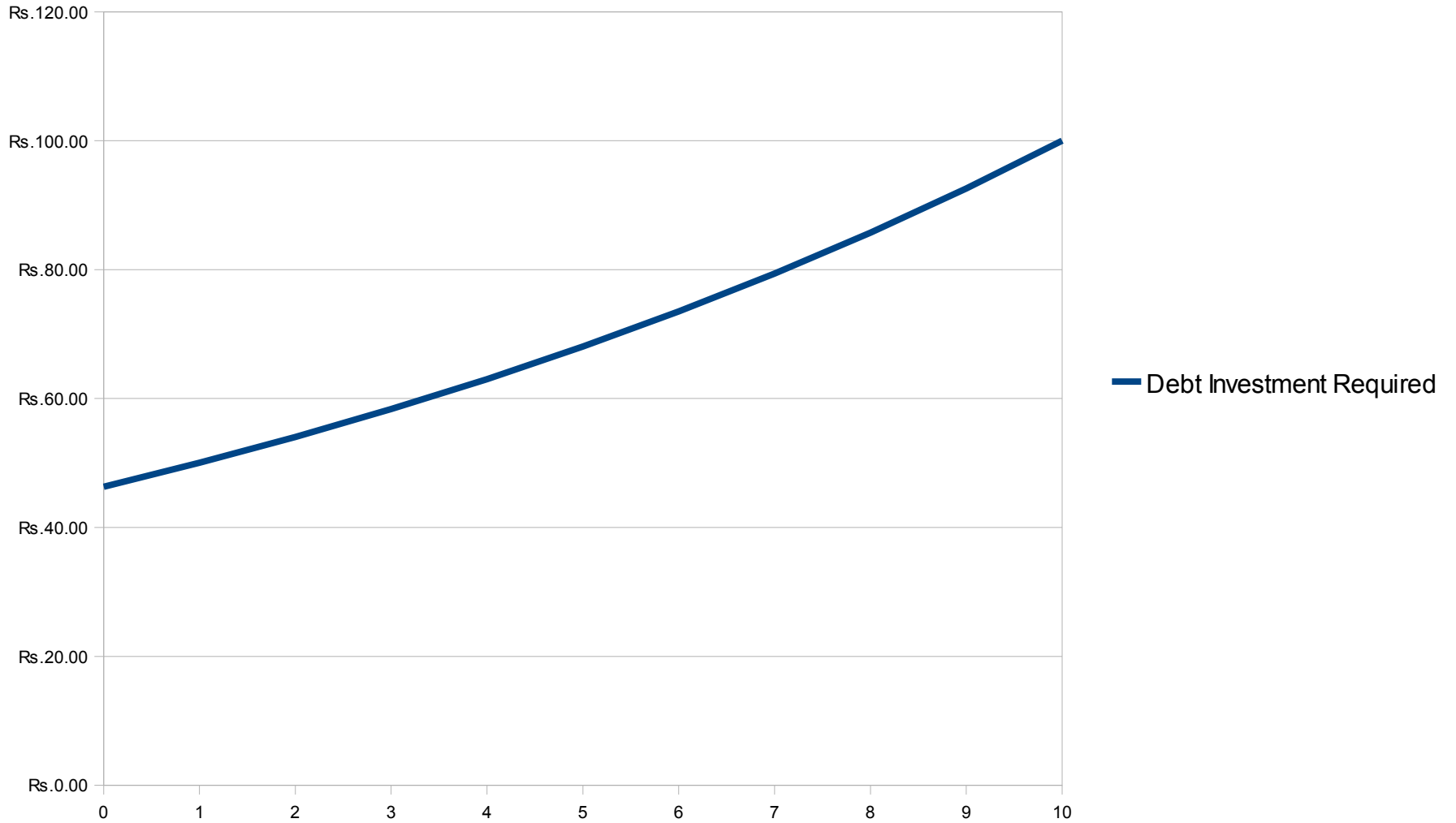
Example

- Defined tenure
 - Eg: 10 year ULIP, guarantee of highest NAV
- Close ended structure
 - Either exit is barred
 - Or Guarantee is not operational on early exit
- Interest rate of 8% p.a.

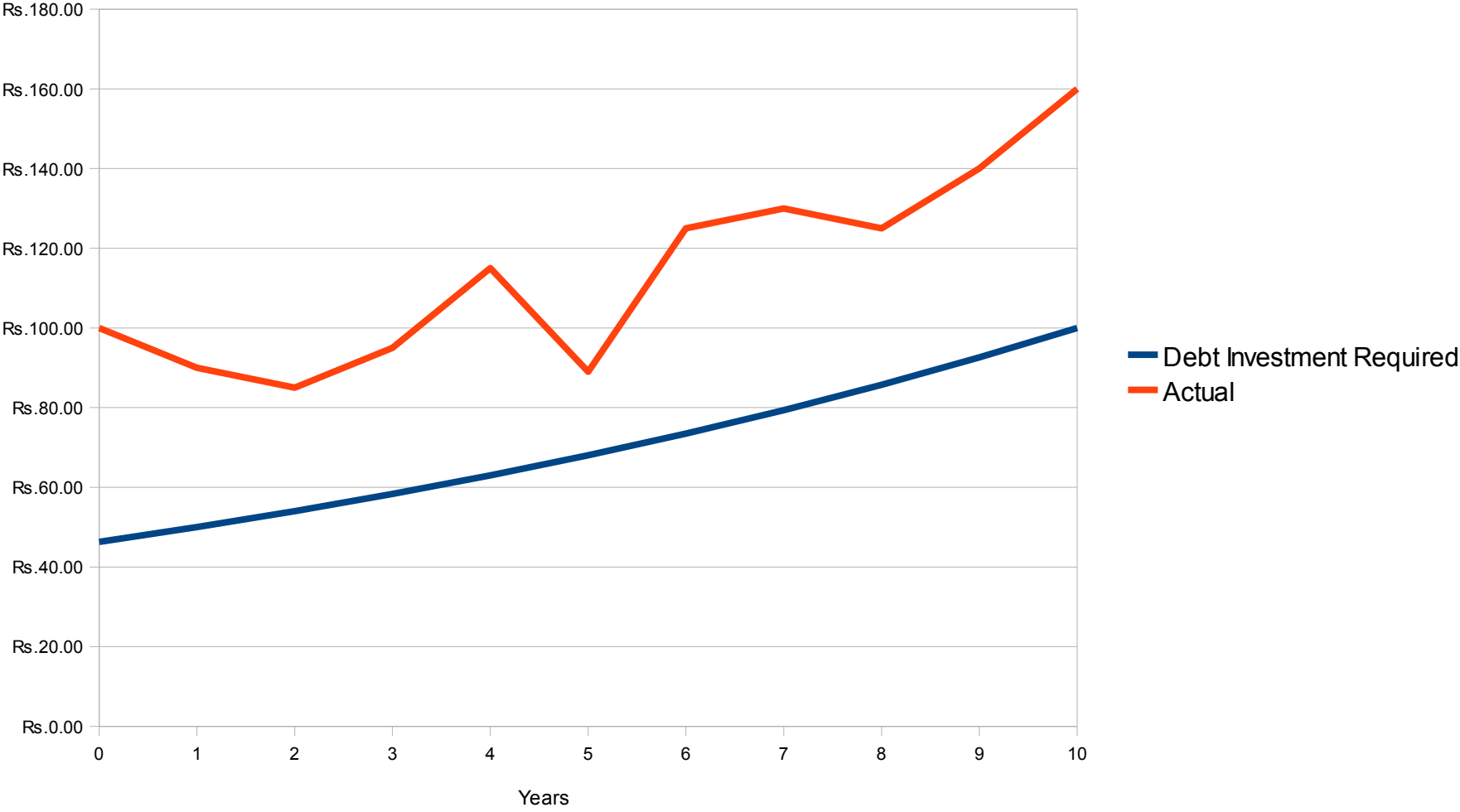
Understand CPPI

- Understand Capital Guarantee
- We will extend it to Highest NAV Guarantee
- Charts for Capital Guarantee

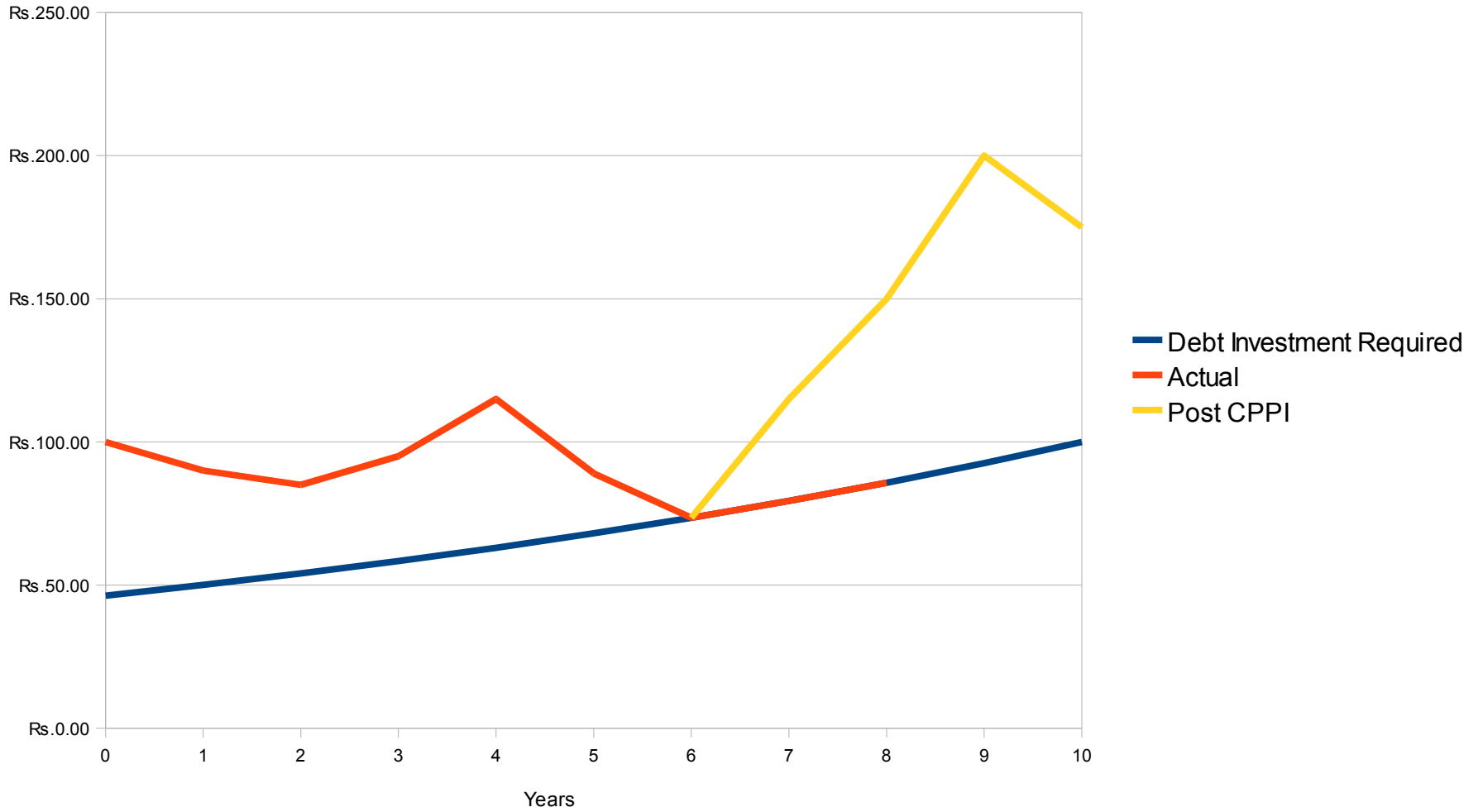
Minimum Threshold Portfolio Value



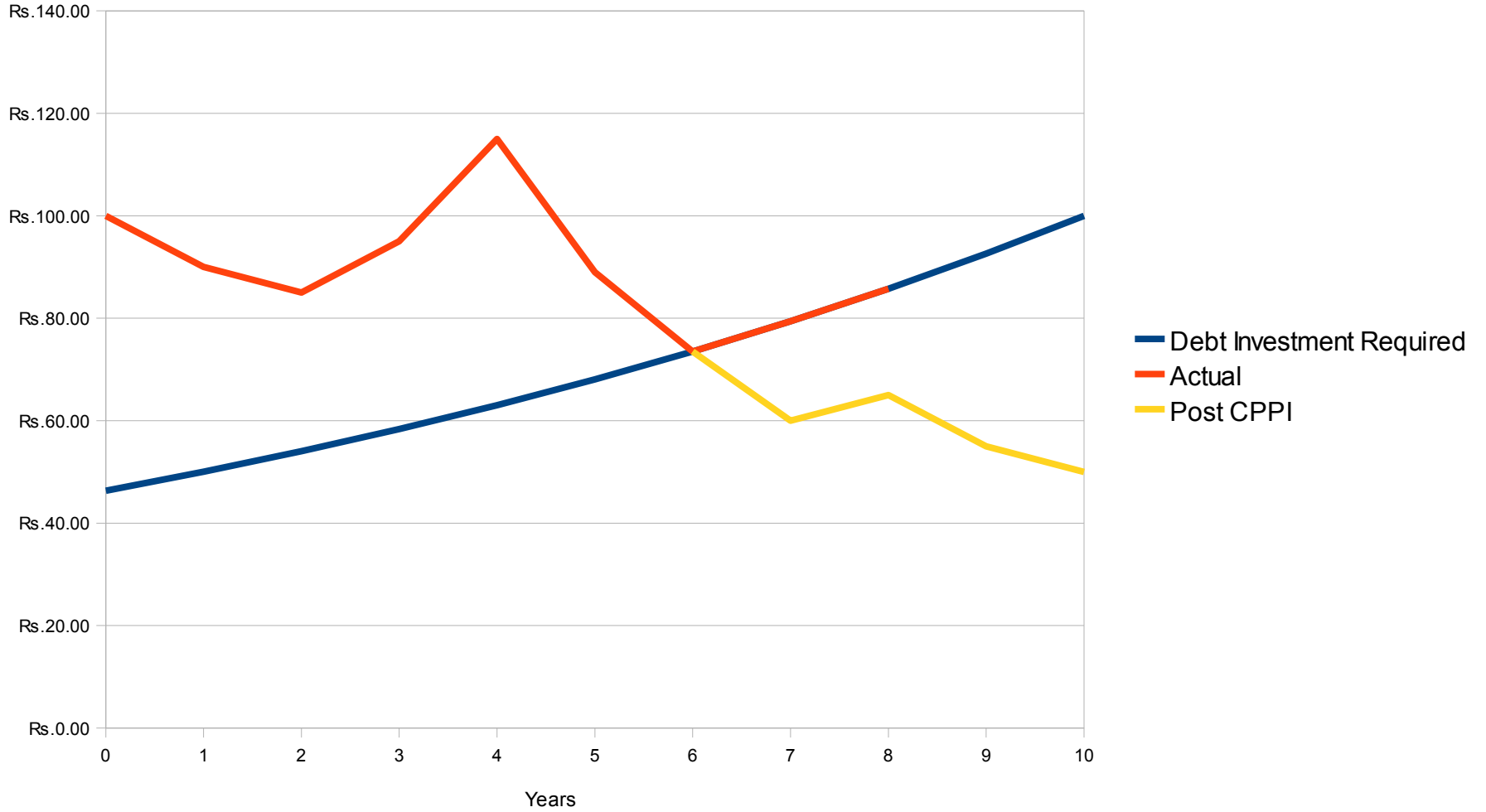
Rising Market



Volatile Market



Falling Market



Understand Highest NAV Guarantee

- Same principles basically
- Each High NAV becomes new “capital”
- Charts for High NAV Guarantee

Highest NAV Guarantee

