

# Endowment Supreme

THE POLICY FROM HDFC STANDARD LIFE IS COST-EFFICIENT AND PROVIDES HIGH LIFE COVER

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Endowment Supreme from HDFC Standard Life is a Type-II unit-linked plan (Ulip). It is suitable for investors who want sufficient life cover as both the sum assured and the fund value are paid upon the death of the insured. **Pay off.** Loyalty additions are paid at 50 per cent and 100 per cent of the average annualised premium for policies of periods of 10 years or longer. The entire fund value is paid on maturity. **Partial Withdrawal.** Withdrawals are allowed five years after commencement of policy. The minimum amount that can be withdrawn is Rs 10,000 and the maximum withdrawal limit is 300 per cent of the annualised premium. **Performance.** If a 35-year-old invests Rs 50,000 each year for a 15-year plan, then he will get a return of Rs 14,03,731 and Rs 10,27,612 for sum assured of Rs 5 lakh, with assumptions of 10 per cent and 6 per cent return and the entire fund invested in the equity fund.

## COST STRUCTURE

PREMIUM ALLOCATION RATES (per cent of regular annual premium invested)		
Premium Paid	Yearly/Half yearly (%)	Monthly (%)
<b>YEAR 1 (Rs)</b>		
■ 15,000 to 1,99,000	70	65
■ 2,00,000 to 4,99,999	75	70
■ 5,00,000 to 19,99,999	80	75
■ Over 20,00,000	87.5	82.5
<b>YEAR 2 (Rs)</b>		
■ 15,000 to 1,99,000	85	
■ 2,00,000 to 4,99,999		
■ 5,00,000 to 19,99,999		
■ Over 20,00,000		
<b>YEAR 3 (Rs)</b>		
■ 15,000 to 1,99,000	90	
■ 2,00,000 to 4,99,999		
■ 5,00,000 to 19,99,999		
■ Over 20,00,000	92.5	
<b>YEARS 4 &amp; 5</b>		
	100	
<b>YEAR 6 onwards</b>		
	105	
■ Fund management charges	1.25	
■ Policy administration charges	0.4 per cent per annum of annualised regular premium	

## FEATURES

■ Minimum entry age	18 years
■ Maximum entry age	65 years
■ Maximum age at which policy cover ceases	75 years
■ Policy term	10-30 years
■ Minimum annualised premium (Rs)	Annual 15,000
	Half yearly 8,000
	Monthly 2,000
■ Maximum annualised premium	No limit
■ Minimum sum assured	5 times annualised regular premium
■ Maximum sum assured (according to age limit)	40 times annualised regular premium

## EQUITY EXPOSURE

Funds	Equity Exposure (%)
■ Liquid Fund II	Nil
■ Stable Managed Fund II	Nil
■ Secure Managed Fund II	Nil
■ Defensive Managed Fund II	15-30
■ Balanced Managed Fund II	30-60
■ Equity Managed Fund II	60-100
■ Growth Fund II	90-100

## SURRENDER CHARGES

Policy Year	As % of fund value
■ 1	100
■ 2	50
■ 3	30
■ 4	15
■ 5	Nil

**Comparison.** Similar plans, such as Reliance Life Premier Basic Life, DLF Vishal Super Wealth Builder and Aviva New LifeSaver Plus have net yield of 7.81 per cent, 7.53 per cent and 7.22 per cent, respectively, for 10 per

cent gross yield. In comparison to these plans, the net yield for HDFC Endowment Supreme is 7.54 per cent.

**What to do.** We recommend you to invest in Type-II Ulips because they provide high life cover to investors. This particular policy is cost-efficient with an option to invest money in seven different funds and equity exposure ranging from 0-100 per cent. II

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