



JYOTI VASWANI is a market veteran with more than 20 years' experience in fund management and research in mutual fund and life insurance industries. A chartered financial analyst (CFA), Vaswani is now chief investment officer at Future Generali Life Insurance.

ULIPS ARE LONG-TERM INVESTMENTS



However, a large part of her career, 11 years, was spent at Aviva Life Insurance, where she was chief investment officer and director-fund management. Vaswani has also been equity fund manager for close to a decade at JM Mutual Fund and JM Financial Asset Management. She started as a research ana-

lyst at Prabhudas Liladher in 1993 and after a year moved to JM Stock Broking.

When she left Aviva in 2015, the insurer had assets under management of close to Rs 10,000 crore. In 2007-2008, she took a call that the markets were overheated and accordingly increased the cash component in the

Ulip funds. Her predictions proved right and her decisions saved Ulip funds from taking a big knock when the market gave a negative return of 50 per cent.

In 2014, she rightly predicted the pre- and post-election rallies and took a call to get long in equities, which helped her funds to outperform. "We rightly predicted that there would be a change in the government and that the stock markets would rally."

Before interest rates turned downwards in the second half of 2014, Vaswani started building on the rate cycle, which played out very well for the firm's debt funds.

Investment Strategy

Vaswani largely looks at companies with growth at reasonable valuations and a strong balance sheet. "It's a combination of bottom-up and top-down approach, but largely we tend towards the bottom-up approach. The focus is on quality management and cash flow generating robust business models," says Vaswani.

Her take on investing

Ulip is a long-term investment and policyholders need to continue to pay their premiums for the full policy tenure. "Sadly, what we have seen is that Ulip policyholders do not stay with their

policies for long. The full benefits of Ulips come in from the 10th year onwards, as the charges are front-loaded. However, a large number of customers redeem their policies in the second and third year and some even after the fifth year. This should not happen as customers will then get lower returns. People should realise that Ulips are long-term investments."

Vaswani says people should invest depending on their financial goals and their risk appetite and should be long-term investors to be able to create wealth. "They should not be affected by short-term aberrations."

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