MetLife®

peace of mind. guaranteed.

Met Invest

Gratuity Fund Performance

Monthly Fund Update, August '10

IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER

Economy

The month of August witnessed significant activity on the macro-economic front. The real GDP growth for first quarter (Apr-June 2010) of the current fiscal year came at 8.8%. The Index of Industrial Production (IIP) grew at 7.1% (Y-o-Y) for the month of June 2010, lower than the expected figure of 8.1%.

On the inflation front, WPI inflation moderated to 9.97%. The last week of August saw a 29% above average rainfall, which helped the cumulative rainfall deficit to narrow down to 2%. This has nearly confirmed expectations of a higher agricultural growth output and lower inflation going forward.

The trade deficit for the month of July was $12.9 billion. There was a significant decline in exports growth to 13.2% ($16.4 billion), largely due to lower demand from US and UK. Imports were up by 34.3% ($29.2 billion). The Rupee depreciated by 1.5% to 47.08 due to the widening trade deficit and Dollar appreciation against major currencies.

The month of August was little subdued on the global front with major indices reporting

negative returns on the back of poor macro-economic data. Mixed data continued to emanate from US, while Europe GDP growth remained stagnant. The expectation of soft interest rates and ample liquidity is likely to remain globally.

Among developed markets, Dow Jones and Nikkei declined by 4.3% and 7.5%, respectively. Emerging market indices also reported negative returns with Brazil declining by 3.5% and Taiwan by 1.9%. China remained flat while India continued to outperform with both Nifty and Sensex delivering positive returns of 0.6% each.

Despite volatility in global markets and mixed news flows from the US, FII equity flows remained positive with USD 2.3 billion of net buying in August. The total FII equity investment in 2010 (till date) stands at USD 12.8 bn.

EQUITY MARKET

Equity Market Outlook

Broad equity market indices were range bound throughout the month. Among the sectors, Consumer, Banking and Automobile outperformed the broader market with 7.1%, 5.6% and 4.6% returns respectively, while Oil and Gas, Power and Metals posted negative returns.

The Banking sector saw deposit as well as lending rate hikes by many leading banks, in a move to align rates as a result of RBI rate hikes. Oil sector saw a fall in the bell weather stock Reliance Industries, mainly due to a freeze in gas volumes from KG D6 basin. Vedanta Plc announced the takeover of Cairn India Ltd from parent Cairn Plc for nearly $10 billion. The Automobile sector continued to deliver strong volumes.

The macro-economic drivers of the economy are in good shape. We believe that the Indian growth story, which is largely domestic consumption driven, offers a better risk adjusted return for global investors. We expect FII inflows to continue.

Over the long term, we expect Indian market to outperform major emerging markets and garner a higher share of allocation from developed markets. The current market valuations appear to be reasonable, from a two year forward earnings perspective. However, one needs to keep a close watch on global developments. Significant turmoil in global markets has the potential to impact Indian equities adversely.

Fixed Income Market Outlook

The 10 year benchmark bond 7.80% GOI 2020 crossed the psychological level of 8%. Corporate bonds were range bound. The 10 year Corporate AAA benchmark yield was flat at 8.78% vs. 8.81% M-o-M. The spreads in this category compressed from 100 bps to 85 bps. The three month sovereign Treasury bills were trading at 6.05%, while the three months Certificate of Deposits were trading at around 7.05%, implying a spread of 100 bps. On the monetary front, liquidity situation was tight and both short and long term rates continued to rise.

The market is keenly awaiting the monthly inflation and IIP data. RBI's mid-term policy review is expected on September 16th. Market expects a hike in key policy rates in this policy. Over the next few months, there could be a few more rate hikes from RBI. These rate hikes are primarily aimed at tackling inflation to ensure that economic growth is sustained.

Liquidity is expected to remain tight due to RBI measures, regular government borrowing and no maturities in September. Tighter liquidity conditions and possible, further rate hikes are likely to keep the shorter end of yield curve at elevated levels. Regular government borrowing may push the yields higher. The 10 year 7.80% GOI 2020 is expected to trade around 8% with an upward bias in yields. Corporate bond yields are expected to follow the trend of Government securities.

UNIT-LINKED Fund

Gratuity Balanced

As on 31st August 2010

Investment Objective: To generate capital appreciation and current income, through a judicious mix of investments in equities and fixed income securities

Asset Classes

Government & other debt securities

Equities

Cash & Money Market

Investment Philosophy

The Fund will target 30% investments in Equities and 70% investments in Government & other debt securities to meet the stated objectives.

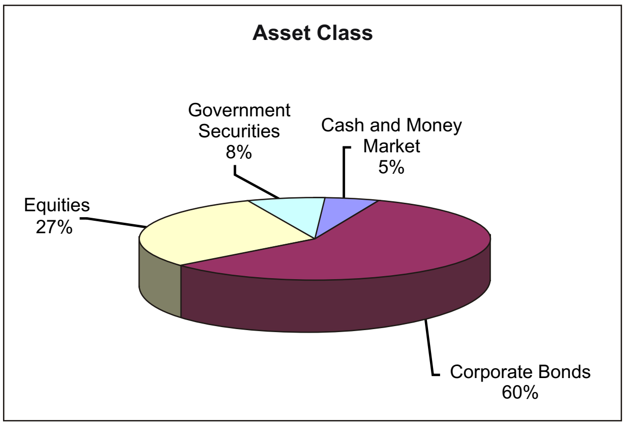
Portfolio Return

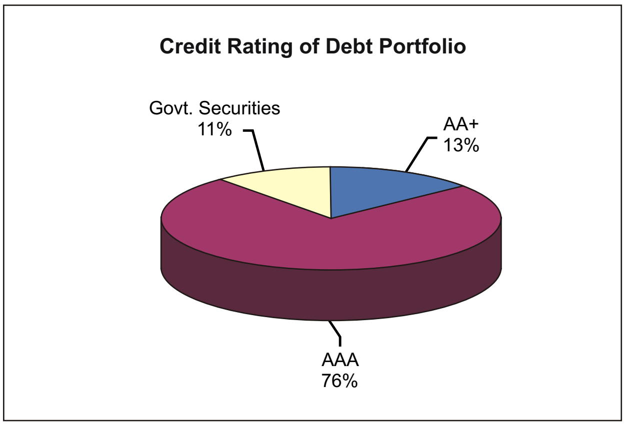
Returns	NAV	Benchmark
Last 1 year return	8.26%	8.78%
CAGR since inception	4.13%	3.36%

Past performance is not indicative of the future performance

Note: Benchmark has been calculated as per the target holding of the Fund i.e. 30% Equity and 70% Debt Securities

Security Type	***Benchmark Index***
Equity	S&P CNX NIFTY
Debt	CRISIL Composite Bond Fund Index

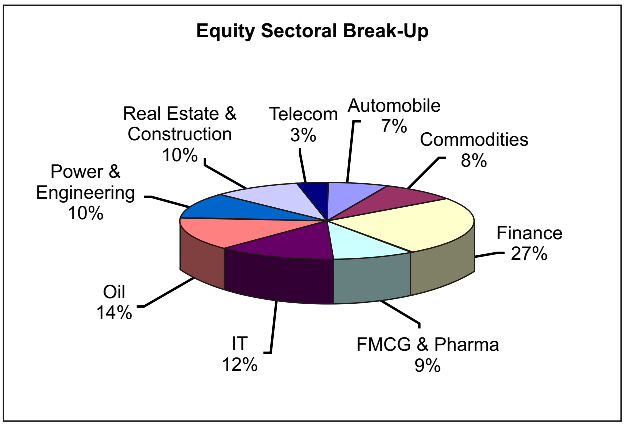




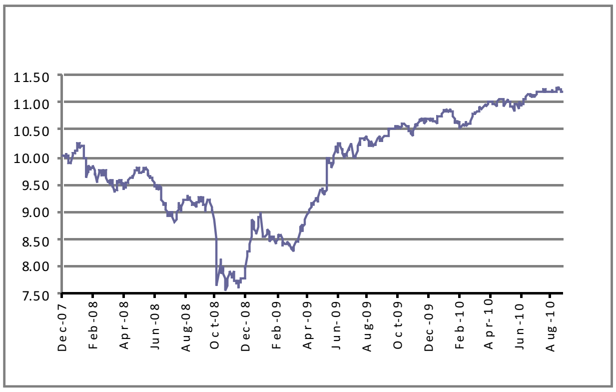
(Portfolio as on 31st August 2010)

Security Name	Wt (%)	Rating
Government Securities	**7.70%**	
GOI 2032	2.93%	Sovereign
GOI 2011	2.32%	Sovereign
SDL Maharashtra 2019	1.39%	Sovereign
SDL Punjab 2019	1.07%	Sovereign
Corporate Bonds	**59.98%**	
Reliance Gas Transport Infrastructure	8.41%	AAA
Reliance Capital Limited	7.60%	AAA
SAIL	7.49%	AAA
Bajaj Auto Finance Ltd	5.74%	AA+
IL&FS	5.25%	AAA
Tech Mahindra	4.39%	AAA
ICICI Bank Ltd	3.55%	AAA
Power Grid Corporation	3.44%	AAA
LIC Housing Finance Company Ltd	3.20%	AAA
Power Finance Corporation Ltd	2.68%	AAA
Larsen & Toubro Ltd	2.61%	AAA
Reliance Energy	2.19%	AA+
HDFC	2.00%	AAA
Others	1.45%	
Equities	**27.48%**	
Reliance Industries Ltd	2.14%	
Infosys Technologies	2.11%	
Larsen & Toubro Ltd	2.05%	
ICICI Bank Ltd	1.84%	
ITC Ltd	1.83%	
State Bank Of India	1.52%	
HDFC Bank Ltd	1.19%	
BHEL	1.04%	
Others	13.76%	
Cash and Money Market	**4.85%**	
Total	**100.00%**	

Note: 'Others' comprises of combined exposure to companies with less than or equal to 1% weightage in Portfolio



NAV Movement Since Inception



(Date of inception: 06-December-2007)

UNIT-LINKED Fund

Gratuity Debt

As on 31st August 2010

Investment Objective: To earn regular income by investing in high quality fixed income securities.

Asset Classes

Government & other debt securities

Cash & Money Market

Investment Philosophy

The Fund would target 100% investments in Government & other debt securities to meet the stated objectives.

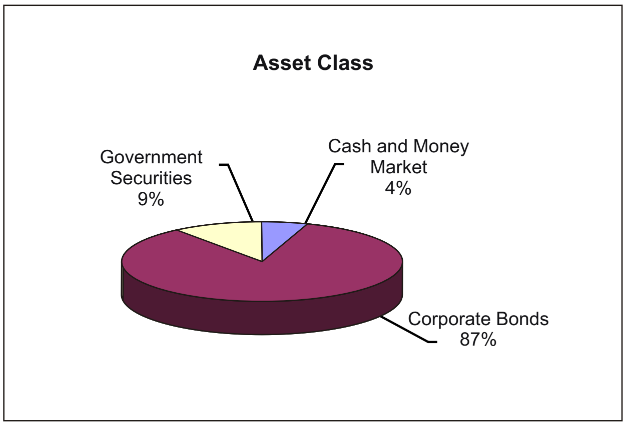
Portfolio Return

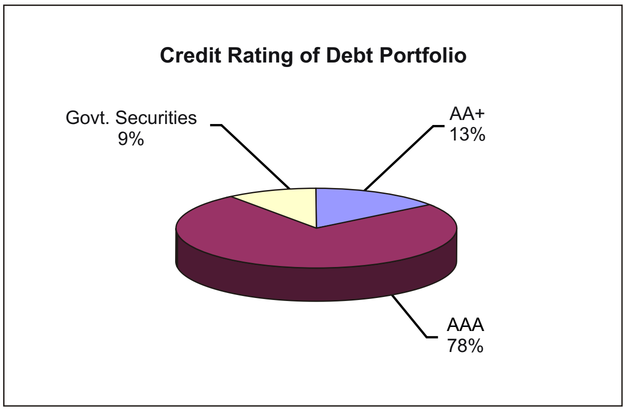
Returns	NAV	Benchmark
Last 1 year return	7.28%	5.73%
CAGR since inception	**14.13%**	**7.63%**

Past performance is not indicative of the future performance

Note: Benchmark has been calculated as per the target holding of the Fund i.e. 100% Debt Securities.

Security Type	***Benchmark Index***
Debt	CRISIL Composite Bond Fund Index



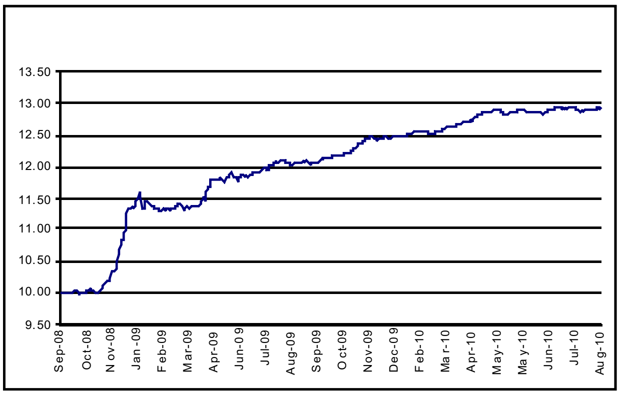


(Portfolio as on 31st August 2010)

Security Name	Wt (%)	Rating
Government Securities	**8.70%**	
SDL AP 2020	7.42%	Sovereign
Others	1.29%	
Corporate Bonds	**86.66%**	
Reliance Gas Transport Infrastructure	9.23%	AAA
LIC Housing Finance Company Ltd	8.70%	AAA
Tech Mahindra	8.68%	AAA
HDFC	8.55%	AAA
Reliance Capital Limited	8.53%	AAA
L&T Finance Ltd	8.51%	AA+
Rural Electrification Corporation	8.28%	AAA
IL&FS	8.21%	AAA
Power Grid Corporation	7.01%	AAA
Power Finance Corporation Ltd	6.88%	AAA
Bajaj Auto Finance Ltd	3.86%	AA+
Others	0.21%	
Cash and Money Market	**4.64%**	
Total	**100.00%**	

Note: 'Others' comprises of combined exposure to companies with less than or equal to 1% weightage in Portfolio

NAV Movement Since Inception



(Date of inception: 16-September-2008)

peace of mind. guaranteed.

MetLife India Insurance Co. Ltd..
(Insurance Regulatory and Development Authority,
Life Insurance Registration No.117)
Registered Office: 'Brigade Seshamahal',
5 Vani Vilas Road,
Basavanagudi, Bangalore-560004.
Tel: +91 80-2643 8638.
Toll Free: 1-800-425-6969
www.metlife.co.in

MetLife India Insurance Co. Ltd. Insurance is the subject matter of the solicitation. LD/2010-11/EC215/381.
• For more details on risk factors, terms and conditions, please read product sales brochure carefully before concluding a sale • Unit-Linked Life Insurance products are different from the traditional insurance products and are subject to the risk factors • The premium paid in Unit- Linked Life Insurance Policies are subject to investment risks associated with capital markets and the NAVs of the units may go up or down based on the performance of Fund and factors influencing the capital market and the insured is responsible for his/her decisions • The name of Insurance Company and the name of the Unit-Linked Life Insurance contract does not in any way indicate the quality of the contract, its future prospects or returns. Please know the associated risks and the applicable charges, from your Insurance agent or the Intermediary or the Policy Document • The various Funds offered are the names of the Funds and do not in any way indicate the quality of these plans, their future prospects and returns. The Unit-Linked Funds don't offer a guaranteed or assured return.

The fund update provided by MetLife India Insurance Company Limited (“MetLife”) is for general informational purposes only. This information is not intended as investment advice, or as an endorsement, recommendation or sponsorship of any company, security, or fund. The opinions and analyses included in the information are based from sources believed to be reliable and written in good faith, but no representation or warranty, expressed or implied is made as to their accuracy, completeness or correctness. MetLife cannot and do not assess or guarantee the suitability or profitability of any particular investment, or the potential value of any investment or informational source. You should seek the advice of a qualified securities professional before making any investment. The information contained herein does not suggest or imply and should not be construed, in any manner, a guarantee of future performance. Past performance does not guarantee future results.

“S&P®” and “Standard and Poor's®” are trademarks of Standard and Poor's Financial Services LLC (“S&P”), and have been licensed for use by India Index Services & Products Limited in connection with the S&P CNX Nifty Index. “The Gratuity Balanced Fund is not sponsored, endorsed, sold or promoted by India Index Services & Products Limited ("IISL") or Standard & Poor's ("S&P"), a Delaware limited liability company. Neither IISL nor S&P makes any representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Gratuity Balanced Fund.

The Fund is not sponsored, endorsed, sold or promoted by India Index Services & Products Limited (IISL). IISL does not make and expressly disclaims any representation or warranty, express or implied (including warranties of merchantability or fitness for particular purpose or use) regarding the advisability of investing in the Fund linked to S&P CNX Nifty Index or particularly in the ability of the S&P CNX Nifty Index to track general stock market performance in India.