

Unit-Linked Insurance Plans

(Met Smart Plus, Met Smart Premier, Met Advantage Plus & Met Easy)

Quarterly Fund Update, January - March, 08

(In these policies the investment risk in investment portfolio is to be borne by the policy holder)

MetLife[™]
peace of mind. Guaranteed.



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peace of mind. Guaranteed.

MetLife India Insurance Co. Ltd.
(Insurance Regulatory and Development Authority,
Life Insurance Registration No. 117)
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Toll Free: 1-800-425-6969.
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Insurance is the subject matter of the solicitation. LD/2008-09/47.

• Unit-Linked life insurance products are different from traditional insurance products and are subject to risk factors • The premium paid in Unit-Linked Insurance Policies are subject to investment risks associated with Capital Markets and the NAVs of the units may go up and down based on the performance of funds and factors influencing the Capital Market and the insured is responsible for his/her decisions • MetLife India Insurance Co. Ltd. is only the name of the Insurance Company and Met Smart Plus, Met Smart Premier, Met Easy & Met Advantage Plus are only the names of the Unit-Linked insurance contracts and do not in any way indicate the quality of the contracts, its future prospects and returns • 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 • For more details on risk factors, terms and conditions please read sales brochure of Product carefully before concluding a sale. Please know the associated risks and the applicable charges, from your Insurance agent or the Intermediary or policy document. • The Unit Linked Funds do not offer a guaranteed or assured return. • The names of the Unit Linked Funds and their objectives do not in any manner indicate the quality of the fund, their future prospects or returns.



Our Funds are doing well

Dear Policyholder,

We are happy to share our latest fund update for the Q1'08.

The Indian life insurance industry continues to do well. MetLife is no different. We began the year 2008 on a positive note. The year saw us amongst the fastest growing companies in the Indian Life Insurance industry.

We want you to know that it is you who has made this success possible for us. Hence, during the recent fluctuations witnessed in the Indian stock market, it is important for us to make you understand the pros and cons of all investment options available to you.

Historical trends show that though equity markets are likely to show a positive trend in the long run, they may be volatile in the short run. Therefore, it is extremely difficult to rightly time the entry or exit in the market and form a sustainable investment strategy. One of the reliable ways to earn superior returns is to stay invested in the market for a fairly long time horizon.

At MetLife, we have a capable fund management team that follows fundamentally sound investing principles. It invests your funds into a well diversified set of instruments which ensures that your funds are not exposed to risks associated with individual scrips and sectors.

We assure you that we will always strive to raise the bar in our service and product offerings so that our customers get "Peace of Mind. Guaranteed."

Thank You for your continued support to MetLife.

Rajesh Relan
Managing Director

EQUITY MARKET

The Market that was...

The month of March saw further declines in the Indian equity markets. The NSE 50 declined by more than 9% during the month and 22.94% YTD. Small and mid caps underperformed significantly and the BSE small cap index fell by more than 18% in March. Sentiments in global markets continued to be negative and had its effect on the Indian markets. The takeover of Bear Sterns by JP Morgan and the US Fed rate cut soothed sentiments to some extent and equity markets recovered marginally in the last week of the month. For the quarter, the worst performing sectors were Realty, Banking, Metals, Power and Capital goods. All these sectors were the best performing sectors in the second half of 2008. The FMCG sector was the star performer of the quarter with many stocks in the sector posting gains. Market volumes and investor interest remained weak. Inflation as measured by the WPI, for the week ending March 22, increased by 1.89 points from the rate of 5.11% a month ago. This has increased the likelihood of government intervention in various sectors to curb prices in an effort to curb inflation. These measures are likely to dominate sentiments in the coming weeks. The higher inflation rate also implies that interest rates might not soften as was largely expected by the markets.

Way Forward...

In the short term, factors such as global capital inflows, macro economic factors such as inflation, RBI's fiscal and monetary measures, corporate results (including quantum of provisions likely to be disclosed by Banks as well as Corporates on account of derivatives exposure, next year guidance provided by IT companies) and the Sixth Pay commissions report will dictate the direction of equity markets.

Post the recent correction, Indian markets are now attractively valued at around 15 times FY09 earnings. Given the strong fundamentals such as GDP size of USD 1 trillion, savings rate of 35 percent, investments rate of 35 percent and the expected robust economic expansion (7-8 percent long term GDP growth), India is still one of the most attractive investment destination on a long term basis.

Our Strategy

While the volatility induced by global markets remains a key near term driver, the Indian markets are seeing some fresh concerns on slowing growth. The GDP growth rate for the year ending March 2009 is expected to be lower than the year ending March 2008. While the growth rate has slowed down, the growth is still decent on an absolute basis. The theme of capital expenditure and infrastructure build is a multi-year theme. Measures in the Union Budget and the 6th pay commission will boost consumer spending which was weak last year. We believe that earnings growth of 15-20% will be possible for the next few years. Hence, we believe that the current market levels provide an attractive entry point for long term investors. We advise investors not to get unduly swayed by volatile periods and invest with a long term view.

Disclaimer: The above statements are prepared as per our analysis of the market and forecast and they do not constitute an expression of opinion or a recommendation by MetLife India for investment/disinvestment or alteration of any existing investment. These are market reports giving a fair idea to the customer on the market condition and the expected market conditions. Customers are advised to consult their own Investment Advisors before they take any decision based on the above representations. MetLife India, therefore, cannot be held liable for any losses, expenses or costs arising out of the decision taken by the customer based on the above representations.



FIXED INCOME

The Market that was...

Government bond yields registered a fall during January on account of rate cut expectations in the monetary policy meet. However, inflationary concerns prompted the Central Bank to hold rates in January policy meeting, despite moderation in GDP growth. In a reaction to this, the government bond yields moved up by 20 basis points. After a lackluster month of Feb, the bond yields shot up sharply in March as higher inflation numbers spooked the bond market. Expectation turned a full circle in the quarter as market players feared a rate hike at the end of March, as against expecting a rate cut in January. Over the quarter 10-year yields rose 16 bps to close at 7.95, after touching a low of 7.35 in January.

Inflation: WPI inflation continued to trend higher on account of rising commodity prices. Apart from high oil prices, rising food and steel prices pushed up the inflation. While the Government has announced a slew of measures to control inflation, the near-term pressures remain. Going forward in the next quarter, headline inflation is expected to remain at relatively higher levels on account of high commodity prices and waning base impact.

Liquidity: Domestic liquidity situation remained easy in early part of the year. The liquidity however tightened significantly in March, on financial year end considerations. Given the high inflation, Central Bank is likely to monitor liquidity situation carefully and may resort to Monetary Stabilization Bonds to keep liquidity under control.

Global interest rate: The global interest rates environment remained supportive for the bond market on account of poor economic data, US sub prime market related worries and a weakness in the equity market. The United States 10-year benchmark yield eased from 4.06% to 3.43% during the quarter. US FOMC cut the federal target funds rate by 200 basis points in the quarter to forestall adverse effects on the broader economy. The Central Bankers in Euro region along with UK reiterated their stance to nurture growth, in the background of sub prime woes, with an eye on inflationary pressures. China raised its reserve ratio to curb demand as Chinese economy witnessed unprecedented levels of inflation.

Monetary Policy: The Central Bank was careful not to accede to the expectation of market for a rate cut in January Policy. Since then, inflation has spiked by over 300 bps, while economic growth continues to be on the lower side. The monetary policy due in April will be set in this background, and the Central Bank will have the challenge of balancing the conflicting expectations of supporting growth while controlling inflation.

Forex: India's Forex reserves stood at a robust \$ 304 billion. The INR lost ground vis-à-vis USD as FII flows turned negative and the current account deficit widened on high oil prices.

Way Forward

Inflation is likely to keep the markets on tenterhooks for the next quarter. The headline inflation number is unlikely to subside on account of high commodity prices and waning base impact. Government is likely to continue with supply side measures to tame inflation. While near-term outlook on bonds remains uncertain, we believe that over the course of year, bond yields will be headed lower on slowing economic momentum and lower global rates. After recent widening in spreads, corporate bonds appear attractive.

Our Strategy

With the lowering of yields, we expect the fixed income portfolio to perform in the upcoming quarter.

Source: RBI WSS & Bloomberg

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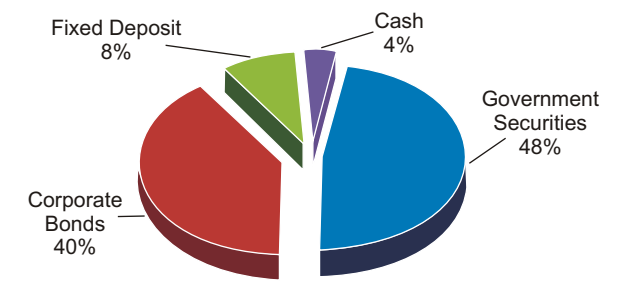


Unit-Linked Fund

Protector

To earn regular income by investing in high quality fixed income securities

Asset Allocation Pattern	
Government and other Debt Securities	25-90%
Equities	0%
Cash and Money Market	0-40%
Asset Mix	

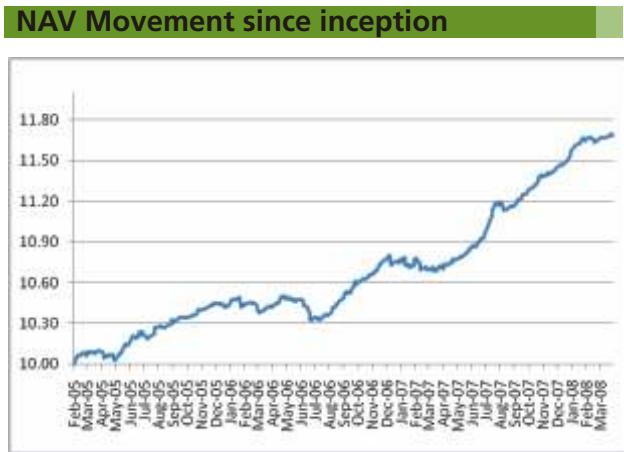


Portfolio Returns		
Returns	NAV	Benchmark
Last 1 Month Return	0.3%	0.0%
Last 2 Months Return	0.4%	0.0%
Latest Quarterly Return	1.3%	1.0%
Last 12 Months Return	9.0%	8.3%
Last 2 Years (CAGR)	5.9%	6.0%
Last 3 Years (CAGR)	5.0%	5.1%
CAGR since inception	5.1%	5.2%

Past performance is not indicative of the future performance

Note: Benchmark has been calculated as per the target holdings of the fund i.e. 100% Debt

Security Type	Benchmark Index
Debt	CRISIL Composite Bond Fund Index



(Date of Inception: 4-Feb-2005)

(Portfolio as on March 31, 2008)

Security	Wt (%)	Rating
Debt		
Government Securities	47.5%	
7.59% GOI OIL BOND	13.6%	SOV
10.95% GOI 2011	1.9%	SOV
6.96% GOI OIL BOND	9.6%	SOV
8.13% GOI OIL BOND	3.1%	SOV
GOI LOAN 7.38% 2015	0.1%	SOV
GOI OIL BOND 8.20% 2024	2.5%	SOV
GOI 8.33% 2036	16.8%	SOV
Electricity Distribution & Generation	9.6%	
POWER GRID CORPORATION	2.9%	AAA
NTPC	4.2%	AAA
PFC 9.25% 2012	1.0%	AAA
RELIANCE ENERGY	1.5%	AAA
Housing Finance	7.4%	
HDFC	7.4%	AAA
NBFC	15.2%	
CITIFINANCIAL CONSUMER FINANCE	5.2%	AAA
MAHINDRA & MAHINDRA FINANCIAL SERVICES	2.9%	AA+
GE MONEY FINANCIAL	4.7%	AAA
L & T FINANCIAL	2.3%	CAREAA+
Banking Services	3.7%	
ICICI BANK	3.7%	AAA
Other Finance	4.2%	
IDFC	3.1%	AAA
IL & FS	1.1%	AAA
Total Debt	87.7%	
Money Market	8.5%	
Cash and Equivalants	3.8%	
Grand Total	100.0%	

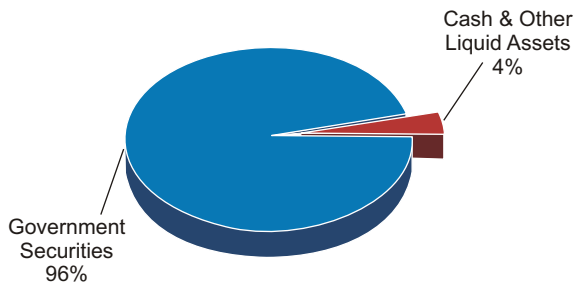


Unit-Linked Fund

Preserver

To generate income at a level consistent with preservation of capital, through investments in securities issued or guaranteed by central and state Governments.

Asset Allocation Pattern	
Government & Govt. Guaranteed Securities	80-100%
Equities	0%
Cash and Money Market	0-40%
Asset Mix	

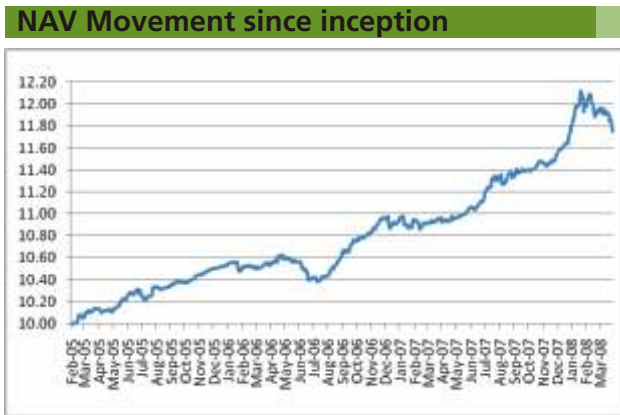


Portfolio Returns		
Returns	NAV	Benchmark
Last 1 Month Return	-1.6%	-0.4%
Last 2 Months Return	-1.9%	0.1%
Latest Quarterly Return	0.2%	1.5%
Last 12 Months Return	7.2%	9.8%
Last 2 Years (CAGR)	5.6%	7.2%
Last 3 Years (CAGR)	5.0%	6.0%
CAGR since inception	5.3%	6.03%

Past performance is not indicative of the future performance

Note: Benchmark has been calculated as per the target holdings of the fund i.e. 100% Debt (Government Securities)

Security Type	Benchmark Index
Debt	I-Sec-Mi-BEX



(Date of Inception: 10-Feb-2005)

(Portfolio as on March 31, 2008)

Security	Wt (%)	Rating
Debt		
10.25% GOI 2021	23.6%	SOV
7.38% GOI 2015	7.0%	SOV
GOI LOAN 7.95% 2032	20.2%	SOV
GOI LOAN 8.35% 2022	26.4%	SOV
GOI OIL BOND 8.20% 2024	3.8%	SOV
GOI LOAN 10.95% 2011	3.0%	SOV
GOI 6.96% (SPEC SEC - OIL CO. SPL	6.9%	SOV
7.59% OIL. MKT. COS.GOI BOND	5.3%	SOV
Total Debt	96.1%	
Cash & Other Liquid Assets	3.9%	
Grand Total	100.00%	

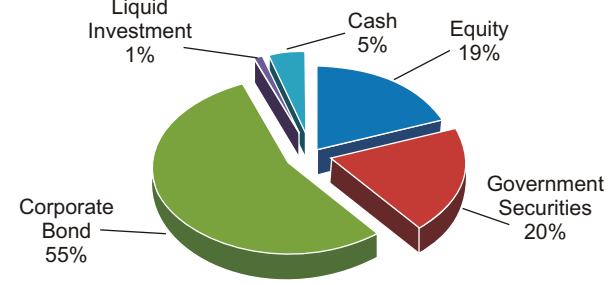


Unit-Linked Fund

Moderator

To generate regular income by investing in high quality fixed income securities and to generate capital appreciation by investing a limited portion in equity.

Asset Allocation Pattern	
Government & Govt. Guaranteed Securities	10-100%
Equities	10-30%
Cash and Money Market	0-40%
Asset Mix	

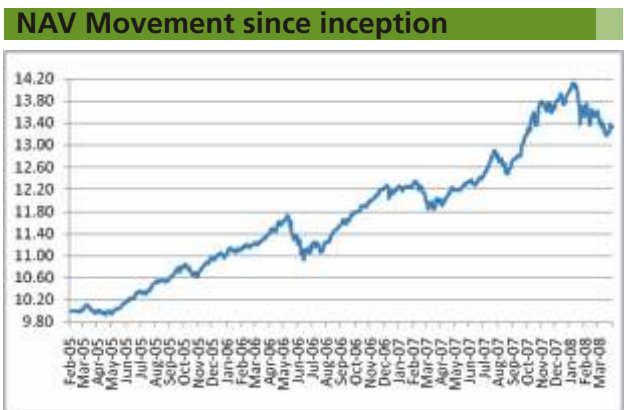


Portfolio Returns		
Returns	NAV	Benchmark
Last 1 Month Return	-2.0%	-1.90%
Last 2 Months Return	-1.6%	-1.6%
Latest Quarterly Return	-4.8%	-3.7%
Last 12 Months Return	10.8%	11.4%
Last 2 Years (CAGR)	8.1%	8.5%
Last 3 Years (CAGR)	10.0%	11.7%
CAGR since inception	9.5%	11.2%

Past performance is not indicative of the future performance

Note: Benchmark has been calculated as per the target holdings of the fund i.e. 20% Equity & 80% Debt Securities

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



(Date of Inception: 08-Feb-2005)

(Portfolio as on March 31, 2008)

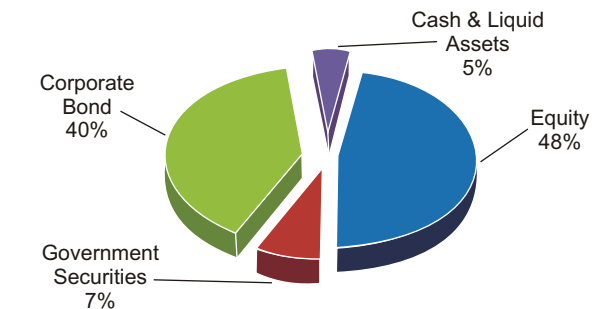
Security	Wt (%)	Rating
Debt		
Electricity Distribution	1.9%	
RELIANCE ENERGY	0.5%	AAA
POWER GRID CORP 12.25% 2008	1.3%	AAA
Electricity Generation	3.8%	
NTPC	3.8%	AAA
Government Securities		
10.25% GOI 2021 M.D. 30/05/2021	6.8%	SOV
7.59% OIL COMP GOI BONDS 23/03/2015	3.0%	SOV
7.38% GOI 2015 (M.D. 03.09.2015)	1.9%	SOV
GOI OIL BOND 8.20% 2024	1.0%	SOV
GOI 6.96% (SPEC SEC - OIL CO. SPL	6.2%	SOV
8.13% GOI OIL Bond 2021	0.4%	SOV
GOI LOAN 10.95% 2011	0.9%	SOV
Housing Finance	12.1%	
HDFC	12.1%	AAA
NBFC	28.2%	
CITIFINANCIAL CONSUMER FINANCE	8.9%	AAA
MAHINDRA & MAHINDRA FINANCIAL SERVICES	4.9%	AA+
GE MONEY FINANCIAL	5.4%	AAA
L & T FINANCIAL	9.0%	CAREAA+
Other Finance		
IL&FS	5.4%	AAA
IDFC	2.3%	AAA
Power Finance Corporation	1.1%	AAA
Total Debt	75.1%	
Equity		
Aluminium	0.1%	
HINDALCO LTD	0.1%	
Automobile	0.6%	
MARUTI SUZUKI INDIA LIMITED	0.2%	
TATA MOTORS LIMITED	0.2%	
BAIJAJ AUTO LTD	0.1%	
MAHINDRA & MAHINDRA LTD	0.2%	
Banking Services	2.2%	
ICICI BANK LTD	1.0%	
STATE BANK OF INDIA	0.8%	
HDFC BANK LTD	0.3%	
PUNJAB NATIONAL BANK	0.1%	
Cement	0.2%	
AMBUJA CEMENT LTD	0.1%	
ACC	0.1%	
Copper & Copper Products	0.4%	
STERLITE INDUSTRIES	0.4%	
Crude Oil	1.5%	
OIL AND NATURAL GAS	1.3%	
CAIRN INDIA LTD	0.2%	
Diversified	1.2%	
HINDUSTAN UNILEVER LTD	0.4%	
GRASIM INDUSTRIES LTD	0.3%	
ITC LTD	0.6%	
Housing Construction	0.1%	
UNITECH LIMITED	0.1%	
Electricity Distribution & Generation	1.5%	
TATA POWERS LTD.	0.2%	
RELIANCE ENERGY	0.4%	
NTPC	1.0%	
Electrical Equipments	0.3%	
SIEMENS LIMITED	0.1%	
ABB LTD	0.2%	
Housing Finance	0.5%	
HDFC	0.5%	
Information Technology	2.1%	
INFOSYS TECHNOLOGIES	0.8%	
TATA CONSULTANCY LTD.	0.6%	
WIPRO	0.3%	
HCL TECHNOLOGIES LIMITED	0.1%	
SATYAM COMPUTER SERVICES LIMITED	0.3%	
Media & Broadcasting	0.1%	
ZEE ENTERTAINMENT ENTERPRISE	0.1%	
DISH TV	0.0%	
Pharmaceuticals	0.5%	
SUN PHARMACEUTICALS INDUSTRIES LTD	0.2%	
DR. REDDY'S LABORATORIES LTD	0.1%	
RANBAXY LABORATORIES LTD.	0.2%	
Prime Movers	0.8%	
BHEL	0.8%	
Refinery	2.2%	
RELIANCE INDUSTRIES	2.2%	
RELIANCE PETROLEUM LIMITED	0.5%	
Steel	1.1%	
SAIL	0.5%	
TATA IRON AND STEEL	0.6%	
Telecommunication	1.8%	
BHARTI TELEVENTURES LTD	0.9%	
RELIANCE COMMUNICATIONS LIMITED	0.7%	
TATA COMMUNICATIONS LTD	0.2%	
Turnkey Projects	0.7%	
LARSEN & TOUBRO LTD	0.7%	
Trading	0.3%	
GAIL (INDIA) LTD	0.3%	
Others	0.1%	
Total Equity	19.2%	
Money Market	1.1%	
Cash & Other Liquid Assets	4.7%	
Grand Total	100.0%	

Unit-Linked Fund

Balancer

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

Asset Allocation Pattern	
Government and other Debt Securities	10-60%
Equities	35-65%
Cash and Money Market	0-40%
Asset Mix	

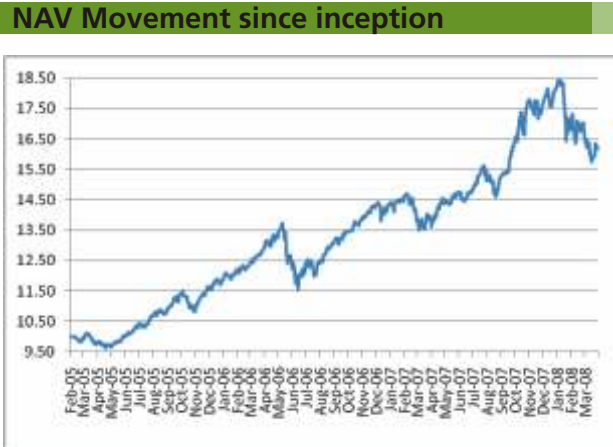


Portfolio Returns		
Returns	NAV	Benchmark
Last 1 Month Return	-4.7%	-4.7%
Last 2 Months Return	-3.8%	-3.9%
Latest Quarterly Return	-11.1%	10.9%
Last 12 Months Return	15.8%	16.1%
Last 2 Years (CAGR)	11.7%	12.1%
Last 3 Years (CAGR)	18.0%	20.3%
CAGR since inception	16.5%	19.2%

Past performance is not indicative of the future performance

Note: Benchmark has been calculated as per the target holdings of the fund i.e. 50% Equity & 50% Debt Securities.

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



(Date of Inception: 08-Feb-2005)

(Portfolio as on March 31, 2008)

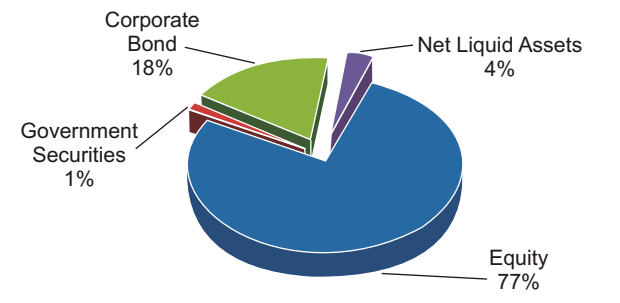
Security	Wt (%)	Rating
Equities	0.1%	
Aluminium	0.1%	
HINDALCO LTD	0.1%	
Automobiles	1.5%	
MARUTI SUZUKI INDIA LIMITED	0.5%	
TATA MOTORS LIMITED	0.4%	
BAJAJ AUTO LTD NEW	0.1%	
MAHINDRA & MAHINDRA LTD	0.4%	
Banking Services	4.6%	
ICICI BANK LTD	1.7%	
STATE BANK OF INDIA	1.8%	
HDFC BANK LTD	0.9%	
PUNJAB NATIONAL BANK	0.2%	
Cement	0.6%	
AMBUJA CEMENT LTD	0.4%	
ACC	0.2%	
Copper & Copper Products	0.8%	
STERLITE INDUSTRIES	0.8%	
Crude Oil	4.1%	
OIL AND NATURAL GAS	3.0%	
CAIRN INDIA LTD	1.1%	
Diversified	3.3%	
HINDUSTAN UNILEVER LTD	1.3%	
GRASIM INDUSTRIES LTD	0.6%	
ITC LTD	1.4%	
Housing Construction	0.7%	
UNITECH LIMITED	0.7%	
Electrical Distribution & Generation	3.2%	
TATA POWERS LTD	0.4%	
RELIANCE ENERGY	0.5%	
NTPC	2.3%	
Electrical Equipments	1.1%	
SIEMENS LIMITED	0.3%	
ABB LTD	0.8%	
Housing Finance	1.3%	
HDFC	1.3%	
Information Technology	4.2%	
INFOSYS TECHNOLOGIES	1.7%	
TATA CONSULTANCY LTD.	1.3%	
WIPRO	0.5%	
SATYAM COMPUTER SERVICES LIMITED	0.6%	
HCL TECHNOLOGIES LIMITED	0.0%	
Media	0.3%	
ZEE ENTERTAINMENT ENTERPRISE	0.3%	
DISH TV	0.0%	
Pharma	1.4%	
SUN PHARMACEUTICALS INDUSTRIES LTD	0.6%	
DR. REDDY'S LABORATORIES LTD.	0.3%	
RANBAXY LABORATORIES LTD.	0.5%	
Prime Movers	2.3%	
BHEL	2.3%	
Refinery	7.3%	
RELIANCE INDUSTRIES	6.2%	
RELIANCE PETROLEUM LIMITED	1.2%	
Steel	2.4%	
SAIL	1.4%	
TATA IRON AND STEEL	1.0%	
Telecom	4.6%	
BHARTI TELEVENTURES LTD	2.8%	
RELIANCE COMMUNICATIONS LIMITED	1.6%	
TATA COMMUNICATIONS LTD	0.2%	
Turnkey Projects	2.3%	
LARSEN & TOUBRO LTD	2.3%	
Trading	1.1%	
GAIL (INDIA) LTD	1.1%	
Others	0.2%	
Total Equity	47.4%	
Debt		
Government Securities	7.4%	GOI
6.96% (SPEC SEC - OIL CO. SPL	0.0%	SOV
7.59% OIL. MKT. COS.GOI BOND	2.2%	SOV
8.13% GOI OIL Bond 2021	0.5%	SOV
GOI LOAN 10.95% 2011	1.1%	SOV
GOI LOAN 7.38% 2015	0.1%	SOV
SDL KERALA 11.50% 2008	0.7%	SOV
GOI LOAN 7.95% 2032	0.2%	SOV
GOI OIL BOND 8.20% 2024	2.7%	SOV
Corporate Bonds	40.4%	
CITIFINANCIAL CONSUMER FINANCE	7.8%	AAA
MAHINDRA & MAHINDRA FINANCIAL SERVICES	0.3%	AA+
IDFC	0.9%	AAA
NTPC	1.4%	AAA
RELIANCE ENERGY	1.0%	AAA
POWER GRID CORPORATION	0.3%	AAA
HDFC	6.4%	AAA
IL&FS	2.8%	AAA
GE MONEY FINANCIALS	3.7%	AAA
ICICI BANK	2.7%	AAA
Power Finance Corporation	1.1%	AAA
L & T FINANCIALS	4.6%	CARE AA+
RURAL ELECTRIFICATION CORP	2.5%	AAA
Money Market	1.5%	
Total Debt	47.8%	
Cash & Other Liquid Assets	3.3%	
Grand Total	100.0%	

Unit-Linked Fund

Accelerator

To achieve capital appreciation by investing predominantly in equities, with limited investment in fixed income securities.

Asset Allocation Pattern	
Government and other Debt Securities	0-40%
Equities	60-95%
Cash and Money Market	0-40%
Asset Mix	

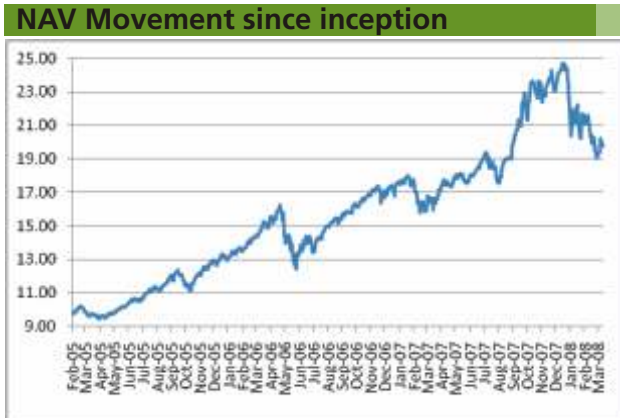


Portfolio Returns		
Returns	NAV	Benchmark
Last 1 Month Return	-7.7%	-7.5%
Last 2 Months Return	-6.4%	-6.3%
Latest Quarterly Return	-18.6%	-18.1%
Last 12 Months Return	19.0%	20.8%
Last 2 Years (CAGR)	15.5%	15.6%
Last 3 Years (CAGR)	26.8%	27.9%
CAGR since inception	24.2%	26.2%

Past performance is not indicative of the future performance

Note: Benchmark has been calculated as per the target holdings of the fund i.e. 80% Equity & 20% Debt Securities.

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



(Date of Inception: 07-Feb-2005)

(Portfolio as on March 31, 2008)

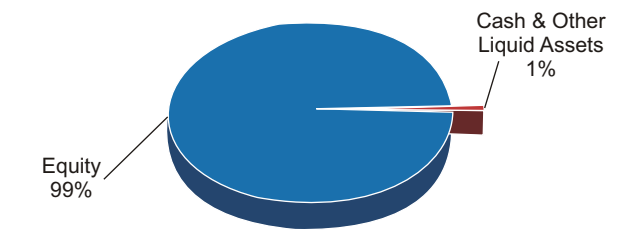
Security	Wt (%)	Rating
Equities	0.1%	
Aluminium	0.1%	
HINDALCO LTD	0.1%	
Automobiles	2.1%	
MARUTI SUZUKI INDIA LIMITED	0.7%	
TATA MOTORS LIMITED	0.4%	
BAJAJ AUTO LTD New	0.3%	
MAHINDRA & MAHINDRA LTD	0.7%	
Banking Services	7.7%	
ICICI BANK LTD	2.6%	
STATE BANK OF INDIA	2.9%	
HDFC BANK LTD	1.5%	
PUNJAB NATIONAL BANK	0.6%	
Cement	0.9%	
AMBUJA CEMENT LTD	0.5%	
ACC	0.4%	
Copper & Copper Products	1.3%	
STERLITE INDUSTRIES	1.3%	
Crude Oil	6.9%	
OIL AND NATURAL GAS	5.0%	
CAIRN INDIA LTD	1.9%	
Diversified	5.5%	
HINDUSTAN UNILEVER LTD	2.1%	
GRASIM INDUSTRIES LTD	0.9%	
ITC LTD	2.5%	
Housing Construction	1.0%	
UNITECH LIMITED	1.0%	
Electrical Distribution & Generation	6.9%	
TATA POWERS LTD.	0.7%	
RELIANCE ENERGY	0.8%	
POWER GRID CORPORATION	1.2%	
NTPC	4.2%	
Electrical Equipments	2.1%	
SIEMENS LIMITED	0.5%	
ABB LTD	1.6%	
Housing Finance	2.0%	
HDFC	2.0%	
Information Technology	6.6%	
INFOSYS TECHNOLOGIES	2.4%	
TATA CONSULTANCY LTD.	2.1%	
WIPRO	0.8%	
SATYAM COMPUTER SERVICES LIMITED	0.8%	
HCL TECHNOLOGIES LIMITED	0.5%	
Media	0.6%	
ZEE ENTERTAINMENT ENTERPRISE	0.6%	
DISH TV	0.0%	
Pharma	1.8%	
SUN PHARMACEUTICALS INDUSTRIES LTD	0.8%	
DR. REDDY'S LABORATORIES LTD.	0.4%	
RANBAXY LABORATORIES LTD.	0.6%	
Prime Movers	3.3%	
BHEL	3.3%	
Refinery	11.4%	
RELIANCE INDUSTRIES	9.6%	
RELIANCE PETROLEUM LIMITED	1.8%	
Steel	4.5%	
SAIL	2.6%	
TATA IRON AND STEEL	1.9%	
Telecom	7.6%	
BHARTI TELEVENTURES LTD	4.5%	
RELIANCE COMMUNICATIONS LIMITED	2.7%	
TATA COMMUNICATIONS LTD	0.4%	
Turnkey Projects	3.2%	
LARSEN & TOUBRO LTD	3.2%	
Trading	1.3%	
GAIL (INDIA) LTD	1.3%	
Others	0.4%	
Total Equity	77.3%	
Debt		
Government Securities	1.3%	
GOI LOAN 10.25% 2021	0.0%	SOV
GOI 6.96% (SPEC SEC - OIL CO. SPL	0.0%	SOV
GOI OIL BOND 8.20% 2024	0.1%	SOV
7.59% OIL. MKT. COS.GOI BOND	0.0%	SOV
8.13% GOI OIL Bond 2021	0.2%	SOV
GOI LOAN 10.95% 2011	0.3%	SOV
GOI LOAN 7.38% 2015	0.5%	SOV
SDL KERALA 11.50% 2008	0.2%	SOV
Corporate Bonds	17.8%	
CITIFINANCIAL CONSUMER FINANCE	4.1%	AAA
MAHINDRA & MAHINDRA FINANCIAL SERVICES	1.3%	AA+
IDFC	0.5%	AAA
RELIANCE ENERGY	0.3%	AAA
POWER GRID CORPORATION	0.2%	AAA
HDFC	2.1%	AAA
IL&FS	1.4%	AAA
GE MONEY FINANCIALS	1.5%	AAA
ICICI BANK	1.8%	AAA
RURAL ELECTRIFICATION CORP 9.45%	1.3%	AAA
& T FINANCIALS	3.4%	CARE AA+
Cash & Other Liquid Assets	3.5%	
Total Debt	19.1%	
Grand Total	100.0%	

Unit-Linked Fund

Multiplier

To generate long term capital appreciation by investing in diversified equities selected from S&P CNX Nifty Index.

Asset Allocation Pattern	
Government and other Debt Securities	0%
Equities	80-100%
Cash and Money Market	0-40%
Asset Mix	



Portfolio Returns

Returns	NAV	Benchmark
Last 1 Month Return	-9.8%	-9.4%
Last 2 Months Return	-8.2%	-7.8%
Latest Quarterly Return	-23.0%	-22.9%

Last 12 Months Return	21.1%	23.9%
Last 2 Years (CAGR)	15.7%	17.9%
Last 3 Years (CAGR)	31.0%	32.5%
CAGR since inception	27.4%	30.4%

Past performance is not indicative of the future performance

Note: Benchmark has been calculated as per the target holdings of the fund i.e. 100% Equity Securities

Security Type	Benchmark Index
Equity	S&P CNX NIFTY

NAV Movement since inception



(Date of Inception: 07-Feb-2005)

(Portfolio as on March 31, 2008)

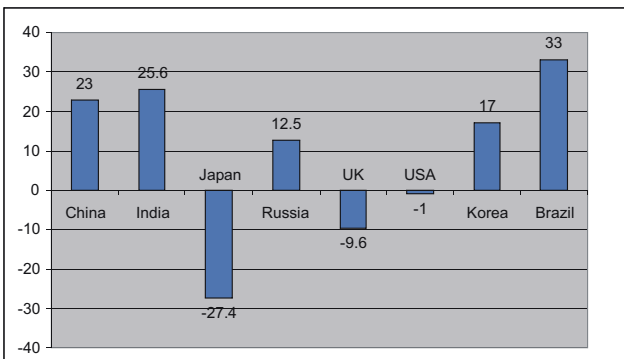
Security	Wt (%)
Equities	
Aluminium	0.0%
HINDALCO LTD	0.0%
Automobiles	2.9%
MARUTI SUZUKI INDIA LIMITED	1.0%
TATA MOTORS LIMITED	0.4%
BAJAJ AUTO LTD NEW	0.4%
MAHINDRA & MAHINDRA LTD	1.2%
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SUN PHARMACEUTICALS INDUSTRIES LTD.	0.9%
DR. REDDYS LABORATORIES LTD.	0.7%
RANBAXY LABORATORIES LTD.	0.9%
Prime Movers	4.3%
BHEL	4.3%
Refinery	14.3%
RELIANCE INDUSTRIES	12.0%
RELIANCE PETROLEUM LIMITED	2.3%
Steel	5.9%
SAIL	3.2%
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Telecom	10.0%
BHARTI TELEVENTURES LTD	5.8%
RELIANCE COMMUNICATIONS LIMITED	3.8%
TATA COMMUNICATIONS LTD	0.4%
Turnkey Projects	4.1%
LARSEN & TOUBRO LTD	4.1%
Trading	1.6%
GAIL (INDIA) LTD	1.6%
Others	0.5%
Total Equity	99.4%
Cash & Other Liquid Assets	0.6%
Grand Total	100.00%

Global Scenario

The last quarter has been one of the most challenging periods for equity markets worldwide. Factors such as probability of US slowdown and its expected impact on global economic growth, the sub-prime meltdown in US housing sector and subsequent credit crunch, rising inflation on the back of soaring oil and food prices, and increasing commodity prices (both industrial and agricultural) have led to significant volatility in the global markets.

Despite such a challenging scenario some countries such as India, China, Russia, Brazil and Korea have provided positive returns over the last one year (April 07-March 08).

Performance of major global indices (% returns)

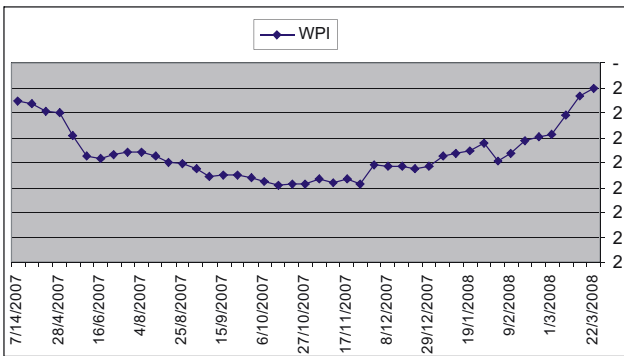


Source: Bloomberg

Domestic economic environment

Financial markets worldwide are more interlinked than ever before and India, too, is a part of this. As is the case with global capital markets, domestic markets have also seen a sudden bout of volatility. Nifty 50 is down about 25% from its all-time high of 6287 in January 2008. In addition to the coupling effect with global markets, macro-economic data has also played a crucial role in affecting volatility.

On the economic front, Index of Industrial Production (IIP) grew by just 5.3% in January 2008 as compared to 12.2% in January 2007. Headline inflation rate (WPI) continues to move upwards and has now reached a three year high of 7.0%. Inflation was 5.1% and 3.1% for the week ended March 1, 2008, and November 24, 2007 respectively. The present inflation rate is above the Central Bank's comfort zone of 5%.



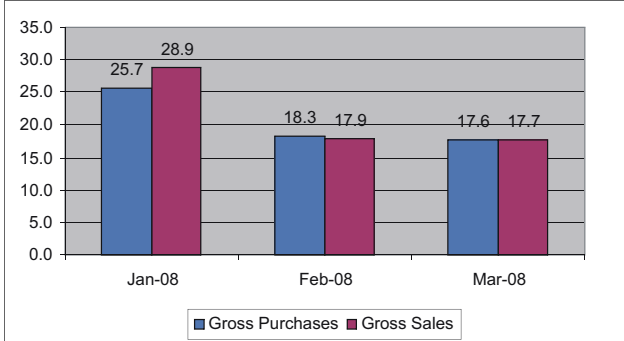
Source: Bloomberg

Recent Market Volatility

The confluence of global and local factors is beginning to have an impact on investors' risk perception. During the last quarter, Foreign Institutional Investors (FIIs) have pulled out

USD 2.9 billion (net) from the Indian markets. The chart below shows gross purchases and gross sales by FIIs during the quarter Jan-March 2008.

Buying and Selling by FIIs (USD billion)



Source: SEBI

Trading volumes have fallen significantly from the January peak. Both cash turnover as well as cash trading (by number of shares) has declined considerably. This has also led to increase in volatility in the market.

What to do and what not do during volatile markets

What you should do:

- Stay fully invested:** Life insurance is a long term investment. While the short-term direction of market is uncertain, in the long run it's a clear blue sky. India's long term story is quite robust. India is among the two fastest growing large size economies of the world.
- Invest more money through top-ups:** Bear markets provide a good opportunity for buying bluechips at relatively low valuations. You could use this opportunity by investing through top-ups. Top-ups are available in our entire portfolio of unit linked products. They represent a one time discretionary payment into the fund.
- Use this opportunity to review your asset allocation strategy:** You might have been overweight on equities vis-à-vis debt or vice versa. This is a good time to have a relook at your asset allocation strategy and check if the existing asset allocation matches your risk profile. Switches and redirection are tools available in all our unit linked products. These can help you to reconstruct a suitable asset allocation profile.

What you should do:

- Surrender your policies or make partial withdrawals:** Most insurance policies are purchased with a specific long term objective such as children's education, marriage or retirement. Always remember the reason for buying the policy in the first place; keeping in mind that life insurance is a long-term investment.
- It's all about 'time' and not 'timing' the market:** The investment aspect of life insurance is about discipline and having a long term horizon. Avoid timing the market. It is impossible to find "tops" or "bottoms" in any market. Always remember, it is all about 'time' and not about 'timing'.