pnb MetLife

Met Invest

Gratuity Fund

Quarterly Fund Performance

October 2014 Edition

FUND PERFORMANCE

MARKET OVERVIEW

FUND CATEGORY

Gratuity Balanced Fund

Gratuity Debt Fund

Fund Performance

As on September 30, 2014

	Benchmark (BM)	1 - Year (%)		2 - Year (%)		3 - Year (%)	
		Fund	BM	Fund	BM	Fund	BM
Medium Risk							
Gratuity Balanced	30% CNX Nifty 70% CCBFI	19.2	19.8	9.9	10.8	11.1	11.0
Low Risk							
Gratuity Debt	CCBFI	10.5	11.6	6.3	7.5	8.2	8.2

CCBFI- CRISIL Composite Bond Fund Index

Glossary

Back

Indicators	Jun-14	Sep-14	Q-o-Q Variation
Macro Economy			
Wholesale Price Index (WPI) Inflation (%)	5.7	3.7	-1.9
Consumer Price Index (CPI) Inflation (%)	7.5	7.8	0.3
Gross Domestic product (GDP Growth) (%)	4.6	5.7	1.1
Index of Industrial Production (IIP) (%)	3.9	0.4	-3.5
Domestic Markets			
Sensex	25414	26631	4.8%
Nifty	7611	7965	4.6%
10-year G-Sec India (%)	8.8	8.5	-0.3
10-year AAA Corporate Bond (%)	9.2	9.2	0.0
Exchange rate (USD/INR)	60.2	61.6	2.3%
Global Markets			
Dow Jones (U.S.)	16827	17043	1.3%
FTSE (U.K.)	6744	6623	-1.8%
SSE Composite (China)	2048	2364	15.4%
Brent crude oil (USD/barrel)	111	94	-15.0%

Source :Reuters, CCIL, MFI explorer

Economy

During the quarter, RBI's monetary policy stance remained neutral and focussed on liquidity enhancing measures for the banking sector. Overall, macroeconomic data indicated a positive trend as GDP growth for June quarter grew to a two-and-a-half year high while Inflation (WPI) fell to a five-year low.

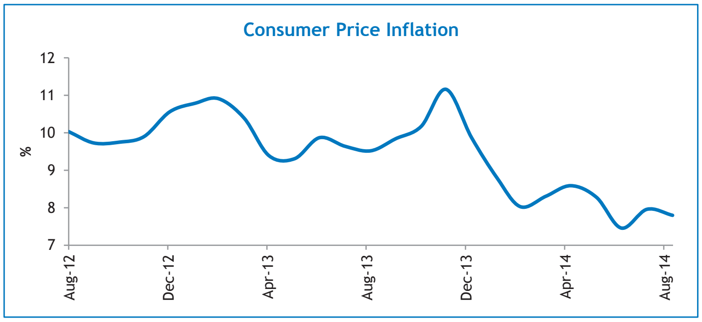
Sovereign rating - A leading international rating agency has revised India's sovereign outlook from negative to stable while reaffirming the rating at "BBB-". The rating agency mentioned that the current Government's strong mandate will enable it to implement many administrative, fiscal and economic reforms.

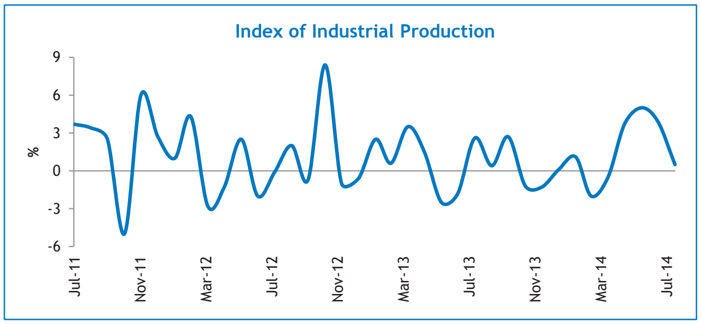
Monetary Policy – As expected, RBI kept repo rate steady at 8% in the third and fourth bimonthly monetary policy review but announced liquidity measures to support credit growth. In the third meeting, the Central Bank lowered Statutory Liquidity Ratio (SLR) by 50 bps to 22%.

Gross Domestic Product (GDP) - India's GDP growth for June 2014 grew at a two-and-a-half year high rate of 5.7% compared to a growth of 4.6% in the previous quarter. The Manufacturing sector expanded from a lower base as formation of a stable Government has raised expectations of reform measures. Industrial Production for August came in at a low 0.4%, mainly due to slow growth of manufacturing sector.

Current Account Deficit (CAD) - The CAD for first quarter of current financial year narrowed to 1.7% of GDP from 4.8% in the previous year. The lower CAD was mainly due to a contraction in trade deficit. There was a rise in exports and decline in imports primarily due to a drop in gold imports.

Inflation - The Wholesale Price Index (WPI)-based inflation for August fell to a five-year low of 3.7% against 5.2% in July due to plunge in primary articles and fuel & power inflation. Consumer Price Index (CPI)-based inflation rate eased to 7.8% in August from 8.0% in July.





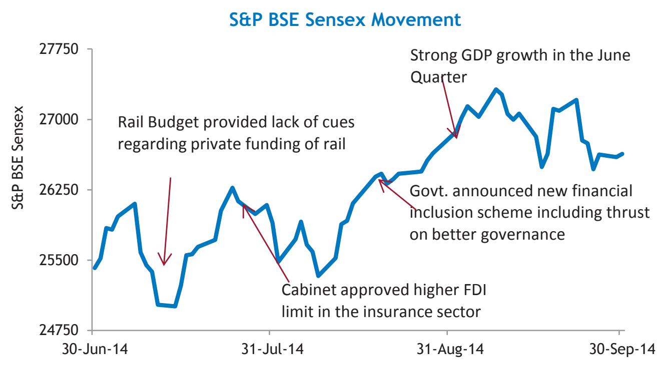
Equity Markets

Indian equity markets scaled new highs during the quarter with S&P BSE Sensex surpassing the 27,000 levels and CNX Nifty breaching the 8,000 mark for the first time. Encouraging economic data and a series of measures announced by the Government in the Union Budget 2014-15 to support faster economic growth boosted market sentiments. The Government in the Union Budget affirmed to meet the fiscal deficit target of 4.1%.

Initially investor sentiment turned positive after the Central Bank mentioned that country's economic growth is likely to improve amid possibility of economic reforms, fiscal consolidation and projected improvement in investments. Continued fall in commodity prices globally is positive for the Indian economy.

Glossary

However, gains were capped following the Supreme Court's decision on de-allocation of coal blocks. Global news flow of tensions in the Middle East added to bearish sentiment and led to a fall in indices towards end of the quarter.



Source: bseindia.com, MFI explorer

Sector Movement

Healthcare was the best performing sector during the quarter following upbeat quarterly earnings and approval from the U.S. drug regulator regarding production of generic medicines.

The automobiles sector too did well on the back of strong monthly sales numbers and likely increase in discretionary expenditure due to revival in consumer sentiments.

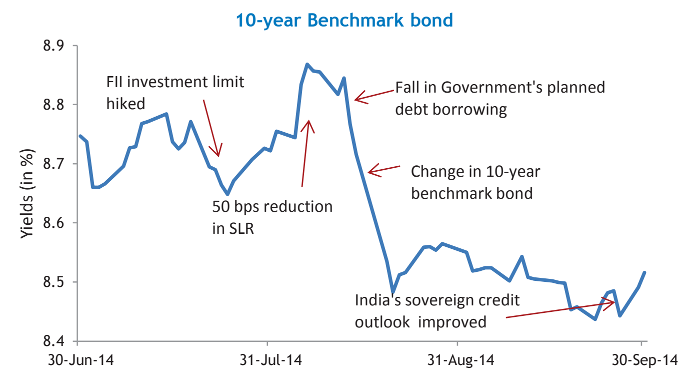
However, metal stocks witnessed pressure on the back of weaker-than-expected Chinese factory output data and fallout of the Supreme Court verdict. Oil and gas stocks fell after the Government once again deferred its decision on revising gas prices.

Equity Market Outlook

Market participants will focus on results of assembly elections and corporate earning numbers for Q2 FY15. Foreign fund inflows will also be watched keenly. Global developments will also remain in focus. In addition to this, market participants will also follow developments related to U.S. interest rate outlook.

Fixed Income Market

During the quarter, Government bond yields fell to close at 8.5% against the previous quarter's close of 8.8%.



Source: Reuters

Bond yields fell after the Government cut its planned borrowing, which hinted at efforts towards trimming fiscal deficit. Yields also fell sharply due to strong demand for the new 10-year benchmark bond paper. Sharp fall in international Brent crude oil prices, which is likely to reduce import bill and help bring down inflation, provided further support to the bond markets.

Sentiments improved further as the Government hiked foreign investment limit in the debt market and a global credit rating agency raised India's sovereign credit rating outlook. Continuous buying by foreign investors and improvement in liquidity situation in the banking system provided additional support.

Gains in bond markets were restricted after the RBI's third and fourth monetary policy reviews in August and September. The RBI's move to lower the Statutory Liquidity Ratio by 50 bps to 22% increased concerns regarding demand for Government bonds. Rising tensions between Russia and the West and concerns over interest rate outlook in the U.S. further trimmed gains.

Fixed Income Market Outlook

Bond yields are likely to remain range bound in the near term. The movement of inflation will be tracked closely by market participants. The movement of the domestic currency will also remain in focus, especially if there is any change in the outlook of U.S. interest rates.

As on September 30 2014

Gratuity Balanced

SFIN No: ULGF00205/06/04GRABALANCE117

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

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

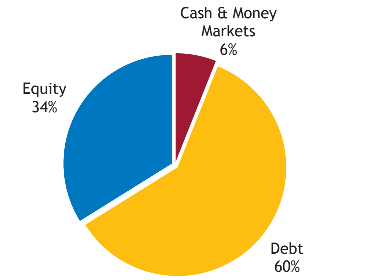
as on September 30 2014

Returns	Absolute Return		CAGR Return		
	Last 6 Months	Last 1 Year	Last 3 Years	Last 5 Years	Since Inception
Portfolio return	10.4%	19.2%	11.1%	8.5%	9.2%
Benchmark**	10.0%	19.8%	11.0%	7.8%	8.8%

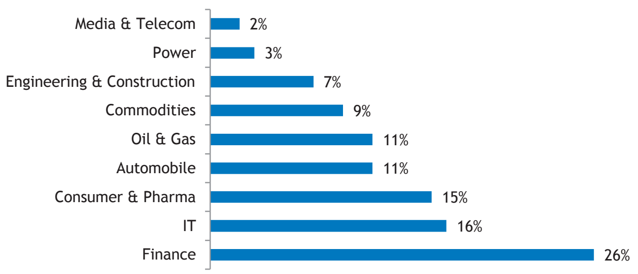
Note: *Past returns are not indicative of future performance.*

*** Benchmark return has been computed by applying benchmark weightages on CNX Nifty for Equity and CRISIL Composite Bond Fund Index for Debt*

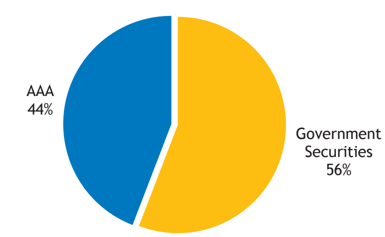
Asset Mix



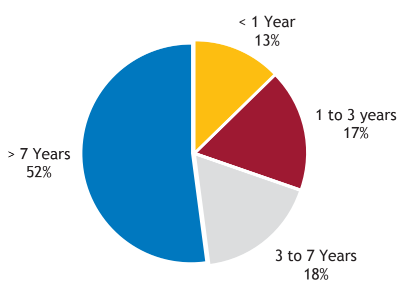
Sector Exposure



Credit Rating Profile



Maturity by Profile



Asset Classes

Equity

Government & Other Debt Securities

Portfolio Components

Security	Rating	Net Assets
GOVERNMENT SECURITY		
8.83% GOI 2023	Sovereign	22.69%
8.28% GOI 2027	Sovereign	10.86%
TOTAL		**33.55%**
CORPORATE BOND		
RELIANCE GAS TRANSPORT. INFRA.	AAA	8.07%
G A I L (INDIA) LTD.	AAA	6.77%
L I C HOUSING FINANCE LTD.	AAA	6.36%
HOUSING DEVELOPMENT FIN. CORPN.	AAA	3.05%
TATA SONS LTD.	AAA	2.28%
TOTAL		**26.53%**
EQUITY		
INFOSYS LTD.		2.09%
I T C LTD.		2.04%
I C I C I BANK LTD.		2.01%
H D F C BANK LTD.		1.80%
RELIANCE INDUSTRIES LTD.		1.76%
HOUSING DEVELOPMENT FINANCE CORPN. LTD.		1.68%
TATA CONSULTANCY SERVICES LTD.		1.62%
TATA MOTORS LTD.		1.20%
LARSEN & TOUBRO LTD.		1.18%
Others		18.50%
TOTAL		**33.87%**
CASH AND MONEY MARKETS		**6.05%**
PORTFOLIO TOTAL		**100.00%**

NAV Movement

Date of Inception: July 07,2009

Back

As on September 30 2014

Gratuity Debt

SFIN No: ULGF00105/06/04GRADEBTFND117

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

Investment Philosophy: The fund would target 100% investments in Government & other debt securities to meet the stated objectives.

Portfolio Return

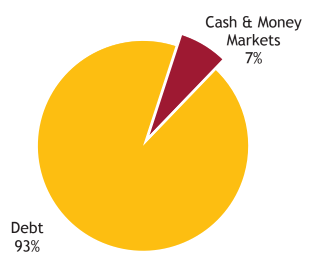
as on September 30 2014

Returns	Absolute Return		CAGR Return	
	Last 6 Months	Last 1 Year	Last 3 Years	Since Inception
Portfolio return	5.7%	10.5%	8.2%	8.8%
Benchmark**	6.2%	11.6%	8.2%	7.7%

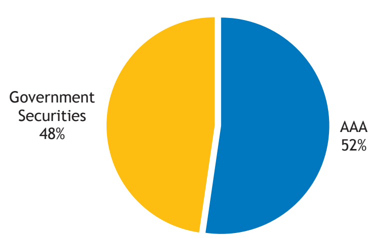
***Note:** Past returns are not indicative of future performance.*

*** Benchmark return has been computed by applying benchmark weightages on CRISIL Composite Bond Fund Index*

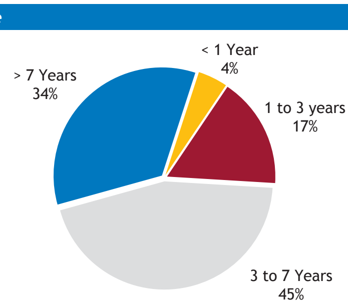
Asset Mix



Credit Rating Profile



Maturity by Profile



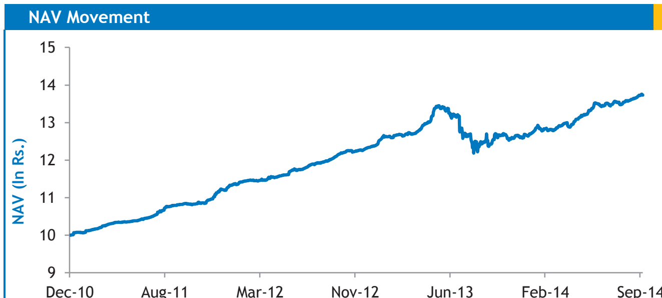
Asset Classes

Government & Other Debt Securities

Portfolio Components

Security	Rating	Net Assets
GOVERNMENT SECURITY		
8.27% GOI 2020	Sovereign	11.54%
9.15% GOI 2024	Sovereign	6.02%
9.14% SDL 2024	Sovereign	5.91%
8.4% GOI 2024	Sovereign	5.82%
8.12% GOI 2020	Sovereign	5.71%
8.28% GOI 2027	Sovereign	5.65%
8.6% GOI 2028	Sovereign	3.50%
Others		0.12%
TOTAL		**44.27%**
CORPORATE BOND		
TATA SONS LTD.	AAA	9.52%
POWER FINANCE CORPN. LTD.	AAA	8.40%
L I C HOUSING FINANCE LTD.	AAA	6.53%
RELIANCE PORTS & TERMINALS LTD.	AAA	6.21%
INFRASTRUCTURE LEASING & FIN. SER.	AAA	6.10%
G A I L (INDIA) LTD.	AAA	5.87%
RELIANCE GAS TRANSPORT. INFRA.	AAA	3.58%
HOUSING DEVELOPMENT FIN. CORPN.	AAA	2.34%
TOTAL		**48.55%**
CASH AND MONEY MARKETS		**7.18%**
PORTFOLIO TOTAL		**100.00%**

NAV Movement



Date of Inception: December 20,2010

Quantitative Indicators

- **Standard Deviation (SD)** - It shows how much the variation or dispersion of a fund's daily returns has from its average. Lesser SD indicates that the daily returns are moving closer to the average. A higher SD indicates that daily returns are widely spread over a large range of value.
- **Beta** – It indicates how the fund is performing relative to its benchmark. If beta of a fund is higher than its benchmark, which is considered 1, it indicates risk-return trade-off is better and vice-versa.
- **Sharpe Ratio** – It measures the risk-reward ratio as it indicates whether higher returns come with higher or lower risk. Greater the ratio, better is the risk-adjusted performance.
- **Average Maturity** – It is the weighted average period of all the maturities of debt securities in the portfolio.
- **Modified Duration (MD)** – It is the measurable change in the value of a security in response to a change in interest rates.
- **Yield To Maturity (YTM)** – It is the expected rate of annual return on a bond if it is held till maturity. The calculation assumed that all interest payments are reinvested at the same rate as the bond's current yield.

Macroeconomic Indicators

- **Gross Domestic Product (GDP) (Quarterly)** - It is the market value of all final goods and services produced within a country. This indicator is used to gauge the health of a country's economy.
- **Fiscal Deficit** – This takes place when India's expenditure rises than its revenue. To fill this gap, the Government raises debt by issuing Government/ sovereign bonds. Fiscal deficit is usually compared with GDP to understand the financial position of the country. Rising fiscal deficit to GDP ratio is not good for the country, which requires immediate attention to cut expenditure and/or increase the source of revenue.
- **Current Account Deficit (Quarterly)** - It is a deficit where India's foreign currency outflows are higher than inflows. This indicates that the country is a net debtor of foreign currency, which increases the pressure on the country's existing foreign currency reserves. Current account surplus is the opposite of this.
- **Index of Industrial Production (IIP) (Monthly)** – The index represents the production growth of various sectors in India. The index focuses on mining, electricity and manufacturing. The ongoing base year for calculation of index is 2004-2005.
- **Wholesale Price Index (WPI) (Monthly)** - The index represents the rate of growth of prices of a representative basket of wholesale goods. The index mainly represents manufacturing (64.97%), primary articles (20.12%) and fuel & power (14.91%).
- **Consumer Price Index (CPI) (Monthly)** - The index represents the rate of growth of price level of a basket of consumer goods and services sold at retail or purchased by households.
- **HSBC Purchasers Managers' Index (PMI) (Monthly)** – Three types of indices – Manufacturing, Services and Composite Index are published on a monthly basis after surveys of private sector companies. An index reading above 50 indicates an overall increase in that variable, while below 50 shows an overall decrease.

Back

Market Indices

- **CNX Nifty Index -** It is a well diversified 50 stock index accounting for 22 sectors of the economy. It is used for a variety of purposes such as benchmarking fund portfolios, index based derivatives and index funds.
- **CRISIL Composite Bond Fund Index** - It seeks to track the performance of a debt portfolio that includes government securities and AAA/AA rated corporate bonds.

Fixed Income Indicators

- **Repo Rate** - The rate at which the RBI lends money to commercial banks is called repo rate. It is an instrument of monetary policy. Whenever shortage of funds banks has, they can borrow from the RBI.
- **Cash Reserve Ratio (CRR)** - CRR is the amount of funds which the banks need to keep with the RBI. If the RBI decides to increase the CRR, the available amount with the banks comes down. The RBI uses the CRR to drain out excessive money from the system.
- **Marginal Standing Facility (MSF)** – It is a rate at which the RBI provides overnight lending to commercial banks over and above the repo window (repo rate). The interest rate charged is higher than the repo rate and hence it is used when there is considerable shortfall in liquidity.
- **Statutory Liquidity ratio (SLR) -** In India, commercial banks are required to maintain a certain percentage of their total deposits (net demand and time liabilities) in notified Government securities to ensure safety and liquidity of deposits. This percentage is known as the SLR rate. If the RBI or Central Bank reduces the SLR rate, it means that higher liquidity will be available to banks for their lending activity and vice-versa.

Others

- **Foreign Currency Non-Resident (Bank) (FCNR (B))** - It is an account that allows non-resident Indian or a person of Indian origin to keep his deposits in foreign currency. Hassles of conversion can be reduced through such types of accounts.
- **Swap** – It is a derivative contract between two parties that occurs at a future date. It is used to hedge risk related to interest rates, currency and commodities movement. The counterparties exchange cash flows, if any, related to the instrument involved in the transaction.

Back

Met Family Income Protector Plus

Non-Linked, Non-Participating Term Assurance Plan

pnb MetLife

You look after your family's monthly expenses today. Ensure it for tomorrow as well.

Ensure a guaranteed# monthly income for your family.

Benefits of Met Family Income Protector Plus:

- Up to 20 years of regular Monthly Income guaranteed# to your family
- 110% of your premium paid back* at the end of the policy term
- Easy to apply: 5 Monthly Income options of Rs.10,000, Rs. 25,000, Rs. 50,000, Rs. 75,000, Rs.1,00,000
- Provides tax## advantage both at the time of purchase and when monthly income is paid to your family

*Only when Return of Premium option is selected at the time of purchase
#provided all premiums are paid in full

McCann/MetLife/06/14

Plan now! Call us Toll Free: 1800 425 6969 OR Visit us: www.pnbmetlife.com

PNB MetLife India Insurance Company Limited (Formerly known as MetLife India Insurance Co. Ltd.), Registered office address: Brigade Seshamahal 5, Vani Vilas Road, Basavanagudi, Bangalore-560004, Karnataka. IRDA Registration number 117. CI No.: U66010KA2001PLC028883, Phone: 080-66006969/26438638, Fax: 080-22421970, Website: www.pnbmetlife.com, Email: indiaservice@pnbmetlife.co.in. Insurance is the subject matter of the solicitation. Please consult your advisor for more details. LD/2014-15/077 EC068. For more details on risk factors terms & conditions please refer to the sales brochure carefully before concluding a sale. ##Tax benefits are as per the Income Tax Act, 1961, & are subject to amendments made there to from time to time. Please consult your tax consultant for more details. Terms & Condition apply. The premium shall be adjusted on the due date even if it has been received in advance.The Policyholder has the facility to withdraw from the ECS mode at least 15 days prior to the ECS due date. The insurer shall not levy any additional charges towards cancellation of ECS mode or recover from the benefits under the policy. If premium due in one financial year is being collected in advance in earlier financial year, insurers may collect the same for a maximum period of three months in advance of the due date of the premium. IRDA Unique Identification Number for Met Family Income Protector Plus is 117N086V01.

"BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS / FRAUDULENT OFFERS"
IRDA clarifies to the public that

- IRDA or its officials do not involve in activities like sale of any kind of insurance or financial products nor invest premiums
- IRDA does not announce any bonus. Public receiving such phone calls are requested to lodge a police complaint along with details of phone call number

PNB 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.pnbmetlife.com

PNB MetLife India Insurance Company Limited (Formerly known as MetLife India Insurance Co. Ltd.), Registered office address: Brigade Seshamahal 5, Vani Vilas Road, Basavanagudi, Bangalore-560004, Karnataka. IRDA Registration number 117. CI No.: U66010KA2001PLC02B883, Phone: 080-66006969/26438638, Fax: 080-22421970, Website: www.pnbmetlife.com, Email: indiaservice@pnbmetlife.co.in. Insurance is the subject matter of the solicitation. PNB MetLife is an affiliate of MetLife, Inc. LD/2014-15/180 EC133.

• 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 the 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 premium shall be adjusted on the due date even if it has been received in advance.

The fund update provided by PNB MetLife India Insurance Company Limited (“PNB 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. PNB 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.

"The products on CNX Nifty Indexis 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 products linked to CNX Nifty Index or particularly in the ability of the CNX Nifty Index to track general stock market performance in India. Please read the full Disclaimers in relation to the CNX Nifty Index in the Offer Document / Prospectus / Information Statement".

Indices provided by CRISIL

CRISIL Indices are the sole property of CRISIL Limited (CRISIL). CRISIL Indices shall not be copied, retransmitted or redistributed in any manner for any commercial use. CRISIL has taken due care and caution in computation of the Indices, based on the data obtained from sources, which it considers reliable. However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Indices and is not responsible for any errors or for the results obtained from the use of the Indices. CRISIL especially states that it has no financial liability whatsoever to the users of CRISIL Indices.

Compound annual growth rate (CAGR) is rounded to nearest 0.1%

“BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS / FRAUDULENT OFFERS”
IRDA clarifies to the public that

- IRDA or its officials do not involve in activities like sale of any kind of insurance or financial products nor invest premiums
- IRDA does not announce any bonus. Public receiving such phone calls are requested to lodge a police complaint along with details of phone call number

Back

About Us

PNB MetLife India Insurance Company Limited (PNB MetLife) is a joint venture between MetLife International Holdings Inc. (MIHI), Punjab National Bank Limited (PNB), Jammu & Kashmir Bank Limited (JKB), M. Pallonji and Company Private Limited and other private investors, with MIHI and PNB being the majority shareholders. PNB MetLife was previously known as MetLife India Insurance Company Limited (MetLife India) and has been present in India since 2001.

PNB MetLife brings together the financial strength of a leading global life insurance provider, MetLife, Inc., and the credibility and reliability of PNB, one of India's oldest and leading nationalised banks. The vast distribution reach of PNB together with the global insurance expertise and product range of MetLife makes PNB MetLife a strong and trusted insurance provider.

PNB MetLife is present in over 145 locations across the country and serves customers in more than 7,000 locations through its bank partnerships with PNB, JKB and Karnataka Bank Limited.

PNB MetLife provides a wide range of protection and retirement products through its Agency sales of over 10,000 financial advisors and multiple bank partners, and provides access to Employee Benefit plans for over 800 corporate clients in India. With its headquarters in Bangalore and Corporate Office in Gurgaon, PNB MetLife is one of the fastest growing life insurance companies in the country. The company continues to be consistently profitable and has declared profits for last four Financial Years.

For more information, visit www.pnbmetlife.com

Contact Us

Customer Helpline No.	1800-425-6969 (Toll Free) (Within India only)
	Or 91-80-26502244 (8am – 8pm)
	IVR available 24*7 with your policy details
Fax	080-41506969
Email	indiaservice@pnbmetlife.co.in

SMS HELP to 5607071
(Special SMS Charges Apply)