

Investment Newsletter Jan '08



Market Overview

Key Rates	Current	One Month Ago	One Year Ago
Nifty	5137.45	6138.60	4082.70
Annual Inflation rate (Wholesale Price Index)	3.93%	3.45%	6.69%
Yield Ten year Government Security (Semi Annual)	7.50%	7.79%	7.76%
Yield 5 year AAA rated Corporate Bond (Annual)	9.05%	9.10%	9.10%
US Dollar (USD) – Indian Rupee (INR) exchange rate	39.38	39.41	44.16

January was an action packed month across all geographies and across all markets. Equity markets suffered a huge drop across the world on account of fear of recession in United States and instability in financial institutions caused by huge asset write-offs.

Bad news from large banks continued to flow without interruption in January. Citibank announced a USD 18 billion write-off and UBS announced a USD 14 billion write-off for 4th quarter of 2007. As if the large write-offs due to sub-prime crisis was not bad enough news for the financial institutions; Societe Generale announced a USD 7 billion write-off on account of trading losses caused by unauthorized trades in equity index futures by one of its traders.

The Morgan Stanley Capital International (MSCI) world index (a gauge of all world stock market) dropped 7.7% in January. Part of this loss was also caused by unwinding of massive trading positions by Societe Generale.

The Indian equity market fell more than the world markets as the withdrawal of funds by Foreign Institutional Investors (FIIs) money was coupled with lack of liquidity with domestic players due to investment in the mega IPO of Reliance Power. Nifty fell 16.3% during the month due to USD 4.2 billion net equity sales by FIIs. The fall would have been sharper but for support from Domestic Institutional Investors. Mutual funds purchased equities worth Rs 10.56 billion and press reports state that insurance companies bought a larger amount (though official purchase/sales figures for insurance companies are not disclosed by SEBI/IRDA).

Country	YTD Net	YTD Net %
Asia	1,125.1	-15.6%
India	1,125.1	-15.6%
Indonesia	1,125.1	-15.6%
Japan	1,125.1	-15.6%
Philippines	1,125.1	-15.6%
S. Korea	1,125.1	-15.6%
Taiwan	1,125.1	-15.6%
Thailand	1,125.1	-15.6%
Vietnam	1,125.1	-15.6%

All the Sectoral indices tumbled during January. The Metal, Oil & Gas, and Realty indices were the worst performers and their Sectoral indices fell more than 20% during the month. The Banks and Fast Moving Consumer Goods (FMCG) were best performers, their Sectoral indices dropped by 6-7% during January. Midcap and Smallcap stocks fell sharper than large cap stocks; two indices dropped 21% and 24% respectively in January.

The wide spread panic resulted in sale of equities by FIIs across the world markets. The year to date (YTD Net) numbers in the chart below depicts the large equity sales by FIIs across markets in Asia.

Bond prices unlike the equity rose during the month. The rise in the bond prices (i.e. fall in bond yields) would have been sharper but for the announcement of the monetary policy by Reserve Bank of India (RBI) on 29 January. The yield on 10 year Government of India bond fell from 7.79% to 7.38% just before the RBI policy announcement to rise back to 7.50% post the announcement.

Contrary to market expectations of cut in the key interest rates RBI left the rates unchanged saying that the inflation risks persisted. Bank rate was left unchanged at 6%, reverse repo and repo rates held steady at 6% and 7.75%, respectively. Cash Reserve Ratio (CRR) left unchanged at 7.5%. Overall real GDP growth projection for 2007-08 at around 8.5% was retained. The inflation forecast for 2007-08 is below 5.0%.

The Federal Reserve Bank reacted aggressively to stop possible recession in US by cutting the target federal reserve rate by 1.25% during the month. The first fed rate cut by 0.75% was made in an emergency FOMC meeting on 22 January. This was first inter meeting cut since 2001 and first cut of more than 50 bps since 1984. The Federal Reserve Bank further cut the rate by 0.5% to 3% in its scheduled meeting held on 29-30 January.

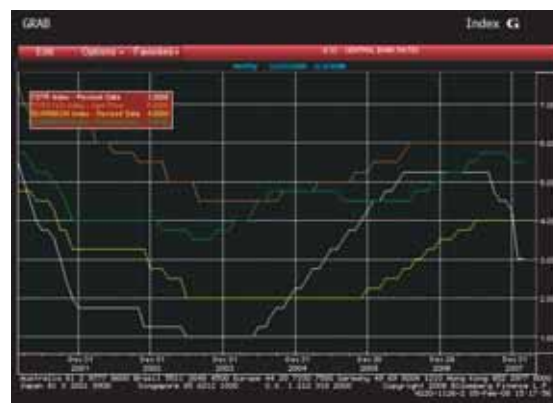
The graph below shows policy rates of the key central banks in the world.

The key factors to watch the tax policy measures to be presented by Finance Minister in the Union Budget for financial year 2008-09 and the volatility of global financial markets.

The equity investments are currently made in NSE Nifty stocks, as the portfolio size is small and large cap stocks are safer equities to hold. The Company shall diversify its stock portfolio outside nifty basket in the coming years. The key risk management is being achieved by diversifying the portfolio across companies and across industries.

The debt portfolio of the Company is small and is currently invested only in highest credit quality assets i.e. Government of India securities and securities issued by AAA rated companies. The key risk management policy adopted is maintaining high standards of credit quality of the portfolio and avoiding undue duration risk on the portfolio.

Disclosures: 1. This newsletter only gives an overview of the economy and should not be construed as financial advice. Policyholder should use his/her own discretion and judgment while investing in financial markets and shall be responsible for his/her decision. 2. EPS - Earning per share, PE - Price earning multiple. 3. Source: www.bloomberg.com 4. Insurance is the subject matter of the solicitation. 5. The information contained herein is as on 31st Jan 2008.



Bharti AXA Life Insurance Company Limited

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Fund Fact Sheet

January 2008



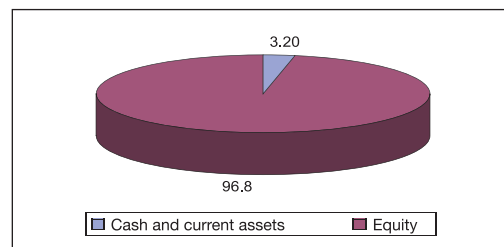
Portfolio - Grow Money

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
3 months	-12.79	-11.91
6 months	12.71	13.56
1 year	24.90	27.60
Since Inception*	50.92	55.07

Benchmark: NSE CNX 100

*Inception date: 24 August 2006

Asset Allocation (%)



Sector Allocation (%)

Aluminium	1.36
Hindalco	0.56
National Aluminium Co Ltd.	0.80
Banking Services	14.19
Fixed Deposit State Bank Of Patiala	0.34
Axis Bank Limited	1.14
Bank Of Baroda	0.39
Bank Of India	0.49
Canara Bank	0.34
HDFC Bank	1.55
ICICI Bank Ltd.	3.58
Indian Overseas Bank	0.24
IDBI	0.23
Kotak Mahindra Bank Ltd.	1.00
Punjab National Bank	0.58
State Bank Of India	4.05
Union Bank Of India	0.27
Cement	1.22
ACC	0.40
Gujarat Ambuja Cements Ltd.	0.51
Ultratech Cement Ltd.	0.31
Commercial Vehicles	0.76
Tata Motors Ltd.	0.76
Computer Software	8.20
HCL Technologies Ltd.	0.46
I-Flex Solutions Ltd.	0.22
Infosys Technologies Ltd.	2.43
Satyam Computer	0.73
Tata Consultancy Services	2.40
Tech Mahindra Ltd.	0.24
Wipro Ltd.	1.72
Construction	3.78
GMR Infrastructure Ltd.	0.87
Jaiprakash Associates	1.17
Unitech	1.73
Cosmetics, Toiletries, Soaps & Detergents	1.29
Hindustan Unilever Limited	1.29
Crude Oil & Natural Gas	5.95
Oil & Natural Gas Corp Ltd. Inr10	5.95
Diversified	4.20
Cairn India Ltd.	0.96
Grasim Industries Limited	0.77
Aditya Birla Nuvo	0.53
Sterlite Industries (India)	1.47
United Spirits Limited	0.47

Sector Allocation (%) (Cont.)

Drugs & Pharmaceuticals	1.86
Cipla Limited	0.42
Dr. Reddy's Laboratories Inr5	0.25
Glaxosmithkline Pharmaceutical	0.20
Ranbaxy Laboratories Ltd.	0.36
Sun Pharmaceutical Indus Ltd.	0.63
Electricity Generation	2.13
Reliance Energy Ltd.	1.33
Tata Power	0.80
Finished Steel	4.03
Steel Authority Of India	2.50
Tata Steel	1.53
Hotels	0.23
Indian Hotels	0.23
Housing Finance Services	2.28
Housing Development Finance	2.28
Industrial Capital Goods	0.35
Bharat Electronics Ltd.	0.35
Industrial Products	0.36
Cummins India Ltd.	0.19
Bharat Forge Ltd.	0.18
Media-Broadcasting	0.34
Zee Telefilms Ltd.	0.34
NBFC's	1.31
Reliance Capital Limited	1.31
Other Financial Institutions	1.32
IDFC	0.72
Power Finance Corporation	0.61
Paints	0.34
Asian Paints Ltd.	0.34
Passenger Cars & Multi Utility Vehicles	1.16
Mahindra & Mahindra	0.46
Maruti Suzuki India Ltd.	0.70
Petroleum Products (Refineries)	2.01
Reliance Petroleum Ltd.	2.01
Power Generation	4.54
National Thermal Power Corp	4.54
Prime Movers	4.17
Bharat Heavy Electricals	2.86
Suzlon Energy Limited	1.31
Refineries	10.59
BPCL	0.36
Reliance Industries	10.23
Sovereign	0.30
182 T-Bill 02/08	0.30
Switching Apparatus	1.47
ABB Ltd. India	0.67
Siemens India Ltd.	0.80
Telephone Services	9.56
Bharti Airtel	4.58
Idea Cellular Limited	0.90
Reliance Communication	3.47
Tata Teleservices Maharashtra	0.18
VSNL	0.42
Tobacco Products	2.07
ITC Ltd.	2.07
Trading	0.98
Gail India Limited	0.98
Transportation	0.33
Container Corp Of India Ltd.	0.33
Turnkey Projects/Erection Contracts	3.02
Larsen & Toubro Limited	3.02
Two & Three Wheelers	1.07
Bajaj Auto Limited	0.68
Hero Honda Motors Limited	0.39
Cash And Current Assets	3.20
Grand Total	100.00



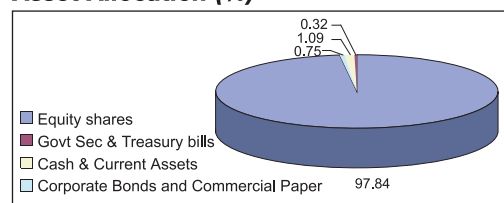
Portfolio - Save'n'Grow Money

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
3 months	-4.63	-3.84
6 months	8.87	8.55
1 year	16.31	17.27
Since Inception*	28.11	31.15

Benchmark: 45% CNX 100 and 55% Crisil Composite Bond Index

*Inception date: 24 August 2006

Asset Allocation (%)



Maturity Profile (as % of AUM)

0-1 yr	59.19
1-3 yrs	-
3-5 yrs	40.81
>5 yrs	-

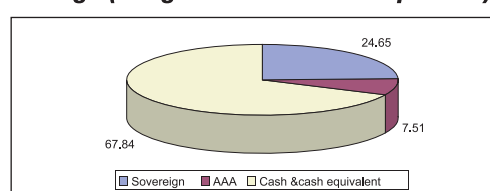
Sector Allocation

Aluminium	0.59
Hindalco	0.25
National Aluminium	0.34
Banking Services	45.67
10% NABARD 14/05/2012	9.94
Fixed Deposit Canara Bank	12.78
Fixed Deposit State Bank of India	17.26
Axis Bank	0.49
Bank Of Baroda	0.17
Bank Of India	0.21
Canara Bank	0.14
HDFC Bank	0.68
ICICI Bank Ltd.	1.53
Indian Overseas Bank	0.11
IDBI	0.10
Kotak Mahindra Bank Ltd.	0.43
Punjab National Bank	0.25
State Bank Of India	1.46
Union Bank Of India	0.12
Cement	0.53
ACC Ltd.	0.18
Gujarat Ambuja Cements	0.22
Ultratech Cement	0.13
Commercial Vehicles	0.33
Tata Motors Ltd.	0.33
Computer Software	3.55
HCL Technologies Ltd.	0.20
I-Flex Solutions Ltd.	0.09
Infosys Technologies Ltd.	1.04
Satyam Computer	0.32
Tata Consultancy	1.04
Tech Mahindra	0.10
Wipro Ltd.	0.75
Construction	1.61
GMR Infrastructure Ltd.	0.35
Jaiprakash Associates	0.51
Unitech Ltd.	0.76
Cosmetics, Toiletries, Soaps & Detergents	0.56
Hindustan Unilever Limited	0.56
Crude Oil & Natural Gas	2.58
Oil & Natural Gas Corp Ltd.	2.58
Diversified	1.83
Cairn India Ltd.	0.42
Grasim Industries Limited	0.33
Aditya Birla Nuvo	0.22
Sterlite Industries (India)	0.64
United Spirits Limited	0.21

Sector Allocation (%) (Cont.)

Drugs & Pharmaceuticals	0.81
Cipla Limited	0.18
Dr. Reddy's Laboratories	0.11
Glaxosmithkline Pharmaceuticals	0.09
Ranbaxy Laboratories Ltd.	0.16
Sun Pharmaceutical Indus Ltd.	0.28
Electricity Generation	0.90
Reliance Energy Ltd.	0.56
Tata Power	0.34
Finished Steel	1.74
Steel Authority Of India	1.08
Tata Steel Ltd.	0.66
Hotels	0.10
Indian Hotels	0.10
Housing Finance Services	0.96
Housing Development Finance	0.96
Industrial Capital Goods	0.15
Bharat Electronics Ltd.	0.15
Industrial Products	0.03
Cummins India Ltd.	0.03
Media-Broadcasting	0.15
Zee Telefilms Limited	0.15
NBFC's	0.56
Reliance Capital Limited	0.56
Other Financial Institutions	0.58
IDFC	0.31
Power Finance Corporation	0.27
Paints	0.15
Asian Paints Ltd.	0.15
Passenger Cars & Multi Utility Vehicles	0.50
Mahindra & Mahindra Limited	0.20
Maruti Suzuki India Ltd.	0.30
Petroleum Products (Refineries)	0.87
Reliance Petroleum Ltd.	0.87
Power Generation	1.97
National Thermal Power Corp	1.97
Prime Movers	1.77
Bharat Heavy Electricals	1.23
Suzlon Energy Limited	0.54
Refineries	4.55
Bharat Petroleum	0.16
Reliance Industries	4.39
Sovereign	14.53
182 T-Bill 08 Feb 2008	0.42
9.39% GOI 2011	14.11
Switching Apparatus	0.63
ABB Ltd. India	0.29
Siemens India Ltd..	0.34
Telephone Services	4.15
Bharti Airtel	1.99
Idea Cellular Limited	0.40
Reliance Communication	1.50
Tata Teleservices Maharashtra	0.08
VSNL	0.18
Tobacco Products	0.90
ITC Ltd.	0.90
Trading	0.42
Gail India Limited	0.42
Transportation	0.14
Container Corp Of India Ltd.	0.14
Turnkey Projects/Erection Contracts	1.30
Larsen & Toubro Limited	1.30
Two & Three Wheelers	0.45
Bajaj Auto Limited	0.29
Hero Honda Motors Limited	0.17
Cash and current assets	4.42
Grand Total	100.00

Ratings (% age of Fixed Income portion)



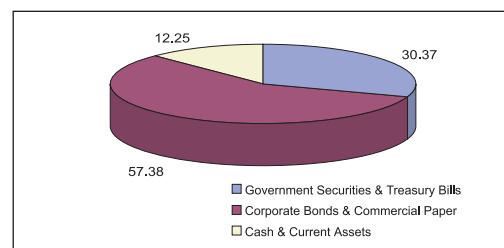
Portfolio - Steady Money

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
3 months	2.11	2.75
6 months	4.23	4.44
1 year	11.70	8.81
Since Inception*	13.31	11.19

Benchmark: CRISIL Composite Bond Index

*Inception date: 5 September 2006

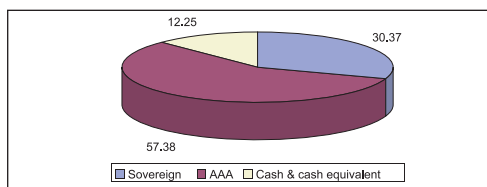
Asset Allocation (%)



Maturity Profile (as % of AUM)

0-1 yr	39.62
1-3 yrs	-
3-5 yrs	60.38
>5 yrs	-

Ratings (% age of Fixed Income portion)



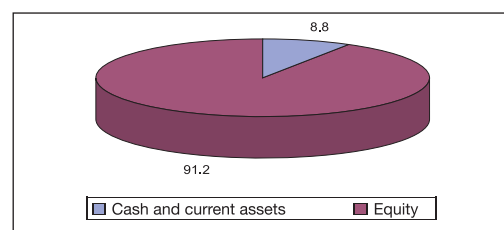
Portfolio - Grow Money Pension

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
1 month	-16.09	-16.71
Since Inception*	-16.09	-16.71

Benchmark: NSE CNX 100

*Inception date: 1st Jan 2008

Asset Allocation (%)



Sector Allocation (%)

Aluminium	1.27
Hindalco	0.53
National Aluminium	0.74
Banking Services	12.85
Axis Bank	1.05
Bank Of Baroda	0.37
Bank Of India	0.45
Canara Bank	0.31
HDFC Bank	1.46
ICICI Bank Ltd.	3.33
Indian Overseas Bank	0.23
IDBI	0.21
Kotak Mahindra Bank	0.93
Punjab National Bank	0.54
State Bank Of India	3.69
Union Bank Of India	0.28
Cement	1.18
ACC Ltd.	0.38
Gujarat Ambuja Cements	0.48
Ultratech Cement	0.32
Commercial Vehicles	0.79
Tata Motors	0.79
Computer Software	8.11
HCL Technologies	0.42
I-Flex Solutions	0.21
Infosys Technologies	2.25
Satyam Computer	0.69
Tata Consultancy Services	2.50
Tech Mahindra	0.24
Wipro Ltd.	1.80
Construction	3.74
GMR Infrastructure Ltd.	0.82
Jaiprakash Associates	1.10
Unitech	1.82
Cosmetics, Toiletries, Soaps & Detergents	1.19
Hindustan Unilever Limited	1.19
Crude Oil & Natural Gas	5.55
Oil & Natural Gas Corp	5.55
Diversified	4.15
Cairn India	0.91
Grasim Industries	0.71
Aditya Birla Nuvo	0.49
Sterlite Industries (India)	1.55
United Spirits Limited	0.49

Sector Allocation (%) (Cont.)

Drugs & Pharmaceuticals	1.81
Cipla	0.39
Dr. Reddy's Laboratories	0.23
Glaxosmithkline Pharmaceutical	0.18
Ranbaxy Laboratories	0.34
Sun Pharmaceutical Industries	0.67
Electricity Generation	2.04
Reliance Energy Ltd	1.22
Tata Power	0.81
Finished Steel	4.17
Steel Authority Of India	2.59
Tata Steel Limited	1.57
Hotels	0.22
Indian Hotels Co Limited	0.22
Housing Finance Services	2.11
Housing Development Finance	2.11
Industrial Capital Goods	0.32
Bharat Electronics Ltd	0.32
Industrial Products	0.34
Cummins India Ltd	0.17
Bharat Forge Limited	0.17
Media-Broadcasting	0.36
Zee Telefilms	0.36
NBFC's	1.21
Reliance Capital Limited	1.21
Other Financial Institutions	1.25
IDBI	0.67
Power Finance Corp.	0.57
Paints	0.31
Asian Paints Ltd.	0.31
Passenger Cars & Multi Utility Vehicles	1.07
Mahindra & Mahindra	0.43
Maruti Suzuki India	0.64
Petroleum Products (Refineries)	1.87
Reliance Petroleum	1.87
Power Generation	4.24
National Thermal Power Corp.	4.24
Prime Movers	4.00
Bharat Heavy Electrical	2.64
Suzlon Energy	1.35
Refineries	9.79
BPCL	0.34
Reliance Industries	9.45
Switching Apparatus	1.36
ABB Ltd India	0.62
Siemens India	0.74
Telephone Services	8.99
Bharti Airtel	4.27
Idea Cellular Limited	0.85
Reliance Communication	3.24
Tata Teleservices Maharashtra	0.19
VSNL	0.43
Tobacco Products	1.93
ITC	1.93
Trading	0.90
Gail India	0.90
Transportation	0.30
Container Corp Of India	0.30
Turnkey Projects/Erection Contracts	2.79
Larsen & Toubro	2.79
Two & Three Wheelers	0.99
Bajaj Auto	0.62
Hero Honda Motors	0.36
Cash And Current Assets	8.80
Grand Total	100.00



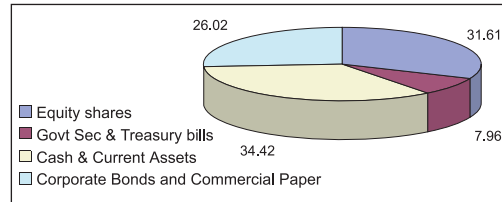
Portfolio - Save'n'Grow Money Pension

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
3 months	-4.21	-6.90
Since Inception*	-4.21	-6.90

Benchmark: 45% CNX 100 and 55% Crisil Composite Bond

*Inception date: 1st Jan 2008

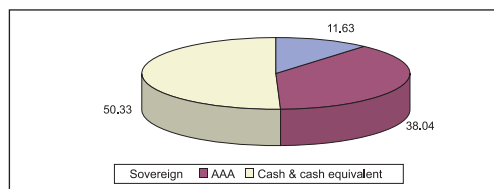
Asset Allocation (%)



Maturity Profile (as % of AUM)

0-1 yr	88.37
1-3 yrs	-
3-5 yrs	11.63
>5 yrs	-

Ratings (% age of Fixed Income portion)



Sector Allocation

Aluminium	0.44
National	0.44
Banking Services	27.16
Fixed Deposit Canara Bank	26.02
ICICI Bank	1.15
Cement	2.42
Gujarat Ambuja Cements	2.42
Diversified	3.70
Grasim Industries	2.95
Sterlite Industries (India)	0.75
Drugs & Pharmaceuticals	2.27
Sun Pharmaceutical Indus	2.27
Housing Finance Services	5.68
HDFC	5.68
Media-Broadcasting	2.85
Zee Telefilms	2.85
Prime Movers	2.06
Bharat Heavy Electrical	2.06
Refineries	2.48
Reliance Industries	2.48
Sovereign	7.96
7.37% GOI 2014	7.96
Switching Apparatus	1.67
Siemens India	1.67
Telephone Services	2.58
Bharti Airtel	2.58
Turnkey Projects/Erection Contracts	3.65
Larsen & Toubro	3.65
Two & Three Wheelers	0.99
Bajaj Auto	0.62
Hero Honda Motors	0.36
Cash And Current Assets	8.80
Grand Total	100.00



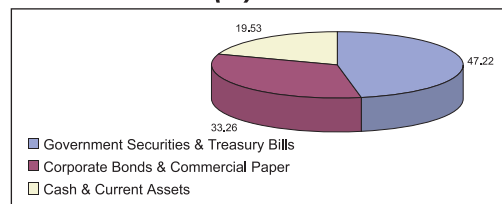
Portfolio - Steady Money Pension

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
3 months	0.33	1.13
Since Inception*	0.33	1.13

Benchmark: CRISIL Composite Bond Index

*Inception date: 1st Jan 2008

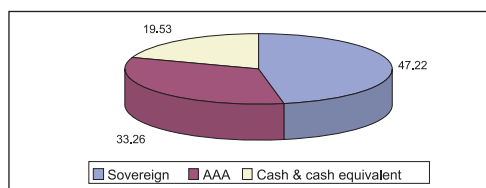
Asset Allocation (%)



Maturity Profile (as % of AUM)

0-1 yr	52.78
1-3 yrs	
3-5 yrs	47.22

Ratings (% age of Fixed Income portion)



Disclosures: 1. Insurance is the subject matter of the solicitation. 2. The performance of the funds, as shown above, is not indicative of future performance or returns. 3. Steady Money, Grow Money, Save'n'Grow Money, Grow Money Pension, Save'n'Grow Money Pension & Steady Money Pension are only the names of the fund and do not indicate its expected future returns or performance. 4. The information contained herein is as on 31st Jan 2008.



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