

Investment Newsletter

July 2008



Market Overview

Key Rates	Current	One Month Ago	One year Ago
Nifty	4332.95	4040.55	4528.85
Nifty Midcap 50	2123.35	1956.85	2519.25
Annual Inflation rate (Wholesale Price Index)	11.98%	11.42%	4.70
Yield Ten Year Government Security (Semi annual)	9.32%	8.70%	7.85%
Yield 5 year AAA rated Corporate Bond (Annual)	10.82%	10.65%	9.10%
US Dollar(USD) –Indian Rupee(INR) exchange rate	42.57	43.04	40.37

Economic and Market review

The equity market saw a relief rally in July with Nifty rising 7.2% and Midcap50 rising by 8.5%. The rally was a result of correction of undervaluation of stocks compared to its fundamentals and easing of crude oil price from above USD 140/barrel as at end of June to around USD 125/barrel as at end of July.

Equity market would have closed even higher for correction that occurred due to disappointing results from Reliance Industries and harsher than expected monetary tightening by the Reserve Bank of India (RBI) on 29 July.

RBI in its monetary policy review increased Cash Reserve Ratio (CRR) by 0.25% and the Repo Rate by 0.5% on top recent hikes in both these ratios in June. RBI explicitly stated that decreasing inflation is its primary target even if it comes at cost of decrease in the growth.

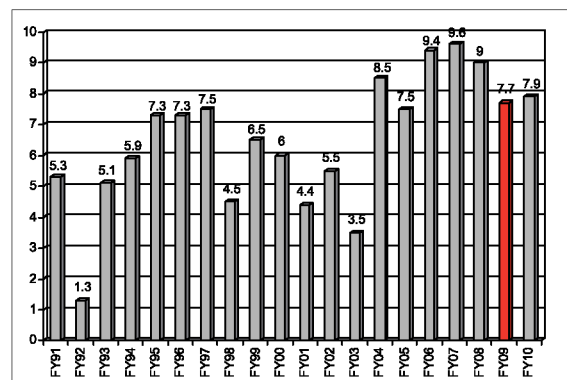
After more than USD 2 billion of sale of equities by Foreign Institutional Investors (FII) in June, the sale of USD 250 million in July seemed small. The domestic mutual funds net purchases of equity in July were around USD 261 million compensating for sales by FIIs.

The impact of rise in cost due to rising salaries, commodity prices and interest rates can be clearly seen on Corporate India. The tables below clearly show that rate of rise of profits is lower than the rate of rise of sales. The trend is thus exactly reverse of the trend seen till 2nd quarter of Financial Year 2007-08 where profits were rising faster than the sales.

Sales and Profit Growth for Indian Companies during last 8 quarters

Net Sales Growth	Q1FY09	Q4FY08	Q3FY08	Q2FY08	Q1FY08	Q4FY07	Q3FY07	Q2FY07
NIFTY	31.8%	28.2%	16.8%	11.4%	14.1%	23.3%	29.8%	33.5%
BSE 500	35.8%	30.1%	20.6%	15.0%	20.7%	25.2%	29.0%	34.1%
Adjusted PAT Growth	Q1FY09	Q4FY08	Q3FY08	Q2FY08	Q1FY08	Q4FY07	Q3FY07	Q2FY07
NIFTY	12.7%	14.7%	11.8%	16.8%	31.5%	18.3%	63.6%	35.1%
BSE 500	8.8%	14.1%	18.0%	21.0%	39.3%	27.5%	63.8%	47.4%

The Sectoral indices showed that sectors that had been beaten the most in recent times have made a sharp recovery in July. The Capital Goods (15.9% return for the month), Real Estate (11.8 %) and Banks (10.1 %) were best performing sectors. Only Sectoral indices to give negative return for the month were Information Technology (-8.2%) and Metals (-2.2%).



The interest rates especially the short term rates continued to rise in July due to credit tightening measures implemented by RBI. The shape of the yield curve is now flat. The 10 year Government of India Securities (GSecs) were trading at below 10.32% as at end of July compared to 8.70% as at end of June.

The immediate term equity market outlook is uncertain due to high interest rates and slowing global economy. But over next few years the prospects for the market look good as the India economy should do well. The long term investor shall benefit immensely from purchasing equity at reasonable current valuations. The graph below gives GDP growth over the last 2 decades. It is clear that the GDP is expected to grow at a rapid rate, even when it is slowing down compared to the current growth levels.

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 July 2008.



Bharti AXA Life Insurance Company Limited

Registered Office: 61/62, Kalpataru Synergy, Opp. Grand Hyatt, Vakola, Santacruz (E), Mumbai 400 055.
www.bharti-axalife.com. Registration Number: 130. Advertisement No. MNL 09 July 08

Fund Fact Sheet July 2008

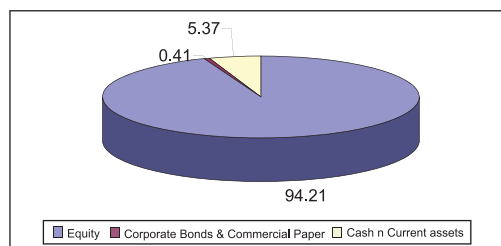


Portfolio - Grow Money

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
3 months	-16.41	-17.32
6 months	-17.99	-18.14
1 year	-7.57	-7.04
Since Inception*	23.76	26.94

Benchmark: NSE CNX 100
*Inception date: 24 August 2006

Asset Allocation (%)



Sector allocation (%)

Aluminium	1.43
Hindalco	0.56
National Aluminium Co	0.88
Banking Services	10.07
Axis Bank Limited	0.75
Bank Of Baroda	0.30
Bank Of India	0.46
Canara Bank	0.24
HDFC Bank Ltd	1.50
ICICI Bank Ltd	2.27
Kotak Mahindra Bank Ltd	0.59
Punjab National Bank	0.46
State Bank Of India	2.88
Union Bank Of India	0.21
CD PNB Oct' 08	0.41
Cement	0.98
ACC	0.35
Gujarat Ambuja Cements Ltd	0.40
Ultratech Cement	0.23
Commercial Vehicles	0.50
Tata Motors Ltd	0.50
Computer Software	9.39
HCL Technologies Ltd	0.43
I-Flex Solutions Ltd	0.38
Infosys Technologies Ltd	2.90
Satyam Computer	0.82
Tata Consultancy	2.61
Tech Mahindra Ltd	0.30
Wipro Ltd	1.95
Construction	1.99
GMR Infrastructure Ltd	0.54
Jaiprakash Associates Ltd	0.59
Unitech Ltd	0.85
Cosmetics, Toiletries, Soaps & Detergents	1.67
Hindustan Unilever Ltd	1.67
Crude Oil & Natural Gas	8.30
Cairn India Ltd	1.47
Oil & Natural Gas Corp Ltd	6.83
Diversified	2.79
Grasim Industries Limited	0.53
Sterlite Industries (India) Ltd	1.44
United Spirits Ltd	0.41

Sector Allocation (%) (Cont.)

Aditya Birla Nuvo Ltd	0.40
Drugs & Pharmaceuticals	2.38
Cipla Limited	0.54
Dr Reddy's Laboratories	0.31
Ranbaxy Laboratories Ltd	0.60
Sun Pharma	0.94
Electricity Generation	2.81
Power Grid Corp.Ltd	1.28
Tata Power	0.82
Reliance Infrastructure Ltd	0.72
Finished Steel	3.40
Steel Authority Of India Ltd	1.86
Tata Steel Ltd	1.53
Hotels	0.20
Indian Hotels Co Ltd	0.20
Housing Construction	3.10
DLF Ltd	2.79
HDIL Ltd	0.31
Housing Finance Services	2.07
Housing Development Finance	2.07
Industrial Capital Goods	0.25
Bharat Electronics Ltd	0.25
Media-Broadcasting	0.27
Zee Telefilms Ltd	0.27
Natural Resources	0.51
Reliance Natural Resources Ltd	0.51
NBFC's	1.03
Reliance Capital Ltd	1.03
Other Financial Institutions	0.87
IDFC	0.38
Power Fin.Corp.Ltd	0.49
Other Metal Products	1.03
Jindal Steel And Power	1.03
Paints	0.37
Asian Paints Ltd	0.37
Passenger Cars & Multi Utility Vehicles	0.94
Mahindra & Mahindra Ltd	0.41
Maruti Suzuki India Ltd	0.53
Petroleum Products (Refineries)	2.38
Reliance Petroleum Ltd	2.38
Power Generation	4.50
National Thermal Power Corp	4.50
Prime Movers	3.71
Bharat Heavy Electricals	2.64
Suzlon Energy Ltd	1.07
Refineries	10.66
BPCL	0.38
Reliance Industries	10.28
Switching Apparatus	1.12
ABB Ltd India	0.52
Siemens India Ltd	0.59
Telephone Services	9.33
Bharti Airtel	4.86
Idea Cellular	0.74
Reliance Communication	3.31
Tata Communications	0.41
Tobacco Products	2.26
ITC Ltd	2.26
Trading	1.02
GAIL India Ltd	1.02
Transportation	0.35
Container Corp Of India Ltd	0.35
Turnkey Projects/Erection Contracts	2.44
Larsen & Toubro Ltd	2.44
Two & Three Wheelers	0.51
Hero Honda Motors	0.51
Cash And Current Assets	5.37
Grand Total	100.00

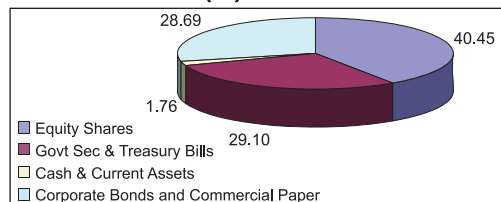


Portfolio - Save'n'Grow Money

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
3 months	-9.03	-8.63
6 months	-8.98	-8.65
1 year	-0.91	-1.25
Since Inception*	16.60	17.92

Benchmark: 45% CNX 100 and 55% Crisil Composite Bond Index
*Inception date: 22 August 2006

Asset Allocation (%)



Maturity Profile (as % of AUM)

0-1 yrs	4.93
1-3yrs	-
3-5yrs	95.07
>5yrs	-

Sector Allocation

Aluminium	0.61
Hindalco	0.24
National Aluminium Co	0.38
Banking Services	32.84
Axis Bank Limited	0.32
Bank Of Baroda	0.13
Bank Of India	0.20
Canara Bank	0.10
HDFC Bank Ltd	0.64
ICICI Bank Ltd	0.97
Kotak Mahindra Bank Ltd	0.25
Punjab National Bank	0.20
State Bank Of India	1.24
Union Bank Of India	0.09
Corp. Bond 10% Nabard NPriority Sect	26.68
CD PNB Oct' 08	2.01
Cement	0.42
ACC	0.15
Gujarat Ambuja Cements Ltd	0.17
Ultratech Cement	0.10
Commercial Vehicles	0.21
Tata Motors Ltd	0.21
Computer Software	4.03
HCL Technologies Ltd	0.18
I-Flex Solutions Ltd	0.16
Infosys Technologies Ltd	1.25
Satyam Computer	0.35
Tata Consultancy	1.12
Tech Mahindra Ltd	0.13
Wipro Ltd	0.83
Construction	0.85
GMR Infrastructure Ltd	0.23
Jaiprakash Associates Ltd	0.25
Unitech Ltd	0.37
Cosmetics, Toiletries, Soaps & Detergents	0.72
Hindustan Unilever Ltd	0.72
Crude Oil & Natural Gas	3.60
Cairn India Ltd	0.63
Oil & Natural Gas Corp Ltd	2.93
Diversified	1.20
Grasim Industries Limited	0.23
Sterlite Industries (India) Ltd	0.62
United Spirits Ltd	0.17
Aditya Birla Nuvo Ltd	0.17

Sector Allocation (%) (Cont.)

Drugs & Pharmaceuticals	1.03
Cipla Ltd	0.23
Dr Reddy's Laboratories	0.13
Ranbaxy Laboratories Ltd	0.26
Sun Pharma	0.40
Electricity Generation	1.21
Power Grid Corp.Ltd	0.55
Tata Power	0.35
Reliance Infrastructure Ltd	0.31
Finished Steel	1.46
Steel Authority Of India Ltd	0.80
Tata Steel Ltd	0.66
Hotels	0.09
Indian Hotels Co Ltd	0.09
Housing Construction	1.33
DLF Ltd	1.20
HDIL Ltd	0.13
Housing Finance Services	0.89
Housing Development Finance	0.89
Industrial Capital Goods	0.11
Bharat Electronics Ltd	0.11
Media-Broadcasting	0.12
Zee Telefilms Ltd	0.12
Natural Resources	0.22
Reliance Natural Resources Ltd	0.22
NBFC's	0.44
Reliance Capital Ltd	0.44
Other Financial Institutions	0.38
IDFC	0.16
Power Fin.Corp.Ltd	0.21
Other Metal Products	0.44
Jindal Steel And Power	0.44
Paints	0.16
Asian Paints Ltd	0.16
Passenger Cars & Multi Utility Vehicles	0.41
Mahindra & Mahindra Ltd	0.18
Maruti Suzuki India Ltd	0.23
Petroleum Products (Refineries)	1.02
Reliance Petroleum Ltd	1.02
Power Generation	1.93
National Thermal Power Corp	1.93
Prime Movers	1.59
Bharat Heavy Electricals	1.13
Suzlon Energy Ltd	0.46
Refineries	4.58
BPCL	0.16
Reliance Industries	4.41
Sovereign	29.10
7.37% GOI 2014	8.47
9.39% GOI 2011	11.34
5.48% GOI 2009	8.11
364 Day TB Sep 2008	1.18
Switching Apparatus	0.48
ABB Ltd India	0.23
Siemens India Ltd	0.25
Telephone Services	4.00
Bharti Airtel	2.09
Idea Cellular	0.32
Reliance Communication	1.42
Tata Communications	0.18
Tobacco Products	0.97
ITC Ltd	0.97
Trading	0.44
GAIL India Ltd	0.44
Transportation	0.15
Container Corp Of India Ltd	0.15
Turnkey Projects/Erection Contracts	1.05
Larsen & Toubro Ltd	1.05
Two & Three Wheelers	0.22
Hero Honda Motors	0.22
Cash And Current Assets	1.76
Grand Total	100.00

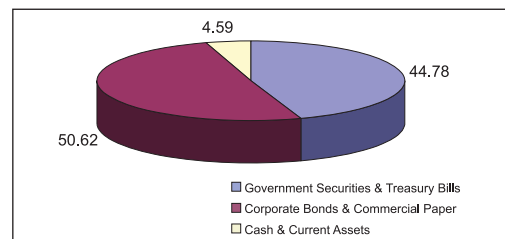


Portfolio - Steady Money

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
3 months	-2.12	-1.52
6 months	-1.03	-0.89
1 year	3.16	3.49
Since Inception*	12.15	10.16

Benchmark: CRISIL Composite Bond Index
*Inception date: 5 September 2006

Asset Allocation (%)



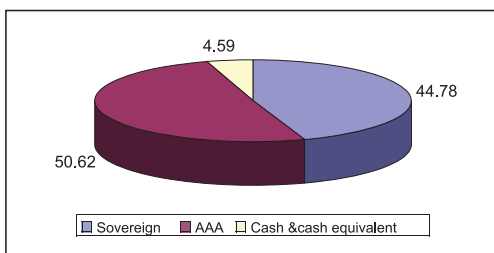
Maturity Profile (as % of AUM)

0-1 yrs	14.77
1-3yrs	-
3-5yrs	85.23
>5yrs	-

Sector Allocation

Corporate bonds	50.62
10% NABARD NPRIORITY	40.45
CD PNB Oct 2008	10.18
Cash and currents assets	4.59
Government Securities & Treasury Bills	44.78
9.39% GOI 2011	10.57
7.37% GOI 2014	17.49
5.48% GOI 2009	16.73
Grand Total	100

Rating Profile (as a % of AUM)

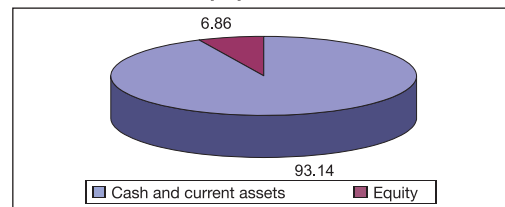


Portfolio - Grow Money Pension

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
1 month	-16.63	-17.32
3 months	-17.74	-18.14
Since Inception*	-30.97	-31.82

Benchmark: NSE CNX 100
*Inception date: 1st Jan 2008

Asset Allocation (%)



Sector Allocation (%)

Aluminium	1.42
Hindalco	0.55
National Aluminium Co	0.37
Banking Services	9.55
Axis Bank Limited	0.74
Bank Of Baroda	0.30
Bank Of India	0.45
Canara Bank	0.24
HDFC Bank Ltd	1.43
ICICI Bank Ltd	2.25
Kotak Mahindra Bank Ltd	0.53
Punjab National Bank	0.45
State Bank Of India	2.35
Union Bank Of India	0.21
Cement	0.97
ACC	0.35
Gujarat Ambuja Cements Ltd	0.39
Ultratech Cement	0.23
Commercial Vehicles	0.49
Tata Motors Ltd	0.49
Computer Software	9.23
HCL Technologies Ltd	0.42
I-Flex Solutions Ltd	0.37
Infosys Technologies Ltd	2.37
Satyam Computer	0.31
Tata Consultancy	2.53

Sector Allocation (%) (Cont.)

Tech Mahindra Ltd	0.29
Wipro Ltd	1.92
Construction	1.96
GMR Infrastructure Ltd	0.54
Jaiprakash Associates Ltd	0.53
Unitech Ltd	0.34
Cosmetics, Toiletries, Soaps & Detergents	1.65
Hindustan Unilever Ltd	1.65
Crude Oil & Natural Gas	3.20
Caixa India Ltd	1.45
Oil & Natural Gas Corp Ltd	5.75
Diversified	2.75
Grasim Industries Limited	0.53
Sterlite Industries (India) Ltd	1.42
United Spirits Ltd	0.41
Aditya Birla Nuvo Ltd	0.40
Drugs & Pharmaceuticals	2.36
Cipla Limited	0.54
Dr Reddy's Laboratories	0.30
Ranbaxy Laboratories Ltd	0.59
Sun Pharma	0.93
Electricity Generation	2.73
Power Grid Corp.Ltd	1.25
Tata Power	0.31
Reliance Infrastructure Ltd	0.71
Finished Steel	3.36
Steel Authority Of India Ltd	1.34
Tata Steel Ltd	1.52
Hotels	0.20
Indian Hotels Co Ltd	0.20
Housing Construction	3.07
DLF Ltd	2.75
HDIL Ltd	0.31
Housing Finance Services	2.05
Housing Development Finance	2.05
Industrial Capital Goods	0.25
Bharat Electronics Ltd	0.25
Media-Broadcasting	0.27
Zee Telefilms Ltd	0.27
Natural Resources	0.51
Reliance Natural Resources Ltd	0.51
NBFC's	1.01
Reliance Capital Ltd	1.01
Other Financial Institutions	0.86
IDFC	0.38
Power Fin.Corp.Ltd	0.49

Sector Allocation (%) (Cont.)

Other Metal Products	1.02
Jindal Steel And Power	1.02
Paints	0.37
Asian Paints Ltd	0.37
Passenger Cars & Multi Utility Vehicles	0.93
Mahindra & Mahindra Ltd	0.41
Maruti Suzuki India Ltd	0.53
Petroleum Products (Refineries)	2.35
Reliance Petroleum Ltd	2.35
Power Generation	4.45
National Thermal Power Corp	4.45
Prime Movers	3.67
Bharat Heavy Electricals	2.61
Suzlon Energy Ltd	1.06
Refineries	10.54
BPCL	0.38
Reliance Industries	10.17
Switching Apparatus	1.10
ABB Ltd India	0.52

Sector Allocation (%) (Cont.)

Siemens India Ltd	0.59
Telephone Services	9.22
Bharti Airtel	4.80
Idea Cellular	0.73
Reliance Communication	3.27
Tata Communications	0.41
Tobacco Products	2.23
ITC Ltd	2.23
Trading	1.01
GAIL India Ltd	1.01
Transportation	0.35
Container Corp Of India Ltd	0.35
Turnkey Projects/Erection Contracts	2.41
Larsen & Toubro Ltd	2.41
Two & Three Wheelers	0.51
Hero Honda Motors	0.51
Cash And Current Assets	6.86
Grand Total	100.00



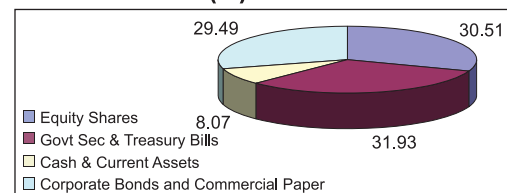
Portfolio - Save'n'Grow Money Pension

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
1 month	-8.45	-8.63
3 months	-6.66	-8.65
Since Inception*	-10.59	-14.19

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

*Inception date: 1st Jan 2008

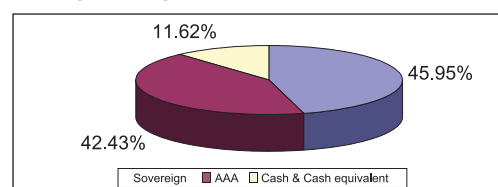
Asset Allocation (%)



Maturity Profile (as % of AUM)

0-1 yrs	59.9
1-3yrs	-
3-5yrs	40.1
>5yrs	-

Ratings (% age of Fixed Income portion)



Sector Allocation (%) (Cont.)

Aluminium	0.75
Hindalco	0.27
National Aluminium Co	0.48
Banking Services	32.38
Axis Bank Limited	0.73
HDFC Bank Ltd	0.57
ICICI Bank Ltd	0.47
Kotak Mahindra Bank Ltd	0.54
State Bank Of India	0.58
Corp. Bond 10% Nabard NPriority Sect	10.64
CD PNB Oct' 08	18.85
Cement	1.16
ACC	0.62
Gujarat Ambuja Cements Ltd	0.54
Construction	0.95
GMR Infrastructure Ltd	0.34
Jaiprakash Associates Ltd	0.60
Cosmetics, Toiletries, Soaps & Detergents	1.18
Hindustan Unilever Ltd	1.18

Sector Allocation (%) (Cont.)

Crude Oil & Natural Gas	2.83
Cairn India Ltd	0.79
Oil & Natural Gas Corp Ltd	2.05
Diversified	2.11
Grasim Industries Limited	0.64
Sterlite Industries (India) Ltd	0.45
Aditya Birla Nuvo Ltd	1.02
Drugs & Pharmaceuticals	1.73
Cipla Limited	0.48
Ranbaxy Laboratories Ltd	0.71
Sun Pharma	0.54
Electricity Generation	0.73
Power Grid Corp.Ltd	0.73
Finished Steel	1.12
Steel Authority Of India Ltd	1.12
Hotels	0.59
Indian Hotels Co Ltd	0.59
Housing Construction	0.35
DLF Ltd	0.35
Housing Finance Services	0.81
Housing Development Finance	0.81
Media-Broadcasting	0.63
Zee Telefilms Ltd	0.63
Passenger Cars & Multi Utility Vehicles	1.44
Mahindra & Mahindra Ltd	0.73
Maruti Suzuki India Ltd	0.71
Power Generation	1.27
National Thermal Power Corp	1.27
Prime Movers	1.12
Bharat Heavy Electricals	0.60
Suzlon Energy Ltd	0.52
Refineries	2.26
BPCL	0.63
Reliance Industries	1.63
Sovereign	31.93
7.37% GOI 2014	17.22
5.48% GOI 2009	14.71
Switching Apparatus	0.54
Siemens India Ltd	0.54
Telephone Services	1.86
Bharti Airtel	1.31
Reliance Communication	0.55
Tobacco Products	1.07
ITC Ltd	1.07
Trading	0.64
GAIL India Ltd	0.64
Transportation	0.83
Container Corp Of India Ltd	0.83
Turnkey Projects/Erection Contracts	0.64
Larsen & Toubro Ltd	0.64
Two & Three Wheelers	1.01
Hero Honda Motors	1.01
Cash And Current Assets	8.07
Grand Total	100.00

Portfolio - Steady Money Pension

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
1 months	-2.35	-1.52
3 months	-1.01	-0.89
Since Inception*	-0.68	0.23

Benchmark: CRISIL Composite Bond Index

*Inception date: 1st Jan 2008

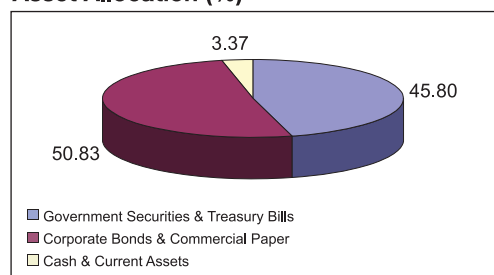
Sector Allocation

Corporate Bonds	50.83
10% NABARD N-PRIORITY	13.42
CD PNB Oct 2008	37.40
Cash and currents assets	3.37
Government Securities & Treasury Bills	45.8
7.37% GOI 2014	45.8
Grand Total	100.00

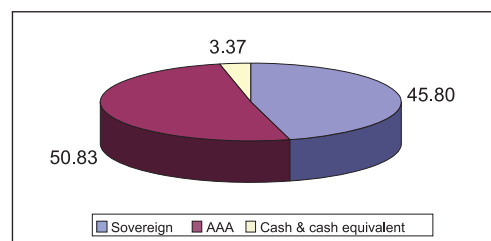
Maturity Profile (as % of AUM)

0-1 yrs	40.77
1-3yrs	-
3-5yrs	59.23

Asset Allocation (%)



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 July 2008.



Bharti AXA Life Insurance Company Limited

Registered Office: 61/62, Kalpataru Synergy, Opp. Grand Hyatt, Vakola, Santacruz (E), Mumbai 400 055.
www.bharti-axalife.com, Registration Number: 130, Advertisement No. MNL 09 July 08