Investment Newsletter

May 2008

Market Overview

Key Rates	Current	One Month Ago	One year Ago
Nifty	4870.10	5165.90	4295.80
Annual Inflation rate (Wholesale Price Index)	8.24%	7.61%	5.15%
Yield Ten Year Government Security (Semi annual)	8.11%	7.92%	8.09%
Yield 5 year AAA rated Corporate Bond (Annual)	9.63%	9.47%	10.03%
US Dollar(USD) –Indian Rupee(INR) exchange rate	42.16	40.50	40.57

Economic and Market review

The Indian equity market had a bad May following a surprisingly good April. Nifty dropped by 5.7%. and the Nifty Mid cap dropped by 5.4% in May. Current Nifty levels are 8% higher than the lows seen in Mid March but lower by 20.7% as compared to the year beginning levels.

The market is facing multiple headwinds at the moment, high inflation, rising crude oil price, withdrawal of funds by Foreign Institutional Investors. The Foreign Institutional Investors sales in the cash market were more than a USD 1 billion in the month of May. The crude oil continued to rise and breached the USD 120/barrel mark in May. The impact of crude rise is not linear another rise of USD 20-30 per barrel could completely derail the economic growth. Given these negative factors both retail investors and institutional investors have been apprehensive about investing in the market.

Software, Metals and Healthcare were outperforming sectors for May. All other sectors gave a negative return with BSE Realty index being the worst performer with negative return of 17.6% for the month of May.

The economic numbers announced during the month showed persistent rise in inflation but mixed signals on growth. Year on year growth in the Index of Industrial Production (IIP) for the month of March was 3% was lower than expected, but Gross Domestic Product growth for FY08 at 8.8% was higher than expected. Though combined effects of higher interest rates and weaker global growth will see slow down in GDP growth to below 8% in 2008-09.

Inflation Chart.

White line is the annual inflation rate and red line is the absolute level of Wholesale Price Index (WPI)

RBI increasing the CRR rates in the April policy coupled with the CRR hikes earlier getting effected in the current month, liquidity tightened considerably with banks resorting to borrowing under LAF from the RBI. Inflation printed higher numbers and crossed the 8% mark touching a 7 year high of 8.75% for the week ended 31st May. Interest rates rose across the curve on the back of high inflation and anticipation of further monetary measures by RBI to curb inflation. The ten year government security yield ended the month at 8.11%. The yield on corporate bonds (5 year AAA rated bonds) rose by 16 bps to end at 9.63%.

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 May 2008.

bharti AXA LIFE INSURANCE

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 May 08

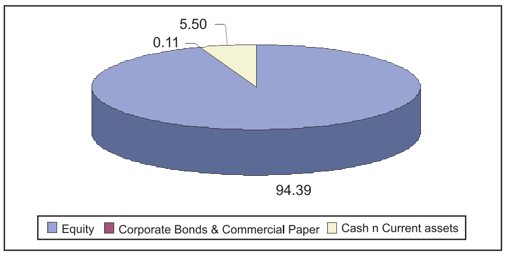
Fund Fact Sheet May 2008

Portfolio - Grow Money

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
3 months	-8.54	-7.94
6 months	-17.81	-17.45
1 year	9.45	11.68
Since Inception*	38.81	43.72

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

Asset Allocation (%)



Sector allocation (%)

Iron & Steel	**4.82**
Jindal Steel And Power	1.03
Steel Authority Of India Ltd	1.91
Tata Steel Limited	1.88
Banks	**9.79**
Axis Bank Limited	0.81
Bank Of Baroda	0.28
Bank Of India	0.44
Canara Bank	0.25
Hdfc Bank Limited	1.38
ICICI Bank Ltd	2.51
Indian Overseas Bank	0.18
Kotak Mahindra Bank Ltd	0.68
Punjab National Bank	0.44
State Bank Of India	2.62
Union Bank Of India	0.20
Oil & Gas producers	**14.13**
Bharat Petroleum Co	0.37
Cairn India Ltd	1.55
Reliance Industries	9.98
Reliance Petroleum Ltd	2.23
Telecommunications	**9.38**
Bharti Televentures	4.74
Idea Cecullar Limited	0.82
Reliance Communication	3.40
Tata Communications Limited	0.41
Financial services	**4.42**
HDFC	2.09
IDBI	0.18
IDFC	0.54
Power Fin.Corp.Ltd.	0.46
Reliance Capital Limited	0.84
Birla Cash Plus	0.20
9.5% FD SBP	0.11
Beverages	**0.48**
United Spirits Limited	0.48
Engineering & Construction	**4.97**
GMR Infrastructure Ltd	0.69
Jaiprakash Associates Ltd	0.71
Larsen & Toubro Limited	2.49
Unitech Ltd	1.08
Real Estate	**2.86**
DLF Ltd.	2.86

Sector Allocation (%) (Cont.)

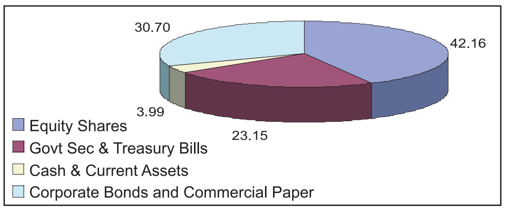
Electric companies	**6.92**
NTPC	4.06
Power Grid Corp.Ltd	1.18
Tata Power	0.85
Reliance Infrastructure Ltd	0.82
Chemicals	**0.35**
Asian Paints Ltd	0.35
Building Material	**1.58**
ACC	0.35
Grasim Industries Limited	0.58
Gujarat Ambuja Cements Ltd	0.41
Ultratech Cemco Ltd	0.23
Pharmaceuticals	**2.20**
Cipla Limited	0.47
Dr Reddies Laboratories Ltd	0.34
Ranbaxy Laboratories Ltd	0.56
Sun Pharmaceutical	0.83
Household products & Housewares	**1.47**
Hindustan Unilever Limited	1.47
Auto manufactures	**1.68**
Mahindra & Mahindra Limited	0.41
Maruti Suzuki India Ltd	0.63
Tata Motors Ltd	0.63
Agriculture	**2.34**
ITC Ltd	2.34
Mining	**1.66**
Hindalco	0.67
National Aluminium Co Ltd	0.99
Media	**0.28**
Zee Telefilms Limited	0.28
Software	**10.46**
HCL Technologies Ltd	0.60
I-Flex Solutions Ltd	0.33
Infosys Technologies Ltd	3.21
Satyam Computer	1.00
TCS	2.90
Tech Mahindra Ltd	0.30
Wipro Ltd	2.12
Leisure	**0.42**
Hero Honda Motors Limited	0.42
Holding companies	**0.39**
Indian Rayon & Inds Ltd	0.39
Metal fabrication	**1.89**
Sterlite Industries (India) Ltd	1.89
Gas	**1.44**
Gail India Limited	0.97
Reliance Natural Resources	0.47
Multi Industry	**5.28**
ONGC	5.28
Electrical Equipments	**4.67**
ABB Ltd	0.62
Bharat Heavy Electricals	2.32
Siemens India Ltd	0.54
Suzlon Energy Limited	1.18
Transportation	**0.32**
Container Corp Of India Ltd	0.32
Electronics	**0.26**
Bharat Electronics Ltd	0.26
Lodging	**0.23**
Indian Hotels Co Limited	0.23
Cash and current assets	**5.30**
Grand Total	**100.00**

Portfolio - Save'n'Grow Money

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
3 months	-3.16	-3.11
6 months	-6.56	-6.08
1 year	9.54	10.05
Since Inception*	24.57	26.59

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	11.84
1-3yrs	-
3-5yrs	88.16
>5yrs	-

Sector Allocation

Iron & Steel	**2.16**
Jindal Steel and Power	0.46
Steel Authority Of India Ltd	0.85
Tata Steel Limited	0.84
Banks	**4.38**
Axis Bank Limited	0.36
Bank Of Baroda	0.13
Bank Of India	0.20
Canara Bank	0.11
Hdfc Bank Limited	0.62
ICICI Bank Ltd	1.12
Indian Overseas Bank	0.08
Kotak Mahindra Bank Ltd	0.31
Punjab National Bank	0.20
State Bank Of India	1.17
Union Bank Of India	0.09
Oil & Gas producers	**6.27**
Bharat Petroleum Co	0.16
Cairn India Ltd	0.65
Reliance Industries	4.46
Reliance Petroleum Ltd	1.00
Telecommunications	**4.19**
Bharti Televentures	2.12
Idea Cecullar Limited	0.37
Reliance Communication	1.52
Tata Communications Limited	0.18
Financial services	**33.89**
10% Nabard 14/05/2012	17.59
9.5% FD SBP	13.11
HDFC	0.93
IDBI	0.08
IDFC	0.24
Power Fin.Corp.Ltd.	0.21
Reliance Capital Limited	0.37
Birla Cash Plus	1.35
Beverages	**0.22**
United Spirits Limited	0.22
Engineering & Construction	**2.22**
GMR Infrastructure Ltd	0.31
Jaiprakash Associates Ltd	0.32
Larsen & Toubro Limited	1.11
Unitech Ltd	0.48
Real Estate	**1.28**
DLF Ltd.	1.28

Sector Allocation (%) (Cont.)

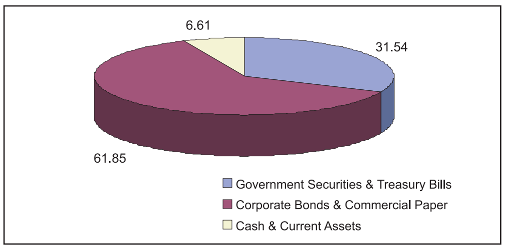
Electric companies	**3.09**
NTPC	1.81
Power Grid Corp.Ltd	0.53
Tata Power	0.38
Reliance Infrastructure Ltd	0.37
Chemicals	**0.16**
Asian Paints Ltd	0.16
Building Material	**0.71**
ACC	0.16
Grasim Industries Limited	0.26
Gujarat Ambuja Cements Ltd	0.18
Ultratech Cemco Ltd	0.10
Pharmaceuticals	**0.98**
Cipla Limited	0.21
Dr Reddies Laboratories Ltd	0.15
Ranbaxy Laboratories Ltd	0.25
Sun Pharmaceutical	0.37
Household products & Housewares	**0.66**
Hindustan Unilever Limited	0.66
Auto manufactures	**0.75**
Mahindra & Mahindra Limited	0.18
Maruti Suzuki India Ltd	0.28
Tata Motors Ltd	0.28
Agriculture	**1.05**
ITC Ltd	1.05
Mining	**0.74**
Hindalco	0.30
National Aluminium Co Ltd	0.44
Media	**0.13**
Zee Telefilms Limited	0.13
Software	**4.68**
HCL Technologies Ltd	0.27
I-Flex Solutions Ltd	0.15
Infosys Technologies Ltd	1.43
Satyam Computer	0.45
TCS	1.30
Tech Mahindra Ltd	0.13
Wipro Ltd	0.95
Leisure	**0.19**
Hero Honda Motors Limited	0.19
Holding companies	0.17
Indian Rayon & Inds Ltd	0.17
Metal fabrication	**0.85**
Sterlite Industries (India) Ltd	0.85
Gas	**0.64**
Gail India Limited	0.43
Reliance Natural Resources	0.21
Multi Industry	**2.36**
ONGC	2.36
Electrical Equipments	**2.09**
ABB Ltd	0.28
Bharat Heavy Electricals	1.04
Siemens India Ltd	0.24
Suzlon Energy Limited	0.53
Transportation	**0.14**
Container Corp Of India Ltd	0.14
Electronics	**0.12**
Bharat Electronics Ltd	0.12
Lodging	**0.10**
Indian Hotels Co Limited	0.10
Sovereign	**25.14**
7.37% GOI 2014 16Apr2014	9.26
9.39% GOI 02/07/2011	12.59
Government	**1.31**
364 Day Tbill 12Sep2008	1.50
Cash and current assets	**3.03**
Grand Total	**100.00**

Portfolio - Steady Money

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
3 months	0.93	0.85
6 months	2.72	3.21
1 year	10.87	8.71
Since Inception*	14.70	12.18

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

Asset Allocation (%)



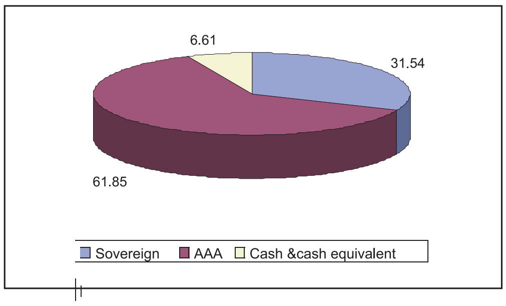
Maturity Profile (as % of AUM)

0-1 yrs	32.67
1-3yrs	-
3-5yrs	35.79
>5yrs	31.54

Sector Allocation

Corporate bonds	**61.85**
10% NABARD 2012	35.79
9.5% FD SBP 24/07/2008	26.06
Cash and currents assets	6.61
Government Securities & Treasury Bills	31.54
9.39% GOI 2011	10.59
7.37% GOI 2014	20.95
Grand Total	**100**

Rating Profile (as a % of AUM)

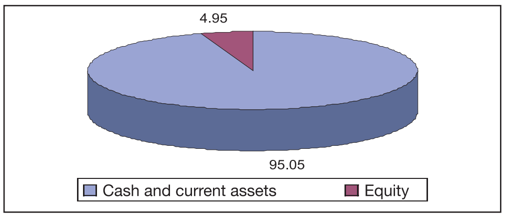


Portfolio - Grow Money Pension

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
1 month	-6.36	-6.39
3 months	-7.54	-7.94
Since Inception*	-22.47	-22.80

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

Asset Allocation (%)



Sector Allocation (%)

Iron & Steel	**4.85**
Jindal Steel and Power	1.03
Steel Authority Of India Ltd	1.92
Tata Steel Limited	1.90
Banks	**9.86**
Axis Bank Limited	0.82
Bank Of Baroda	0.28
Bank Of India	0.45
Canara Bank	0.25
Hdfc Bank Limited	1.39
ICICI Bank Ltd	2.52
Indian Overseas Bank	0.18
Kotak Mahindra Bank Ltd	0.69
Punjab National Bank	0.44
State Bank Of India	2.64
Union Bank Of India	0.20
Oil & Gas producers	**14.23**
Bharat Petroleum Co	0.37
Cairn India Ltd	1.56
Reliance Industries	10.04
Reliance Petroleum Ltd	2.26
Telecommunications	**9.44**
Bharti Televentures	4.78
Idea Cecullar Limited	0.82
Reliance Communication	3.42
Tata Communications Limited	0.42
Financial services	**4.14**

Sector Allocation (%) (Cont.)

HDFC	2.10
IDBI	0.18
IDFC	0.55
Power Fin.Corp.Ltd.	0.46
Reliance Capital Limited	0.85
Beverages	**0.48**
United Spirits Limited	0.48
Engineering & Construction	**5.01**
GMR Infrastructure Ltd	0.70
Jaiprakash Associates Ltd	0.72
Larsen & Toubro Limited	2.50
Unitech Ltd	1.09
Real Estate	**2.88**
DLF Ltd.	2.88
Electric companies	**6.96**
NTPC	4.08
Power Grid Corp.Ltd	1.19
Tata Power	0.86
Reliance Infrastructure Ltd	0.83
Chemicals	**0.35**
Asian Paints Ltd	0.35
Building Material	**1.59**
ACC	0.36
Grasim Industries Ltd	0.58
Gujarat Ambuja	0.42
Ultratech Cemco Ltd	0.23
Pharmaceuticals	**2.22**
Cipla Limited	0.47
Dr Reddies Laboratories Ltd	0.34
Ranbaxy Laboratories Ltd	0.57
Sun Pharmaceutical	0.83
Household products & Housewares	**1.48**
Hindustan Unilever Limited	1.48
Auto manufactures	**1.69**
Mahindra & Mahindra Limited	0.42
Maruti Suzuki India Ltd	0.63
Tata Motors Ltd	0.64
Agriculture	**2.36**
ITC Ltd	2.36
Mining	**1.67**
Hindalco	0.68
National Aluminium Co Ltd	1.00
Media	**0.28**
Zee Telefilms Limited	0.28
Software	**10.53**
HCL Technologies Ltd	0.60
I-Flex Solutions Ltd	0.33
Infosys Technologies Ltd	3.23

Sector Allocation (%) (Cont.)

Satyam Computer	1.01
TCS	2.92
Tech Mahindra Ltd	0.30
Wipro Ltd	2.14
Leisure	**0.43**
Hero Honda Motors Limited	0.43
Holding companies	**0.39**
Indian Rayon & Inds Ltd	0.39
Metal fabrication	**1.91**
Sterlite Industries (India) Ltd	1.91
Gas	**1.45**
Gail India Limited	0.97
Reliance Natural Resources	0.48
Multi Industry	5.32
ONGC	5.32

Sector Allocation (%) (Cont.)

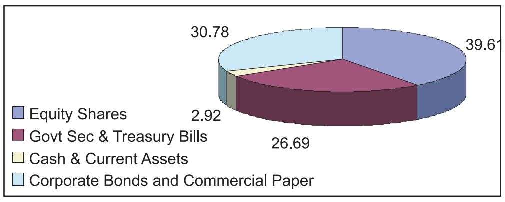
Electrical Equipments	**4.70**
ABB Ltd	0.62
Bharat Heavy Electricals	2.34
Siemens India Ltd	0.54
Suzlon Energy Limited	1.19
Transportation	**0.32**
Container Corp Of India Ltd	0.32
Electronics	**0.27**
Bharat Electronics Ltd	0.27
Lodging	**0.23**
Indian Hotels Co Limited	0.23
Cash and current assets	**4.95**
Grand Total	**100.00**

Portfolio - Save'n'Grow Money Pension

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
1 month	-2.90	-2.71
3 months	-2.80	-3.11
Since Inception*	-5.16	-9.12

Benchmark: 45% CNX 100 and 55% Crisil Composite Bond
*Inception date: 1st Jan 2008

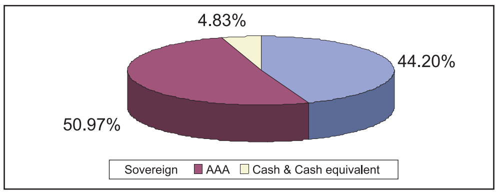
Asset Allocation (%)



Maturity Profile (as % of AUM)

0-1 yrs	21.3
1-3yrs	-
3-5yrs	78.7
>5yrs	-

Ratings (% age of Fixed Income portion)



Sector Allocation (%) (Cont.)

Iron & Steel	**0.33**
Steel Authority Of India Ltd	0.33
Banks	**4.15**
Axis Bank Limited	0.53
Hdfc Bank Limited	0.99
ICICI Bank Ltd	1.09
Kotak Mahindra Bank Ltd	0.43
State Bank Of India	1.11
Oil & Gas producers	**4.35**
Bharat Petroleum Co	0.37
Cairn India Ltd	0.65
Reliance Industries	3.34
Telecommunications	**2.54**
Bharti Televentures	1.35
Reliance Communication	1.19
Financial services	34.28
HDFC	1.72

Sector Allocation (%) (Cont.)

Birla Cash Plus	1.78
10% NABARD Bond	20.81
9.5% FD SBP	9.97
Engineering & Construction	**2.75**
GMR Infrastructure Ltd	0.93
Jaiprakash Associates Ltd	0.44
Larsen & Toubro Limited	1.38
Real Estate	**0.75**
DLF Ltd.	0.75
Electric companies	**1.66**
NTPC	1.26
Power Grid Corp.Ltd	0.41
Building Material	**3.84**
ACC	1.33
Grasim Industries Ltd	0.34
Gujarat Ambuja	1.17
Pharmaceuticals	**2.97**
Cipla Limited	0.33
Ranbaxy Laboratories Ltd	1.14
Sun Pharmaceutical	0.50
Household products & Housewares	0.61
Hindustan Unilever Limited	0.61
Auto manufactures	**0.93**
Mahindra & Mahindra Limited	0.42
Maruti Suzuki India Ltd	0.51
Agriculture	**0.90**
ITC Ltd	0.90
Mining	**1.14**
Hindalco	0.69
National Aluminium Co Ltd	0.44
Media	**1.38**
Zee Telefilms Limited	1.38
Leisure	**1.76**
Hero Honda Motors Limited	1.76
Holding companies	**0.88**
Indian Rayon & Inds Ltd	0.88
Metal fabrication	1.25
Sterlite Industries (India) Ltd	1.25
Gas	**1.28**
Gail India Limited	1.28
Multi Industry	**2.45**
ONGC	2.45
Electrical Equipments	**2.07**
Bharat Heavy Electricals	1.11
Siemens India Ltd	0.46
Suzlon Energy Limited	0.50
Transportation	**1.60**
Container Corp Of India Ltd	1.60
Lodging	**0.29**
Indian Hotels Co Limited	0.29
Sovereign	**26.69**
7.37% GOI 2014	29.65
Cash and current assets	**1.14**
Grand Total	**100.00**

Portfolio - Steady Money Pension

Fund Performance (Absolute Returns %)	Fund	Benchmark Index
1 months	-0.19	0.30
3 months	-0.75	0.85
Since Inception*	1.51	2.07

Benchmark: CRISIL Composite Bond Index
*Inception date: 1st Jan 2008

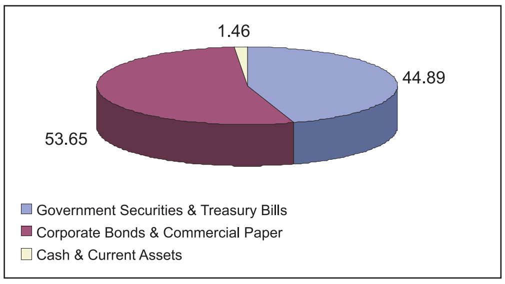
Sector Allocation

Corporate Bonds	**53.65**
10% NABARD 2012	48.68
9.5% FD SBP 24/07/2008	4.96
Cash and currents assets	1.46
Government Securities & Treasury Bills	44.89
7.37% GOI 2014	44.89
Grand Total	**100.00**

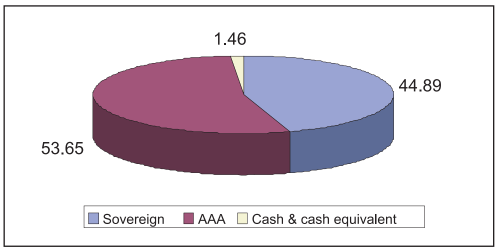
Maturity Profile (as % of AUM)

0-1 yrs	6.42
1-3yrs	-
3-5yrs	93.58

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 May 2008.