

Investment Newsletter

September 2008



Market Overview

Key Rates	Current	One Month Ago	One year Ago
Nifty	3921.20	4360.00	5021.35
Nifty Midcap 50	1792.35	2149.05	2838.25
Annual Inflation rate (Wholesale Price Index)	12.14%	12.40%	3.36%
Yield Ten Year Government Security (Semi annual)	8.64%	8.71%	7.92%
Yield 5 year AAA rated Corporate Bond (Annual)	11.06%	11.07%	9.50%
US Dollar(USD) –Indian Rupee(INR) exchange rate	46.96	43.94	39.85

Economic and Market review

September 2008 shall be remembered as one of the momentous periods in the history of financial markets. The world financial system (especially in USA and Europe) is at a precipice. The biggest names in the financial industry went bankrupt (Lehman Brothers) or were bought over by the government (AIG) or sold themselves to a stronger player (Merrill Lynch). Goldman Sachs and Morgan Stanley converted themselves into a commercial bank, thus there are no large independent investment banks left in the USA. First time since the great depression of 1930s have people lost confidence in the banking system. The lack of faith that banks have with each other is reflected in high inter-bank borrowing rate (LIBOR). The Central Banks and Governments are taking all possible steps to prevent a complete collapse of the financial system and hopefully they shall succeed in the endeavour.

The Indian banking system though is largely immune to turmoil in the world financial markets. The relative strength of the Indian banking arises from negligible exposure outside India and RBI led limitations on capital market and real estate exposure within India. The slowing down of Indian economy shall surely affect the banking system in India with higher Non Performing Assets (NPA), but current NPA levels in India are very low (around 1.5%) and a rise to say 5% shall not result in any doubts about solvency of the banking system. Part of the problem in financial markets abroad is their dependence on money market to fund the balance sheet, which in markets conditions like today are fickle. Indian banks on the other hand funded by much more stable source i.e. deposits.

The equity markets tanked in September with the Nifty dropping 10.1% and the Nifty Mid cap dropping 16.6%. Foreign Institutional Investors (FII) sold equities amounting to about USD 2 billion in September. The Net sales by FIIs for the calendar year 2008 now exceed USD 9 billion.

The fall in metal prices and lack of demand for real estate resulted on these two turning out to be the worst performing sectors for the month falling by 27.2% and 29.8% respectively. Oil and Gas and Fast Moving Consumer Goods sector were the best performing sectors, but still fell by 6.4% and 2.5% during the month.

The graph below gives five year history of Copper, Oil, Nifty Index and S&P 500 Index (a US Equity Index). Even prior to the current crises the investor did not have a great faith in US stock markets and the excess liquidity created by central banks was flowing into 'risky assets' and. The current reduction in leverage (deleveraging in financial parlance) has resulted to sharp reduction in allocation to 'risky assets' and hence fall in their prices.



The liquidity remained extremely tight during the month and call traded above 10% for most part of the month. The credit growth at 26.1% exceeds the deposit growth at 22.5% resulting in the tightness. The credit growth is arising due to combination of factors like reduction in external commercial borrowings arising turmoil in world financial market, dormancy of the primary equity market. Even in extremely tight market conditions the lack of excess Statutory Liquidity Ratio (SLR) and drive to safety resulted in the yield on benchmark 10 year Government of India security (GSec) dropping 0.07% during the month. The yields on medium to long term corporate bonds were largely unchanged. The tightness in the money market though has resulted in sharp rise in yields on short term corporate bonds and certificates of deposits.

In the immediate term equity market outlook is uncertain till the mess in financial system across the world in cleaned up. But for economy, reduction in prices of commodities like metal and oil should provide respite from inflation. A drop in price of oil shall also provide relief to fiscal deficit of the government.

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 30th September 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 Sept 08

Fund Fact Sheet

September 2008



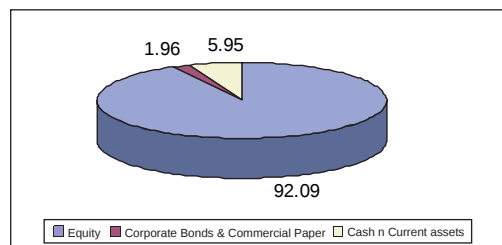
Portfolio - Grow Money

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
3 months	-2.65	-2.98
6 months	-17.35	-18.20
1 year	-24.25	-24.53
Since Inception*	11.97	14.26

Benchmark: NSE CNX 100

*Inception date: 24 August 2006

Asset Allocation (%)



Sector allocation (%)

Aluminium	1.40
Hindalco	0.59
National Aluminium Co	0.81
Banking Services	12.37
Axis Bank Ltd	0.88
Bank Of Baroda	0.37
Bank Of India	0.51
Canara Bank	0.27
HDFC Bank Ltd	1.78
ICICI Bank Ltd	2.03
Kotak Mahindra Bank Ltd	0.65
Punjab National Bank	0.51
State Bank Of India	3.17
Union Bank Of India	0.25
CD PNB Oct' 08	0.70
CD SBT Dec '08	0.15
12% FD ING VVSYA Bank	1.11
Cement	1.03
ACC Ltd	0.39
Gujarat Ambuja Cements Ltd	0.41
Ultratech Cement	0.22
Commercial Vehicles	0.54
Tata Motors Ltd	0.54
Computer Software	8.24
HCL Technologies Ltd	0.44
Oracle Financial Services	0.22
Infosys Technologies Ltd	2.73
Satyam Computer	0.68
TCS Ltd	2.22
Tech Mahindra Ltd	0.26
Wipro Ltd	1.69
Construction	1.63
GMR Infrastructure Ltd	0.54
Jaiprakash Associates Ltd	0.45
Unitech Ltd	0.65
Cosmetics, Toiletries, Soaps & Detergents	1.87
Hindustan Unilever Ltd	1.87
Crude Oil & Natural Gas	8.91
Cairn India Ltd	1.37
Oil & Natural Gas Corp Ltd	7.54
Diversified	2.30
Grasim Industries Ltd	0.53
Sterlite Industries (India) Ltd	1.04
United Spirits Ltd	0.43

Sector Allocation (%) (Cont.)

Aditya Birla Nuvo Ltd	0.30
Drugs & Pharmaceuticals	1.97
Cipla Ltd	0.60
Ranbaxy Laboratories Ltd	0.31
Sun Pharmaceutical	1.05
Electricity Generation	3.79
Power Grid Corp.Ltd	1.23
Tata Power	0.68
Reliance Infrastructure Ltd	0.62
Reliance Power Ltd	1.25
Finished Steel	2.86
Steel Authority Of India Ltd	1.80
Tata Steel Ltd	1.06
Hotels	0.17
Indian Hotels Ltd	0.17
Housing Construction	2.21
DLF Ltd	2.05
HDIL Ltd	0.16
Housing Finance Services	2.08
Housing Development Finance	2.08
Industrial Capital Goods	0.24
Bharat Electronics Ltd	0.24
Media-Broadcasting	0.29
Zee Telefilms Ltd	0.29
Natural Resources	0.41
Reliance Natural Resources Ltd	0.41
NBFC's	0.96
Reliance Capital Ltd	0.96
Other Financial Institutions	0.80
IDFC	0.32
Power Fin.Corp.Ltd	0.49
Other Metal Products	0.67
Jindal Steel And Power	0.67
Paints	0.39
Asian Paints Ltd	0.39
Passenger Cars & Multi Utility Vehicles	1.11
Mahindra & Mahindra Ltd	0.43
Maruti Suzuki India Ltd	0.68
Petroleum Products (Refineries)	2.20
Reliance Petroleum Ltd	2.20
Power Generation	4.83
National Thermal Power Corp	4.83
Prime Movers	3.43
Bharat Heavy Electricals	2.66
Suzlon Energy Ltd	0.78
Refineries	10.09
BPCL	0.44
Reliance Industries Ltd	9.65
Shipping	0.59
Mundra Port & SEZ Ltd	0.59
Switching Apparatus	1.03
ABB Ltd India	0.57
Siemens India Ltd	0.46
Telephone Services	8.67
Bharti Airtel	5.08
Idea Cellular	0.79
Reliance Communication	2.34
Tata Communications Ltd	0.46
Tobacco Products	2.42
ITC Ltd	2.42
Trading	1.18
GAIL India Ltd	1.18
Transportation	0.37
Container Corp Of India Ltd	0.37
Turnkey Projects/Erection Contracts	2.44
Larsen & Toubro Ltd	2.44
Two & Three Wheelers	0.59
Hero Honda Motors Ltd	0.59
Cash And Current Assets	5.95
Grand Total	100.00

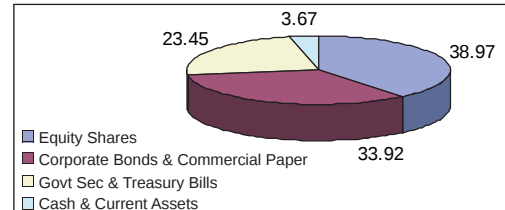


Portfolio - Save'n'Grow Money

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
3 months	-0.72	-0.53
6 months	-8.30	-7.88
1 year	-9.30	-8.43
Since Inception*	12.45	13.19

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	35.23
1-3yrs	10.20
3-5yrs	44.39
>5yrs	10.19

Sector Allocation

Aluminium	0.59
Hindalco	0.25
National Aluminium Co	0.34
Banking Services	38.31
Axis Bank Ltd	0.37
Bank Of Baroda	0.16
Bank Of India	0.22
Canara Bank	0.11
HDFC Bank Ltd	0.75
ICICI Bank Ltd	0.86
Kotak Mahindra Bank Ltd	0.28
Punjab National Bank	0.22
State Bank Of India	1.34
Union Bank Of India	0.10
Corp. Bond 10% Nabard NPriority Sec.	18.89
CD SBT Dec '08	14.00
12% FD ING VVSYA Bank	1.03
Cement	0.43
ACC Ltd	0.17
Gujarat Ambuja Cements Ltd	0.17
Ultratech Cement	0.09
Commercial Vehicles	0.23
Tata Motors Ltd	0.23
Computer Software	3.48
HCL Technologies Ltd	0.19
Oracle Financial Services	0.09
Infosys Technologies Ltd	1.15
Satyam Computer	0.29
TCS Ltd	0.94
Tech Mahindra Ltd	0.11
Wipro Ltd	0.71
Construction	0.69
GMR Infrastructure Ltd	0.23
Jaiprakash Associates Ltd	0.19
Unitech Ltd	0.27
Cosmetics, Toiletries, Soaps & Detergents	0.79
Hindustan Unilever Ltd	0.79
Crude Oil & Natural Gas	3.79
Cairn India Ltd	0.58
Oil & Natural Gas Corp Ltd	3.21
Diversified	0.97
Grasim Industries Ltd	0.22
Sterlite Industries (India) Ltd	0.44
United Spirits Ltd	0.18
Aditya Birla Nuvo Ltd	0.13

Sector Allocation (%) (Cont.)

Drugs & Pharmaceuticals	0.83
Cipla Ltd	0.26
Ranbaxy Laboratories Ltd	0.13
Sun Pharmaceutical	0.44
Electricity Generation	1.60
Power Grid Corp. Ltd	0.52
Tata Power	0.29
Reliance Infrastructure Ltd	0.26
Reliance Power Ltd	0.53
Finished Steel	1.21
Steel Authority Of India Ltd	0.76
Tata Steel Ltd	0.45
Hotels	0.07
Indian Hotels Ltd	0.07
Housing Construction	0.93
DLF Ltd	0.86
HDIL Ltd	0.07
Housing Finance Services	0.88
Housing Development Finance	0.88
Industrial Capital Goods	0.10
Bharat Electronics Ltd	0.10
Media-Broadcasting	0.12
Zee Telefilms Ltd	0.12
Natural Resources	0.17
Reliance Natural Resources Ltd	0.17
NBFC's	0.41
Reliance Capital Ltd	0.41
Other Financial Institutions	0.34
IDFC	0.13
Power Fin.Corp.Ltd	0.21
Other Metal Products	0.28
Jindal Steel And Power	0.28
Paints	0.16
Asian Paints Ltd	0.16
Passenger Cars & Multi Utility Vehicles	0.47
Mahindra & Mahindra Ltd	0.18
Maruti Suzuki India Ltd	0.29
Petroleum Products (Refineries)	0.93
Reliance Petroleum Ltd	0.93
Power Generation	2.06
National Thermal Power Corp	2.06
Prime Movers	1.45
Bharat Heavy Electricals	1.12
Suzlon Energy Ltd	0.33
Refineries	4.31
BPCL	0.19
Reliance Industries Ltd	4.12
Shipping	0.25
Mundra Port & SEZ Ltd	0.25
Sovereign	23.45
7.37% GOI 2014	6.22
9.39% GOI 2011	8.20
5.48% GOI 2009	6.22
91 Day TB Dec'08	2.81
Switching Apparatus	0.43
ABB Ltd India	0.24
Siemens India Ltd	0.19
Telephone Services	3.63
Bharti Airtel	2.16
Idea Cellular	0.28
Reliance Communication	0.99
Tata Communications Ltd	0.19
Tobacco Products	1.02
ITC Ltd	1.02
Trading	0.50
GAIL India Ltd	0.50
Transportation	0.15
Container Corp Of India Ltd	0.15
Turnkey Projects/Erection Contracts	1.03
Larsen & Toubro Ltd	1.03
Two & Three Wheelers	0.25
Hero Honda Motors Ltd	0.25
Cash And Current Assets	3.67
Grand Total	100.00

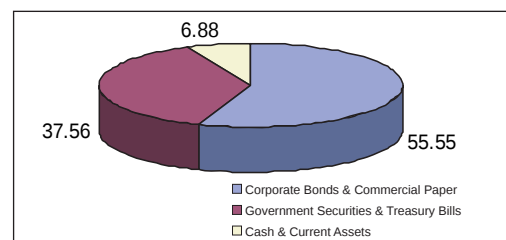


Portfolio - Steady Money

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
3 months	1.88	1.47
6 months	0.32	0.57
1 year	3.89	4.75
Since Inception*	14.34	11.91

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

Asset Allocation (%)



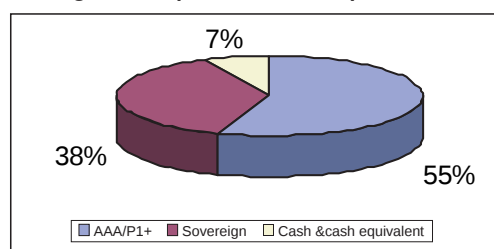
Maturity Profile (as % of AUM)

0-1 yrs	43.11
1-3yrs	12.50
3-5yrs	32.79
>5yrs	11.60

Sector Allocation

Corporate Bonds	55.55
CD SBT Dec '08	20.35
Corp. Bond 10% Nabard N-Priority Sec.	25.88
12% FD ING VVSYA Bank	9.33
Govt. Securities & Treasury Bills	37.56
5.48% GOI 2009	12.50
7.37% GOI 2014	11.60
9.39% GOI 2011	6.91
91 Day TB Dec'08	6.56
Cash And Current Assets	6.88
Grand Total	100.00

Rating Profile (as a % of AUM)

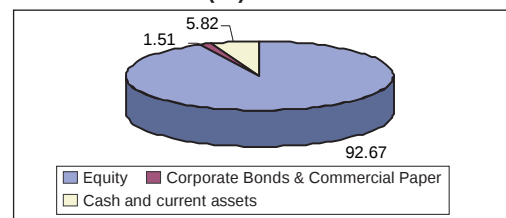


Portfolio - Grow Money Pension

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
1 month	-2.47	-2.98
6 months	-17.41	-18.20
Since Inception*	-37.51	-38.62

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

Asset Allocation (%)



Sector Allocation (%)

Aluminum	1.41
Hindalco	0.59
National Aluminium Co	0.82
Banking Services	11.99
Axis Bank Ltd	0.89
Bank Of Baroda	0.37
Bank Of India	0.51
Canara Bank	0.27
HDFC Bank Ltd	1.79
ICICI Bank Ltd	2.04
Kotak Mahindra Bank Ltd	0.66
Punjab National Bank	0.51
State Bank Of India	3.18
Union Bank Of India	0.25
12% FD ING VVSYA Bank	1.51
Cement	1.03
ACC Ltd	0.40
Gujarat Ambuja Cements Ltd	0.41
Ultratech Cement	0.23
Commercial Vehicles	0.54
Tata Motors Ltd	0.54
Computer Software	8.29
HCL Technologies Ltd	0.45
Oracle Financial Services	0.22
Infosys Technologies Ltd	2.74
Satyam Computer	0.69

Sector Allocation (%) (Cont.)

TCS Ltd	2.23
Tech Mahindra Ltd	0.26
Wipro Ltd	1.70
Construction	1.65
GMR Infrastructure Ltd	0.55
Jaiprakash Associates Ltd	0.45
Unitech Ltd	0.65
Cosmetics, Toiletries, Soaps & Detergents	1.88
Hindustan Unilever Ltd	1.88
Crude Oil & Natural Gas	8.96
Cairn India Ltd	1.38
Oil & Natural Gas Corp Ltd	7.58
Diversified	2.31
Grasim Industries Ltd	0.53
Sterlite Industries (India) Ltd	1.04
United Spirits Ltd	0.44
Aditya Birla Nuvo Ltd	0.31
Drugs & Pharmaceuticals	1.98
Cipla Ltd	0.61
Ranbaxy Laboratories Ltd	0.32
Sun Pharmaceutical	1.05
Electricity Generation	3.81
Power Grid Corp.Ltd	1.24
Tata Power	0.69
Reliance Infrastructure Ltd	0.63
Reliance Power Ltd	1.26
Finished Steel	2.88
Steel Authority Of India Ltd	1.81
Tata Steel Ltd	1.07
Hotels	0.17
Indian Hotels Ltd	0.17
Housing Construction	2.22
DLF Ltd	2.06
HDIL Ltd	0.16
Housing Finance Services	2.09
Housing Development Finance	2.09
Industrial Capital Goods	0.25
Bharat Electronics Ltd	0.25
Media-Broadcasting	0.29
Zee Telefilms Ltd	0.29
Natural Resources	0.41
Reliance Natural Resources Ltd	0.41
NBFC's	0.96
Reliance Capital Ltd	0.96
Other Financial Institutions	0.81
IDFC	0.32
Power Fin.Corp.Ltd	0.49

Sector Allocation (%) (Cont.)

Other Metal Products	0.67
Jindal Steel And Power	0.67
Paints	0.39
Asian Paints Ltd	0.39
Passenger Cars & Multi Utility Vehicles	1.11
Mahindra & Mahindra Ltd	0.43
Maruti Suzuki India Ltd	0.68
Petroleum Products (Refineries)	2.21
Reliance Petroleum Ltd	2.21
Power Generation	4.86
National Thermal Power Corp	4.86
Prime Movers	3.45
Bharat Heavy Electricals	2.67
Suzlon Energy Ltd	0.78
Refineries	10.16
BPCL	0.45
Reliance Industries Ltd	9.71
Shipping	0.59
Mundra Port & SEZ Ltd	0.59

Sector Allocation (%) (Cont.)

Switching Apparatus	1.04
ABB Ltd India	0.57
Siemens India Ltd	0.46
Telephone Services	8.73
Bharti Airtel	5.11
Idea Cellular	0.80
Reliance Communication	2.36
Tata Communications Ltd	0.46
Tobacco Products	2.43
ITC Ltd	2.43
Trading	1.18
GAIL India Ltd	1.18
Transportation	0.37
Container Corp Of India Ltd	0.37
Turnkey Projects/Erection Contracts	2.45
Larsen & Toubro Ltd	2.45
Two & Three Wheelers	0.60
Hero Honda Motors Ltd	0.60
Cash And Current Assets	5.82
Grand Total	100.00



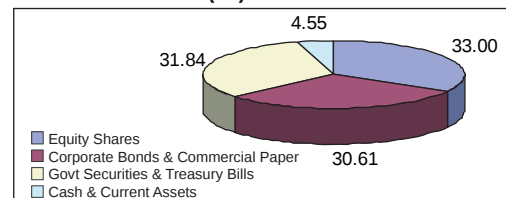
Portfolio - Save'n'Grow Money Pension

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
1 month	2.35	-0.53
6 months	-6.49	-7.88
Since Inception*	-11.08	-16.36

Benchmark: 45% CNX 100 & 55% Crisil Bond Index

*Inception date: 1st Jan 2008

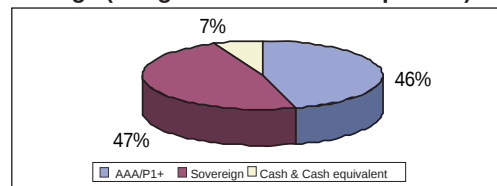
Asset Allocation (%)



Maturity Profile (as % of AUM)

0-1 yrs	43.97
1-3yrs	22.59
3-5yrs	12.49
>5yrs	20.95

Ratings (% age of Fixed Income portion)



Sector Allocation (%) (Cont.)

Aluminium	1.14
Hindalco	0.81
National Aluminium Co	0.33
Banking Services	35.25
Axis Bank Ltd	1.76
HDFC Bank Ltd	1.31
ICICI Bank Ltd	0.66
Kotak Mahindra Bank Ltd	0.44
State Bank Of India	0.48
Corp. Bond 10% Nabard N-Priority Sec.	8.36
CD SBT Dec '08	22.24
Cement	0.93
ACC Ltd	0.52
Gujarat Ambuja Cements Ltd	0.41
Construction	1.57
GMR Infrastructure Ltd	1.23
Jaiprakash Associates Ltd	0.34
Cosmetics, Toiletries, Soaps & Detergents	0.98
Hindustan Unilever Ltd	0.98

Sector Allocation (%) (Cont.)

Crude Oil & Natural Gas	2.23
Cairn India Ltd	0.55
Oil & Natural Gas Corp Ltd	1.68
Diversified	1.60
Grasim Industries Ltd	0.48
Sterlite Industries (India) Ltd	0.56
Aditya Birla Nuvo Ltd	0.57
Drugs & Pharmaceuticals	2.18
Cipla Ltd	0.40
Ranbaxy Laboratories Ltd	0.28
Sun Pharmaceutical	1.51
Electricity Generation	1.02
Power Grid Corp.Ltd	1.02
Finished Steel	0.80
Steel Authority Of India Ltd	0.80
Hotels	0.36
Indian Hotels Ltd	0.36
Housing Construction	0.51
DLF Ltd	0.51
Housing Finance Services	0.60
Housing Development Finance	0.60
Media-Broadcasting	0.50
Zee Telefilms Ltd	0.50
Passenger Cars & Multi Utility Vehicles	1.24
Mahindra & Mahindra Ltd	0.56
Maruti Suzuki India Ltd	0.67
Power Generation	1.01
National Thermal Power Corp	1.01
Prime Movers	0.73
Bharat Heavy Electricals	0.45
Suzlon Energy Ltd	0.28
Refineries	2.78
BPCL	0.55
Reliance Industries Ltd	2.24
Sovereign	31.84
7.37% GOI 2014	14.04
5.48% GOI 2009	15.14
91 Day TB Dec'08	2.67
Switching Apparatus	0.31
Siemens India Ltd	0.31
Telephone Services	2.39
Bharti Airtel	1.02
Reliance Communication	1.37
Tobacco Products	1.27
ITC Ltd	1.27
Trading	0.55
GAIL India Ltd	0.55
Transportation	1.26
Container Corp Of India Ltd	1.26
Turnkey Projects/Erection Contracts	0.85
Larsen & Toubro Ltd	0.85
Two & Three Wheelers	1.53
Hero Honda Motors Ltd	1.53
Cash And Current Assets	4.55
Grand Total	100.00

Portfolio - Steady Money Pension

Fund Performance (Absolute Returns %)		
	Fund	Benchmark Index
3 months	2.10	1.47
6 months	0.09	0.57
Since Inception*	1.25	1.86

Benchmark: CRISIL Composite Bond Index

*Inception date: 1st Jan 2008

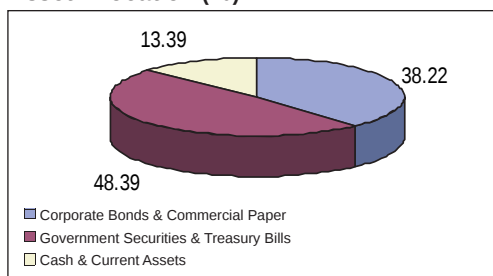
Sector Allocation

Corporate Bonds	38.22
CD SBT Dec '08	23.39
Corp. Bond 10% Nabard NPriority Sec.	12.97
12% FD ING VVSYA Bank	1.85
Govt. Securities & Treasury Bills	48.39
5.48% GOI 2009	26.51
7.37% GOI 2014	19.69
9.39% GOI 2011	2.19
Cash And Current Assets	13.39
Grand Total	100.00

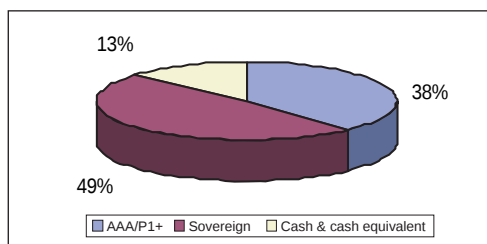
Maturity Profile (as % of AUM)

0-1 yrs	38.63
1-3yrs	26.51
3-5yrs	15.17
>5 yrs	19.69

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 30th September 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 Sept 08