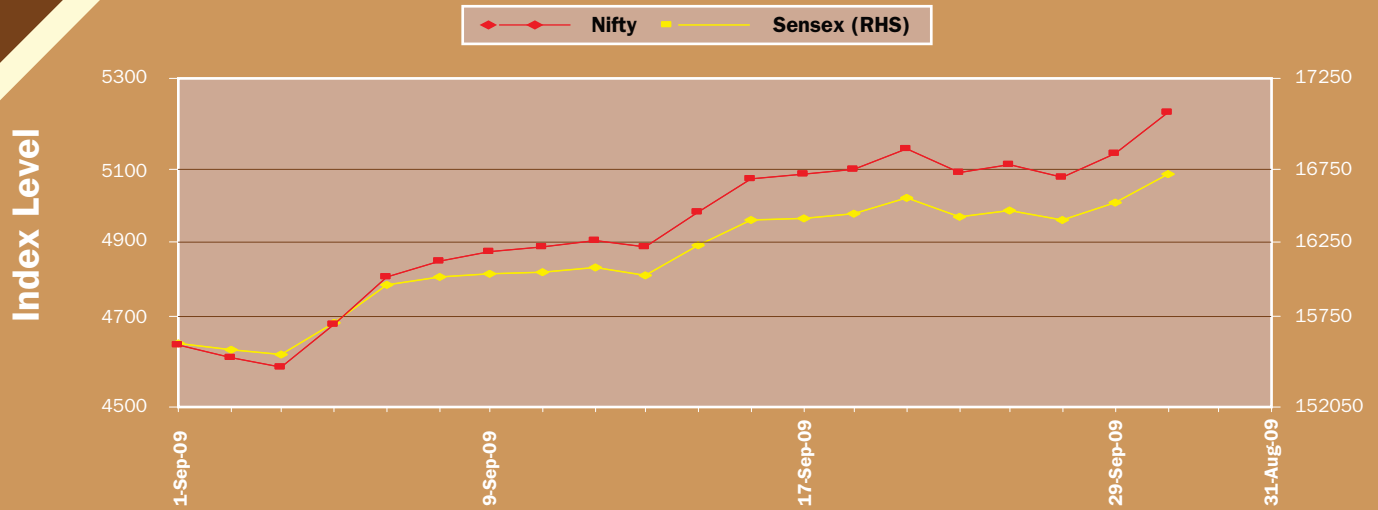


September 2009



Source: Bloomberg, Bharti-AXA life Insurance

equity overview/

September Review

Indian markets continued to move on their upward trend in September, after consolidating last month with both BSE Sensex and CNX Nifty, rising by about 10% each. Investor sentiment was boosted by sustained recovery in key economic data points and indications of robust advance tax payments by Indian companies, indicating improvement in earnings growth outlook. Positive global cues helped too. On sectoral basis, Bank, Metal and Healthcare were relative out-performers and IT, Real Estate and FMCG underperformed.

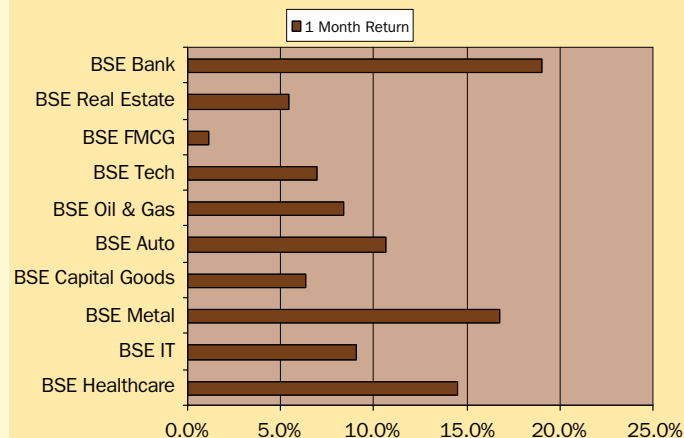
Institutional Flows

During September, FII (Foreign Institutional Investor)

flows in the cash market were positive for the seventh consecutive month. This is the fifth occasion since 1993 when the FII flows in cash market exceeded US\$4 billion in a month. Two of these five instances have been in 2009 (May and September). In CY2009, FIIs have so far purchased US\$12.5 billion worth of stocks compared with US\$9.2 billion of selling during the same period last year. FIIs were marginal buyers of futures for the fourth consecutive month.

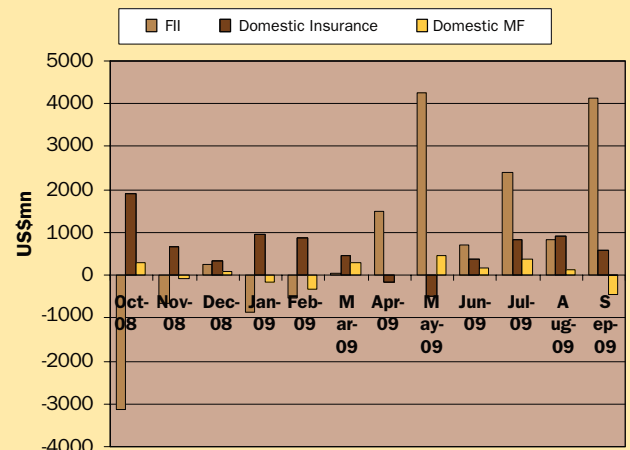
Domestic insurance companies were buyers for the fourth consecutive month and have bought US\$ 4.3 billion in stocks in CY2009 compared to US\$11 billion in buying during the same period last year. However, domestic mutual funds turned net sellers for the first time in seven months. They Sold US\$460 million during the month. For CY2009, mutual funds were net buyer of US\$ 491 million.

Sectoral Indices Performance



Source: Bloomberg, Bharti-AXA life Insurance

Institutional Flows



Source: Morgan Stanley, Bharti-AXA life Insurance

Major Markets	Sep-09	1 Month Return	YTD Return
India	17,127	10.13%	77.53%
Korea	1,673	3.09%	48.79%
Malaysia	1,202	2.63%	37.11%
Thailand	717	9.62%	59.36%
Indonesia	2,468	6.05%	82.06%
Hong Kong	20,955	5.45%	45.65%
Brazil	61,518	10.22%	63.83%
China	2,779	3.57%	52.65%
Russia	1,255	16.85%	98.53%
US	9,712	4.31%	10.66%
UK	5,134	6.52%	15.78%

Source: Bloomberg, Bharti-AXA life Insurance

Global Markets

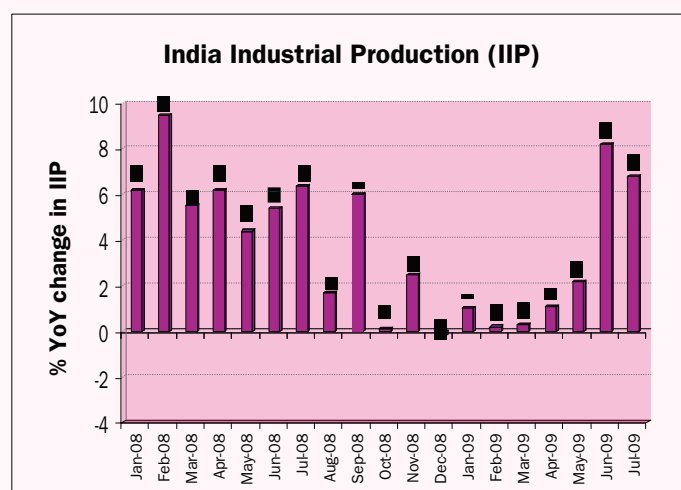
Major markets across the world also displayed an upward trend during the month backed by further signs of economic recovery across the globe. Most of the major emerging markets outperformed the developed markets during this month. India maintained its position as the third best emerging market for 2009 after Indonesia and Russia.

Economy

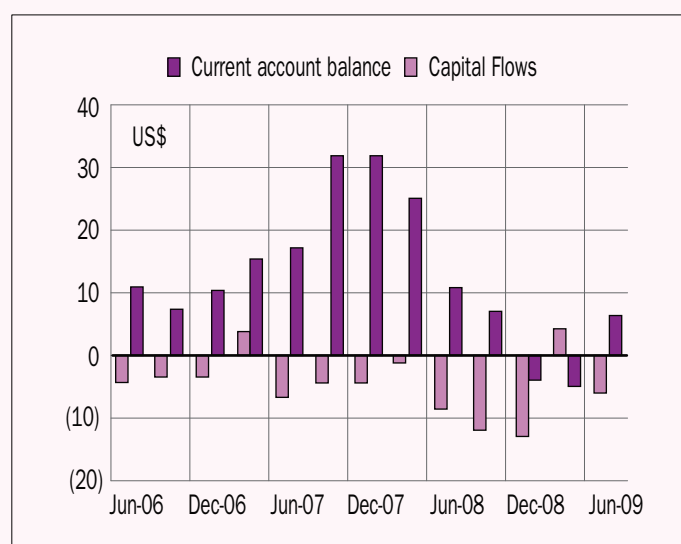
India's current account deficit for 1QFY10 at US\$5.8bn was 35% lower than the same period last year. The deterioration from 4QFY09 (surplus of US\$4.7bn) reflects seasonality (4Q being a stronger quarter). More importantly, capital flows turned positive after two consecutive quarters of outflows. Consequently, India returned to a BoP (Balance of Payment) surplus after a gap of three quarters. India's external debt rose marginally by US\$3.7bn during 1QFY10. As of June 2009, India's total external debt stood at US\$228bn – an extremely comfortable level given the size of the economy and its forex reserves.

Industrial production continued to be positive for July by showing strong growth for the month. The IIP growth for July 2009 stood at 6.8% compared to 8.2% for June 2009 and 6.4% for July 2008. The average growth for April to July 2009 stands at 4.6% vis-à-vis 5.6% in the corresponding period previous year. Growth was visible in all three subgroups: mining 9.9%, manufacturing 6.8% and electricity 4.2%. The core industries index showed a growth of 7.1% for August 2009, which furthers the positive growth of IIP. The government has continued to provide the required

support which is expected to help in pick up in credit growth and in specific revival for infrastructure segment.



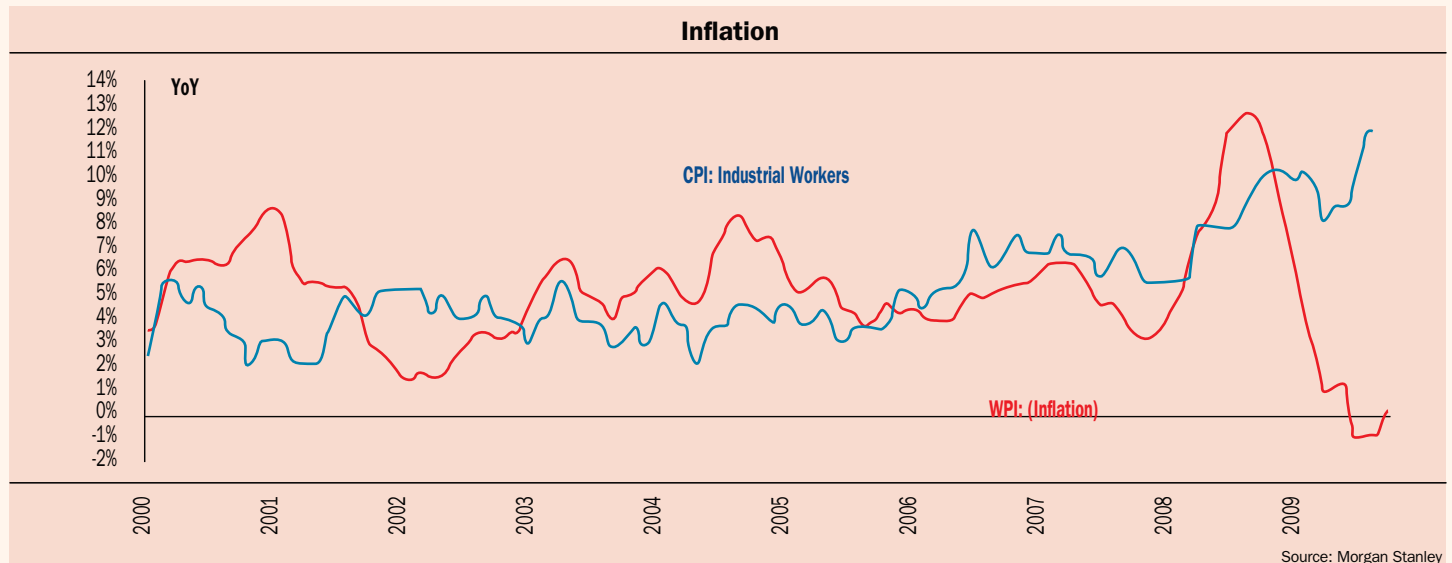
Source: Bloomberg, Bharti-AXA life Insurance



Source: India Infoline

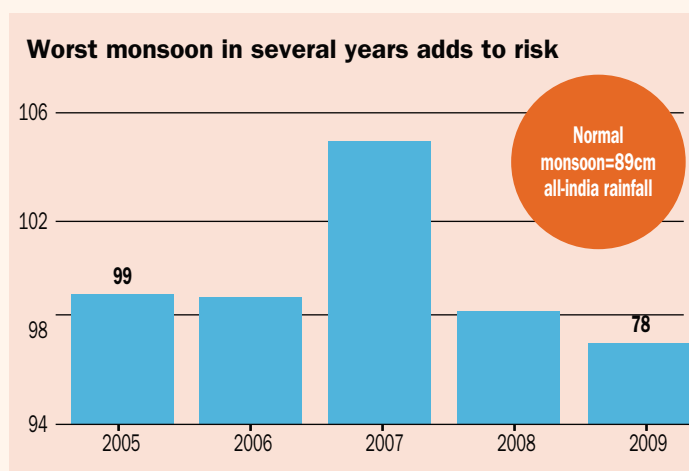
Exports rose by 6.25% on month on month basis. This is fourth consecutive month in rise. But last year's high base continued to weigh down year-on-year growth rates with exports contracting for the tenth month (-28.4% YoY). As with exports, the high base of 2008 resulted in another month of

negative year-on-year growth (-37.1% YoY). The improved export performance narrowed the trade deficit to US\$6.0bn from US\$6.2bn in the previous month. The merchandise trade deficit for April-July thus stood at US\$28.9 billion from US\$41.1bn in the same period last year.

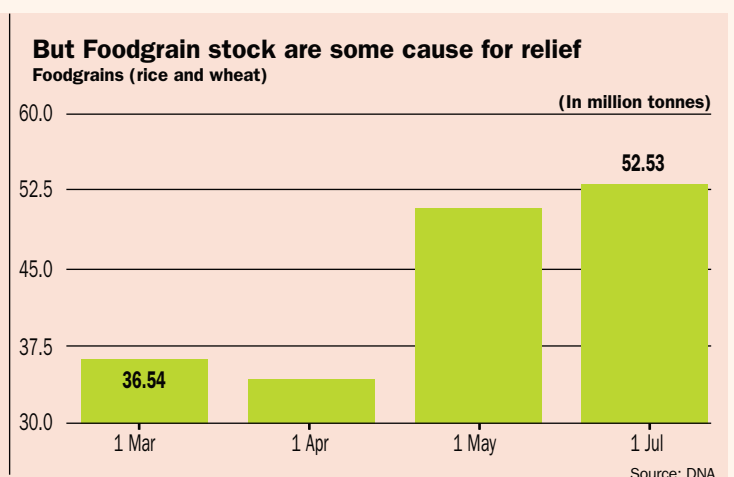


The rise in prices continued unabated with inflation as measured by the WPI (Wholesale Price Index) turning positive after 13 weeks of being in negative territory. For the week ending 19th September 2009 WPI stood at 0.83%. Prices increased for all three

groups - firstly, primary articles saw a continuous surge in food prices though non-food articles softened a bit. India's consumer price inflation is relatively higher at 11.9%.



After a great four weeks period, the advancement of the Southwest monsoon faltered in the second half of this month. The cumulative rainfall continued to disappoint as the rainfall was still 23% below normal for season till the week ended September 30, 2009. Cumulative rainfall during the season so far has been much worse than expected. But the late rain



since end August and their continuation through September has improved the soil moisture level for the Rabi crop. Also, foodgrain stocks are at comfortable level. We believe there could be downside risks to agricultural growth. However, we believe the drought's impact on non-agriculture GDP will be limited.

fixed income overview /

Outlook

The earnings season for the September end quarter is expected to be good. Sensex EBIDTA growth, Ex-metal companies, is expected to be near 20% and net profit to grow at 9.4%. Also, we think earnings will surprise estimates and will see some upgrades. Aggregate Sensex EBITDA margins are expected to expand marginally by 25bp mainly led by Cement and Autos. The recovery is getting more broad-based with only 5 companies out of 30 likely to show some profit

decline vs 10 in the previous quarter.

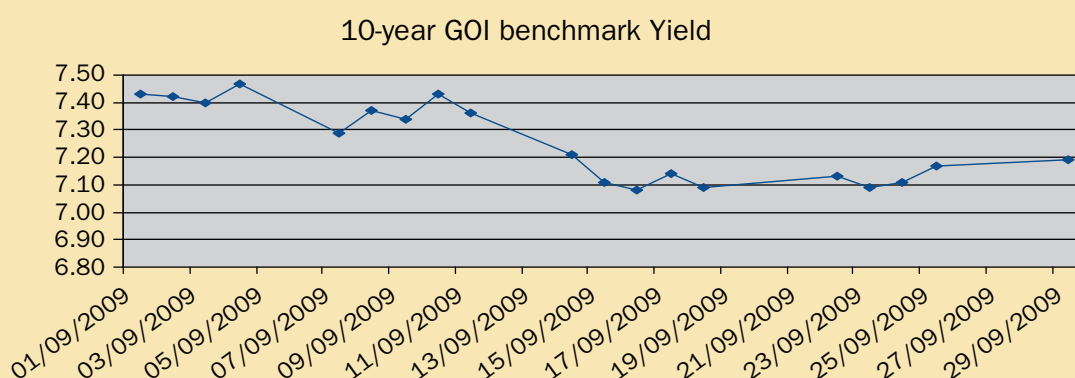
We believe that earnings momentum will continue to stay positive (the lack of rainfall will have a lesser-than-expected impact on the industrial economy), and with liquidity continuing to be strong, the market is likely to make positive progress in the months ahead. Although, 18x FY2011, valuations are no longer cheap, clear signs of an economic recovery could lead to a sustainable rally as the year progresses. However, investors should be prepared for heightened volatility in the short term.

Particulars	Sep-09	Aug-09	Sep-08
Exchange Rate (Rs./\$)	48.11	48.83	46.96
WPI Inflation (In %)	0.83	-0.12	12.08
10 Yr Gilt Yield	7.16	7.43	8.64
5 Yr Gilt Yield	7.08	7.17	8.64
5 Yr Corporate Bond Yield	8.46	8.56	11.06

Source: Bloomberg, Bharti AXA Life Insurance

After four months of consistent hardening, bond yields finally eased in September. The key factors that drove down yields were inclusion of short dated bonds for the government bond auctions, RBI's approval to allow repurchase transactions in

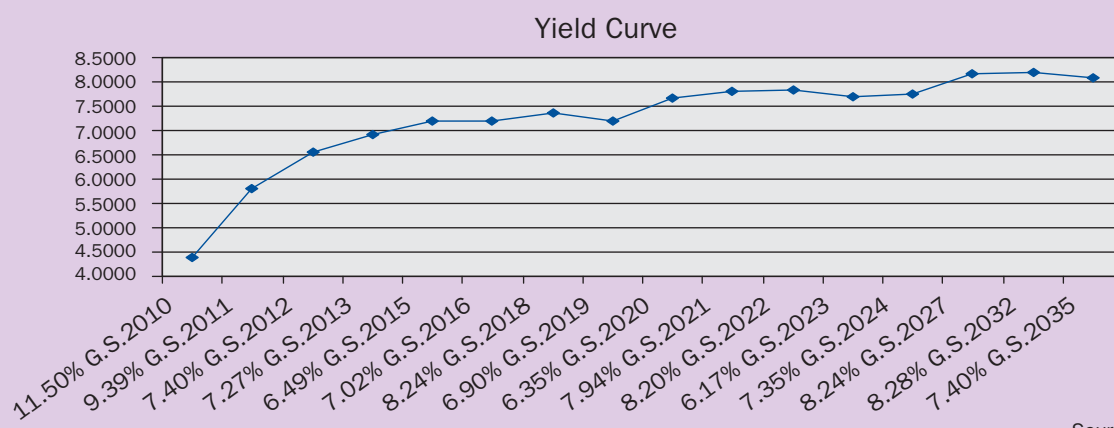
corporate bonds, RBI's indication to hike the HTM (held to maturity) limit of the banks. The yield on the 10-year benchmark GOI paper fell by 23 basis points to 7.19 per cent during the month.



Source: ICRA

Liquidity remained in abundance in the system. However, a slight tightening was seen in the last week of the month. This resulted in a drop in the RBI's daily net absorption via LAF (liquidity adjustment facility) reverse repo window to Rs. 60760 crores from a

usual Rs. 100,000 crores (witnessed in this financial year). Higher credit growth owing to a commitment towards quarter-end targets by the banks coupled with the second installment of advance tax payments contributed to the contraction of excess liquidity.



Source: ICRA

Corporate bond market

In order to strengthen the corporate bond market, the RBI allowed repo (repurchase) transactions of a minimum period of one day to a maximum period of one year. This will allow banks and other eligible institutions to raise short term funds with an option to repurchase them.

The yield on the one, five and ten year corporate bond eased 15, 4 and 5 basis points respectively during the month. Whereas; the yield on three year corporate bond hardened 5 basis points to 7.80 per cent. The spread between the one year corporate bond and G-sec of similar tenor widened 10 basis points to 176 basis points. The widening of spread between corporate bond and G-sec was witnessed across maturities.

Outlook

For the second half of 2009-10, the RBI has released a front loaded borrowing calendar, displaying a total borrowing worth Rs.1,23,000 crores from 01 October'09 to 05 February'10. In addition, the majority of borrowing indicated in the calendar is through long dated papers. This would become a concern for the traders in the coming months. In October, the RBI is scheduled to sell securities worth Rs. 30,000 crores in three tranches. The hike in HTM limit of the banks could ease the worries of traders to some extent. We expect status quo on rates in the credit policy review to be held on 27th October, 2009. Interesting point to be seen is the tone of the RBI governor and the roadmap for exiting the stimulus package, which was introduced to revive the economy.

grow money fund/

Fund Performance (Absolute Return %)		
	Fund	Benchmark
3 months	17.11	18.71
6 months	67.94	74.38
1 year	31.72	33.11
Since Inception*	47.49	52.09

Benchmark: NSE CNX 100

*Inception date – 24 August 2006

Equity Portfolio	(% to Fund)
Reliance Industries	8.47
Larsen & Toubro	5.69
ICICI Bank	4.77
Infosys Technologies	4.26
Bharat Heavy Electricals	3.93
State Bank Of India	3.62
HDFC	2.99
ITC	2.88
Bharti Airtel	2.71
TCS	2.50
ONGC	2.16
Jaiprakash Associates	2.12
Maruti Suzuki	2.06
Jindal Steel And Power	2.02
HDFC Bank	1.98
Axis Bank	1.83
Reliance Infrastructure	1.65
Hero Honda Motors	1.50
Tata Steel	1.49
Oracle Financial Services	1.45
Others	32.78
Cash And Current Assets	7.14
Grand Total	100.00

Assets Under Management (in Rs. Lakhs)
32,861.12

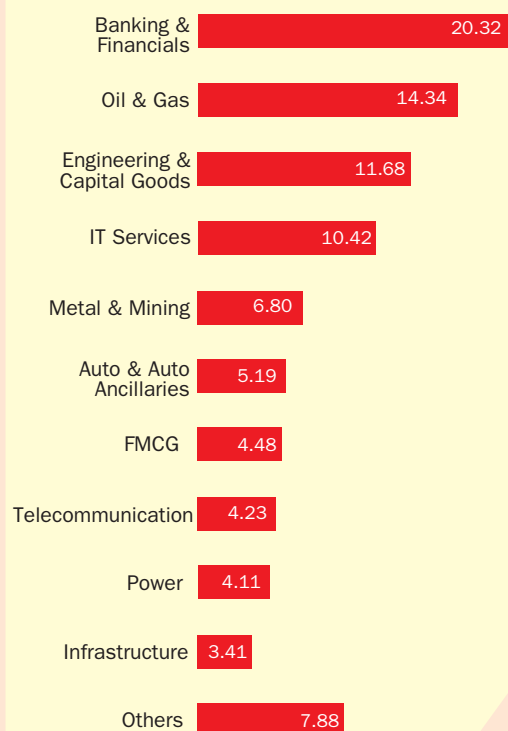
Asset Class (% to Fund)

Cash & Current Assets
7.14



Equity
92.86

Allocation by Sector (% to Fund)



save n grow money fund

Fund Performance (Absolute Return %)		
	Fund	Benchmark
3 months	7.37	8.64
6 months	27.09	35.15
1 year	23.22	20.96
Since Inception*	38.56	36.83

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

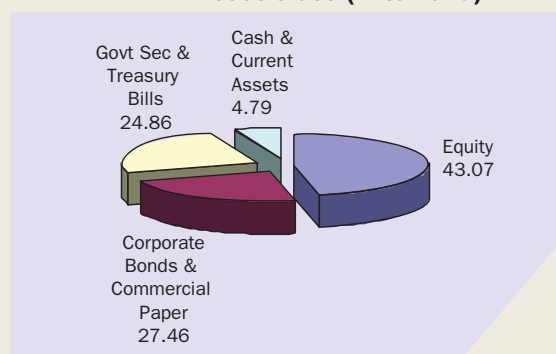
*Inception date 21-Aug-2006

Equity Portfolio	(% to Fund)
Reliance Industries	4.91
ONGC	2.36
Bharti Airtel	1.93
Infosys Technologies	1.91
State Bank Of India	1.77
ICICI Bank	1.71
Larsen & Toubro	1.68
NTPC	1.60
Bharat Heavy Electricals	1.38
ITC	1.29
HDFC	1.28
TCS	1.23
HDFC Bank	1.09
Wipro	0.87
DLF	0.83
Reliance Communication	0.77
Steel Authority Of India	0.76
Hindustan Unilever	0.76
Jindal Steel And Power	0.69
Sterlite Industries	0.68
Others	13.59
Equity Total	43.07

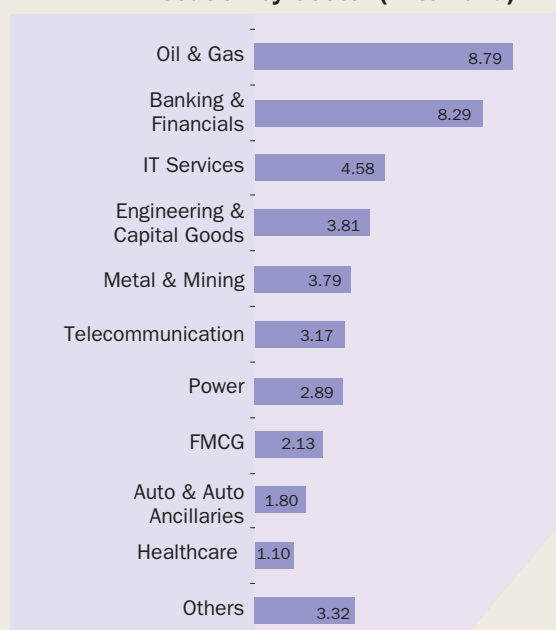
Debt Portfolio	(% to Fund)
7.59% GOI 2016	14.13
6.07% GOI 2014	6.19
7.25% FD SBP Oct'10	5.04
10% Nabard N-Priority Sec.	4.87
8.49% IRFC Mar '14	3.95
10.95% RECL Aug'11	3.62
10.75% PFC Jul '11	3.33
7.15% IOC Ltd Jun '10	2.43
10.25% FD SBP Dec '10	2.24
11.45% Reliance Debenture Nov '13	2.19
Others	4.14
Cash And Current Assets	4.79
Debt Total	56.93

Assets Under Management (in Rs. Lakhs)
1784.91

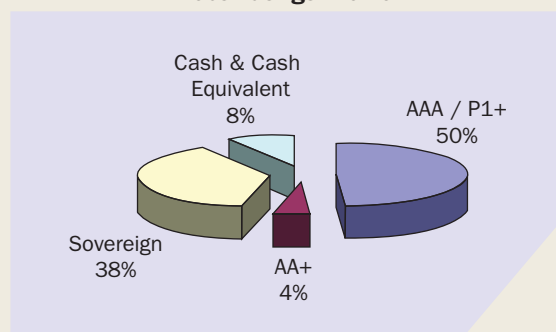
Asset Class (% to Fund)



Allocation by Sector (% to Fund)



Debt Ratings Profile



steady money fund

Fund Performance (Absolute Return %)		
	Fund	Benchmark
3 months	0.56	0.39
6 months	3.01	3.05
1 year	10.60	11.02
Since Inception*	26.46	23.91

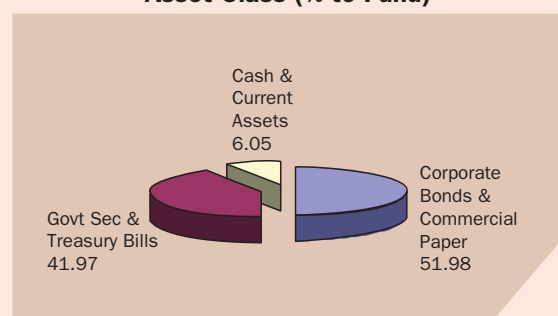
Benchmark : CRISIL Composite Bond Index

*Inception date- 05 September 2006

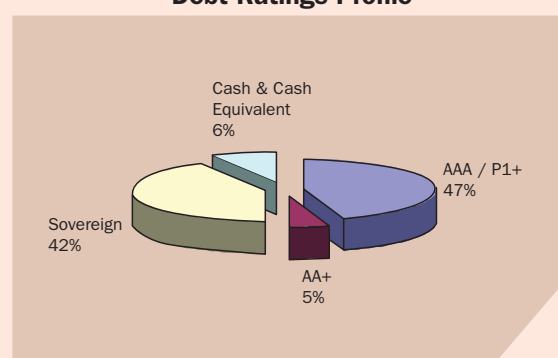
Debt Portfolio	(% to Fund)
6.07% GOI 2014	20.45
7.59% GOI 2016	15.77
11% FD SBM Nov '09	13.86
10.75% PFC Jul '11	7.99
7.25% FD SBP Sep'10	7.95
11.45% Reliance Debenture Nov '13	4.97
9.39% GOI 2011	4.54
7.15% IOC Ltd Jun '10	4.54
8.49% IRFC Mar '14	3.69
10% Nabard N-Priority Sec.	2.58
8.50% EXIM Sep '11	2.39
10.25% FD SBM Jan '10	1.52
11% PFC Debenture '18	1.25
11% FD HDFC Bank Nov '09	1.23
7.37% GOI 2014	1.15
7.35% GOI 2024	0.06
Cash And Current Assets	6.05
Grand Total	100.00

Assets Under Management (in Rs. Lakhs)
817.93

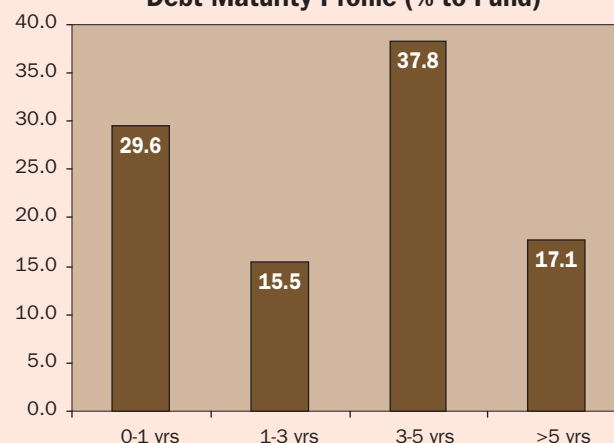
Asset Class (% to Fund)



Debt Ratings Profile



Debt Maturity Profile (% to Fund)



growth opportunities fund

Fund Performance (Absolute Return %)		
	Fund	Benchmark
3 months	19.40	18.70
6 months	69.01	79.47
Since Inception*	71.05	85.98

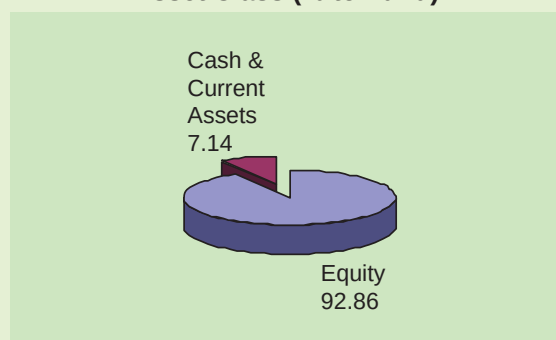
Benchmark: S&P CNX 500

*Inception date – 10 December 2008

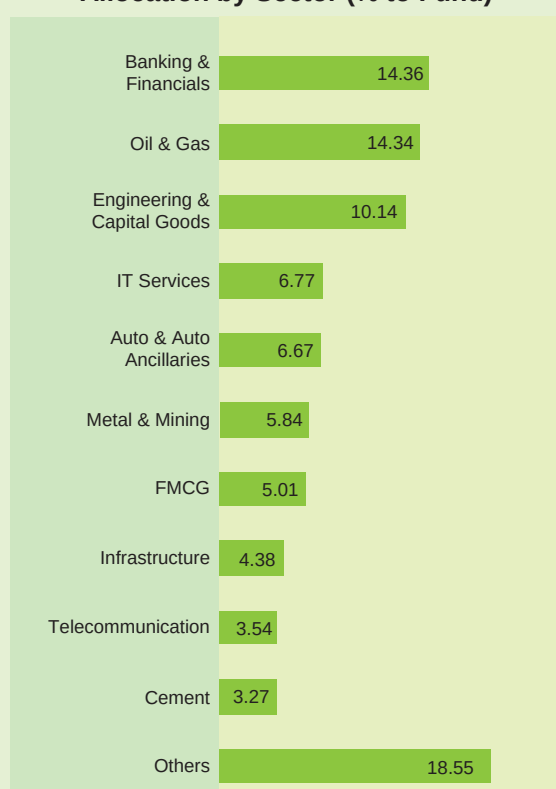
Equity Portfolio	(% to Fund)
Reliance Industries	6.46
Larsen & Toubro	3.26
Infosys Technologies	3.12
State Bank Of India	2.74
ICICI Bank	2.73
Apollo Tyres	2.59
Chennai Petroleum	2.33
Bharat Heavy Electricals	2.12
ITC	1.83
Bharti Airtel	1.81
GVK Power & Infrastructure	1.77
Container Corp Of India	1.76
Mphasis	1.74
Punj Lloyd	1.72
Thermax	1.68
Adani Enterprises	1.50
HDFC	1.47
Pantaloon Retail India	1.27
United Phosphorus	1.19
HDFC Bank	1.19
Others	48.56
Cash And Current Assets	7.14
Grand Total	100.00

Assets Under Management (in Rs. Lakhs)
1684.98

Asset Class (% to Fund)



Allocation by Sector (% to Fund)



grow money pension fund /

Fund Performance (Absolute Return %)

	Fund	Benchmark
3 months	17.23	18.71
6 months	68.05	74.38
1 year	32.28	33.11
Since Inception*	-17.34	-18.30

Benchmark: NSE CNX 100

*Inception date – 31 December 2007

Equity Portfolio

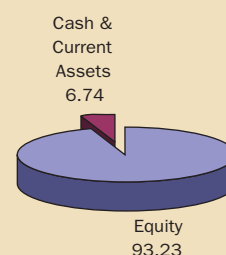
(% to Fund)

Reliance Industries	7.92
Larsen & Toubro	5.71
ICICI Bank	4.85
Infosys Technologies	4.30
Bharat Heavy Electricals	3.93
State Bank Of India	3.68
HDFC	3.02
ITC	2.93
Bharti Airtel	2.75
TCS	2.62
ONGC	2.21
Jaiprakash Associates	2.15
Maruti Suzuki	2.03
Jindal Steel And Power	2.02
HDFC Bank	2.02
Axis Bank	1.85
Reliance Infrastructure	1.68
Tata Steel	1.55
Hero Honda Motors	1.51
Oracle Financial Services	1.48
Others	33.07
Cash And Current Assets	6.74
Grand Total	100.00

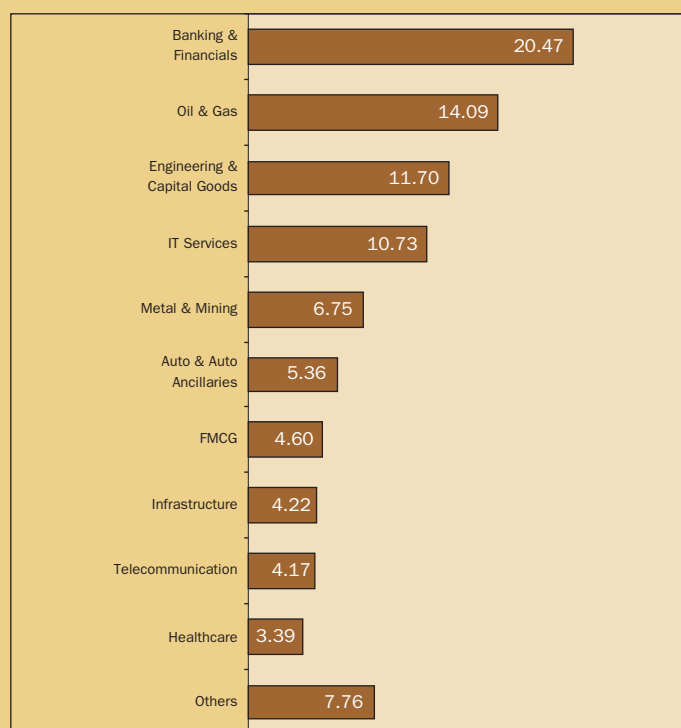
Assets Under Management (in Rs. Lakhs)

9462.56

Asset Class (% to Fund)



Allocation by Sector (% to Fund)



save n grow money pension fund

Fund Performance (Absolute Return %)

	Fund	Benchmark
3 months	7.58	8.64
6 months	26.98	35.15
1 year	23.58	20.96
Since Inception*	9.89	-1.10

Equity Portfolio

(% to Fund)

Reliance Industries	4.23
ONGC	2.17
Infosys Technologies	2.03
Bharti Airtel	1.91
ICICI Bank	1.88
Larsen & Toubro	1.85
State Bank Of India	1.77
NTPC	1.44
HDFC	1.37
Bharat Heavy Electricals	1.36
ITC	1.36
HDFC Bank	1.17
TCS	1.16
Wipro	0.81
DLF	0.81
Hindustan Unilever	0.77
Reliance Communication	0.77
Steel Authority Of India	0.72
Jindal Steel And Power	0.70
Sterlite Industries	0.69
Others	13.44
Equity Total	42.50

Debt Portfolio

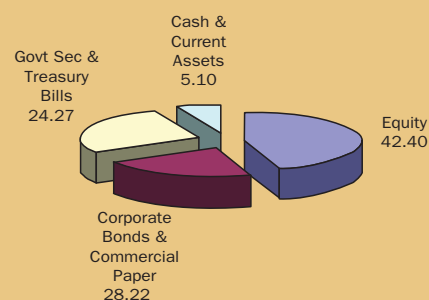
(% to Fund)

7.59% GOI 2016	14.35
6.07% GOI 2014	7.81
11% FD SBM Nov '09	5.63
7.25% FD SBP Sep'10	5.60
10.95% RECL Aug'11	3.63
7.15% IOC Ltd Jun '10	3.44
8.50% EXIM Sep '11	2.90
11.45% Reliance Debenture Nov '13	2.85
10.75% PFC Jul '11	2.26
7.37% GOI 2014	2.11
Cash And Current Assets	5.10
Debt Total	57.60

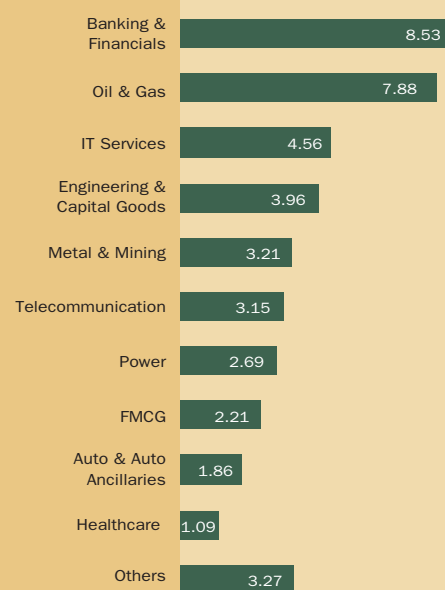
Assets Under Management (in Rs. Lakhs)

330.49

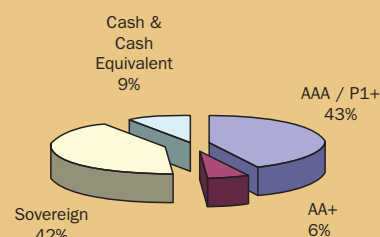
Asset Class (% to Fund)



Allocation by Sector (% to Fund)



Debt Ratings Profile



steady money pension fund

Fund Performance (Absolute Return %)

	Fund	Benchmark
3 months	0.53	0.39
6 months	2.57	3.05
1 year	10.81	11.02
Since Inception*	12.19	12.98

Benchmark: CRISIL Composite Bond Index

*Inception date- 31 December 2007

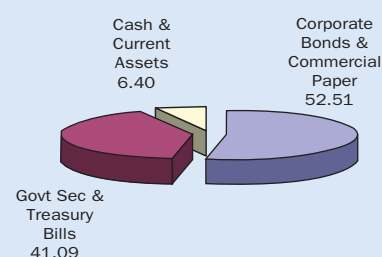
Debt Portfolio (% to Fund)

Debt Portfolio	(% to Fund)
7.59% GOI 2016	23.44
6.07% GOI 2014	15.36
11% FD SBM Nov '09	12.69
7.25% FD SBP Sep'10	12.69
11.45% Reliance Debenture Nov '13	8.55
10.95% RECL Aug'11	5.96
10.75% PFC Jul '11	5.08
7.15% IOC Ltd Jun '10	2.63
11% FD HDFC Bank Nov '09	2.39
7.37% GOI 2014	1.53
10.25% FD SBM Jan '10	1.33
8.50% EXIM Sep '11	0.84
9.39% GOI 2011	0.75
11% PFC Debenture '18	0.34
Cash And Current Assets	6.40
Grand Total	100.00

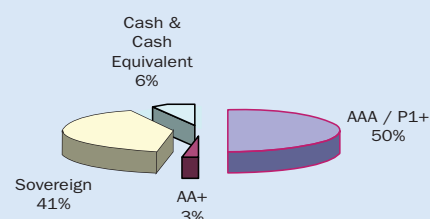
Assets Under Management (in Rs. Lakhs)

330.88

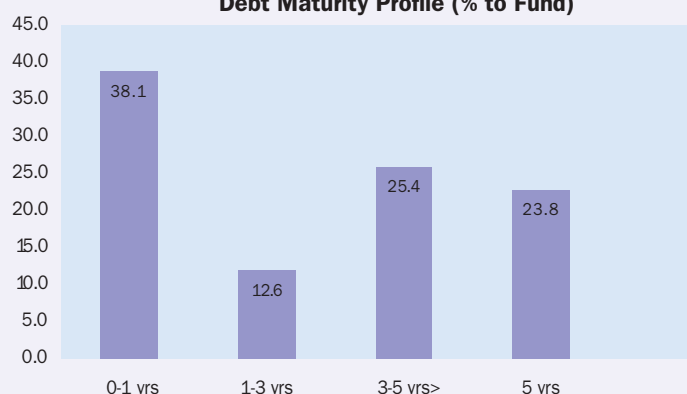
Asset Class (% to Fund)



Debt Ratings Profile (% to Fund)



Debt Maturity Profile (% to Fund)



growth opportunities pension fund

Fund Performance (Absolute Return %)

	Fund	Benchmark
3 months	19.89	18.70
6 months	67.34	79.47
Since Inception*	65.01	84.67

Benchmark: S&P CNX 500

*Inception date- 12 December 2008

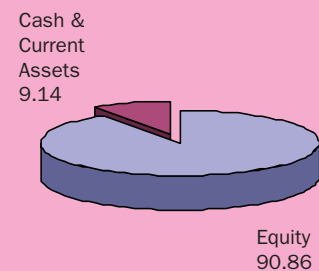
Portfolio (% to Fund)

Portfolio	(% to Fund)
Punj Lloyd	6.06
Infosys Technologies	4.02
Reliance Industries	4.82
Sun Pharmaceutical	4.35
NTPC	3.94
Apollo Tyres	3.86
Infosys Technologies	3.45
Larsen & Toubro	3.33
Chennai Petroleum	3.30
ICICI Bank	2.49
Mphasis	2.32
Aptech	2.08
Bharat Heavy Electricals	1.96
State Bank Of India	1.85
Container Corp Of India	1.77
GVK Power & Infrastructure	1.73
ITC	1.58
HDFC	1.55
ONGC	1.49
Bharti Airtel	1.46
HDFC Bank	1.26
Others	36.22
Cash And Current Assets	9.14
Grand Total	100.00

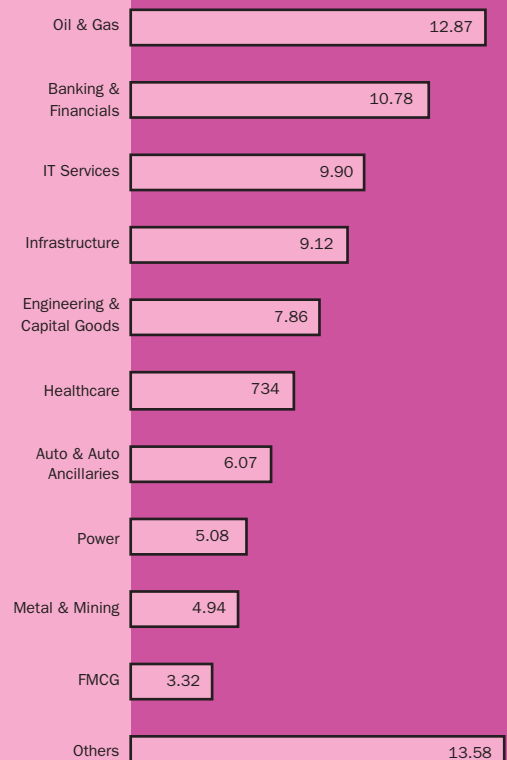
Assets Under Management (in Rs. Lakhs)

248.80

Asset Class (% to Fund)



Allocation by Sector (% to Fund)



build n protect fund series 1/

Fund Performance (Absolute Return %)

	Fund	Benchmark
3 months	-1.10	-3.57
Since Inception*	-5.10	-6.74

Benchmark: 15 Year GOI Benchmark Bond

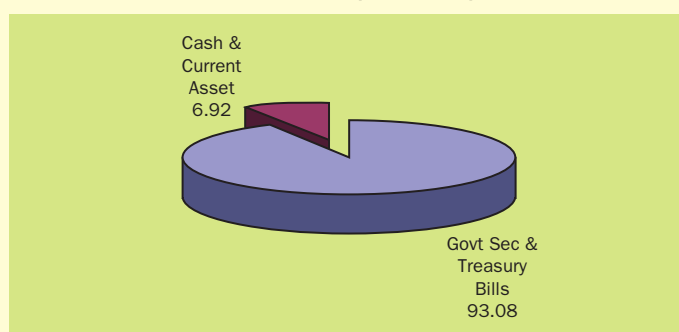
*Inception date- 21 May 2009

Debt Portfolio	(% to Fund)
7.35% GOI 2024	33.70
7.95% GOI 2025	27.50
8.03% GOI 2024	16.66
8.20 % GOI Sep2024	8.17
8.20 % GOI Feb 2024	7.04
Cash And Current Assets	6.92
Grand Total	100.00

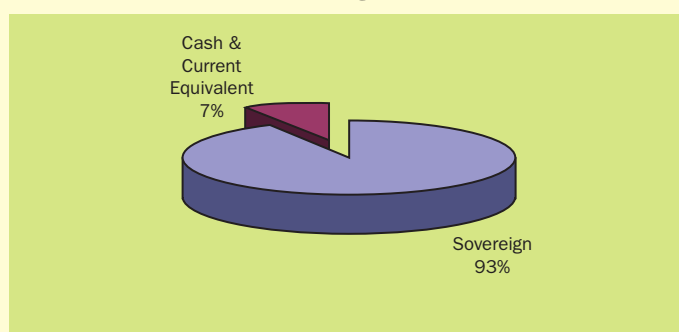
Assets Under Management (in Rs. Lakhs)

354.99

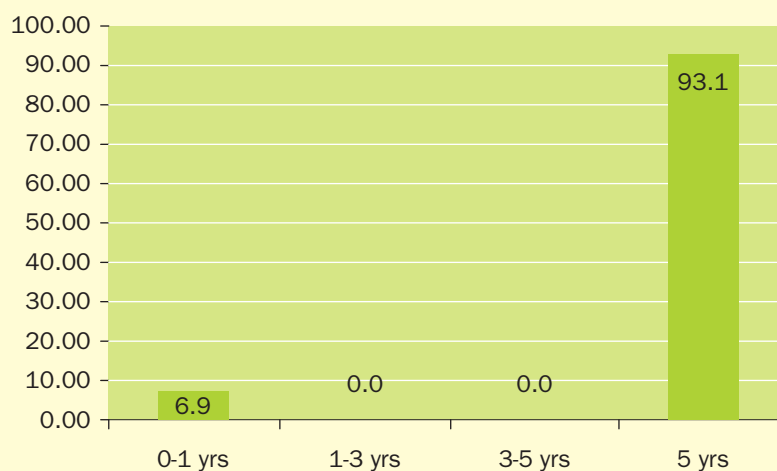
Asset Class (% to Fund)



Debt Ratings Profile



Debt Maturity Profile (% to Fund)



safe money fund

Fund Performance (Absolute Return %)

	Fund	Benchmark
Since Inception*	0.58	0.60

Benchmark: CRISIL Liquid Fund Index *Inception date- 10 July 2009

Debt Portfolio

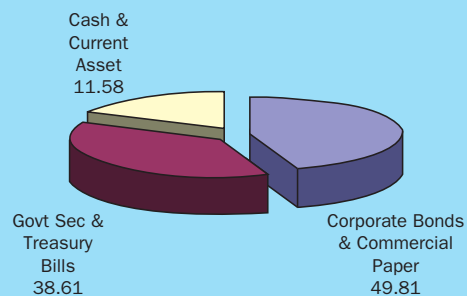
(% to Fund)

91 Day TB Oct '09	38.61
6.5% FD IDBI Bank Feb '10	11.41
6.25% FD State Bank of Mysore Mar '10	8.87
6.25% FD HDFC Bank Feb '10	8.87
6.25% FD SBM Feb '10	7.60
6.25% FD SBM Mar '10	13.05
Cash And Current Assets	11.58
Grand Total	100.00

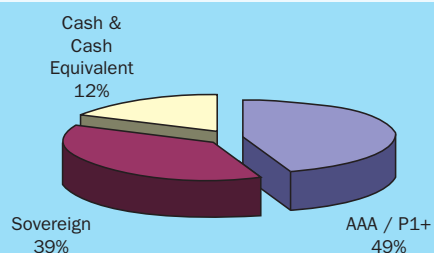
Assets Under Management (in Rs. Lakhs)

7.89

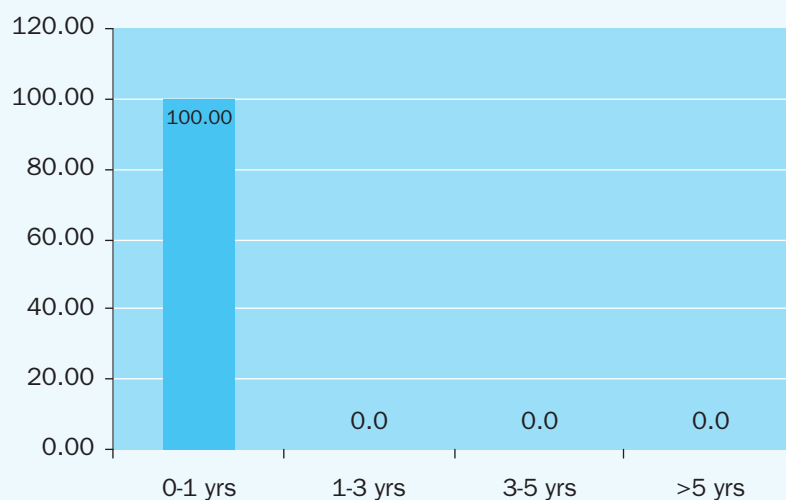
Asset Class (% to Fund)



Debt Ratings Profile



Debt Maturity Profile (% to Fund)



safe money pension fund

Fund Performance (Absolute Return %)

	Fund	Benchmark
Since Inception*	0.51	0.60

Benchmark: CRISIL Liquid Fund Index *Inception date- 10 July 2009

Debt Portfolio

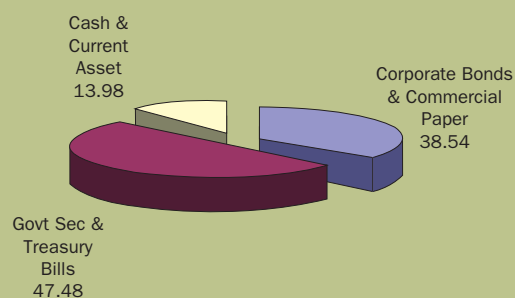
(% to Fund)

91 Day TB Oct '09	47.48
6.25% FD SBM Mar '10	18.52
6.25% FD HDFC Bank Feb '10	15.01
6.5% FD IDBI Bank Feb '10	5.00
Cash And Current Assets	13.98
Grand Total	100.00

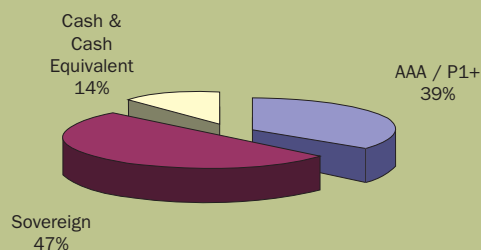
Assets Under Management (in Rs. Lakhs)

2.00

Asset Class (% to Fund)



Debt Ratings Profile



Debt Maturity Profile (% to Fund)



Disclaimers: 1. This newsletter only gives an overview of the economy and should not be construed as financial advice. Policyholder should speak with his Financial Advisor and use his/her own discretion and judgement while investing in financial markets and shall be responsible for his/her decision. 2. Insurance is the subject matter of the solicitation. 3. The information contained herein is as on 30th September 2009. 4. Past performance of the funds, as shown above, is not indicative of future performance or returns. 5. Grow Money Fund, Save n Grow Money Fund, Steady Money Fund, Growth Opportunities Fund, Grow Money Pension Fund, Save n Grow Money Pension Fund, Steady Money Pension Fund, Growth Opportunities Pension Fund, Build n Protect Fund Series 1, Safe Money Fund, Safe Money Pension Fund are only the names of the fund and do not indicate its expected future returns or performance.

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life insurance