

5 reasons to invest in Bharti AXA Focused Infrastructure Fund

1. India – An Infrastructure starved country

Still a wide infrastructure gap as compared to peers				
Indicator	India	China	UK	US
Electricity Consumption per Capita (KwH)	618	1,684	6,756	14,240
Steel Consumption per capita (kg)	34	244	195	357
Rail Route per million people (Km)	56	57	276	755
Petroleum Refining Capacity Per Capita (Kg)	131	248	1,629	2,900
Petroleum Consumption Per Capita (Kg)	108	287	1,467	3,458
Cargo Handled at Ports per capita (Kg)	572	4,266	9,733	7,953
Passengers handled at airports / 1000 people	71	151	3,517	4,780

Source: Economist

Infrastructure spending in India has lagged behind its global peers resulting in most of the segments in the economy constrained in terms of capacity availability.

As per Morgan Stanley estimates, Infrastructure investment in India for FY2009 is estimated at US\$67.6 billion (5.8% of GDP). Compare this

with China's Infrastructure investment estimate of US\$389.6 billion (9% of GDP) over the same period. Our government is well aware that in order for India to sustain its high growth rate, a large commitment towards improving infrastructure is mandatory.

2. Government committed to Infrastructure Investment

Government's renewed focus reflected in increased spending			
Sectors	Xth Plan (US\$ bn)	XIth Plan (US\$ bn)	% change
Electricity	70.5	150.4	113.2
Roads and bridges	31.7	76.1	139.6
Telecom	22.5	65.1	189.9
Railways	20.3	62.2	207.0
Irrigation	32.1	53.1	65.4
Water	15.6	48.6	212.1
Ports	1.3	18.0	1265.9
Airports	2.1	8.5	295.3
Storage	2.3	5.5	137.4
Gas	2.1	5.0	134.7
Total	200.5	492.4	145.5

Source: Govt's Planning Commission & Nomura Global Economics

Infrastructure investment has witnessed a sharp acceleration in recent years with the Government announcing USD\$ 292 billion of Infrastructure spending under the XIth Plan (2007 to 12), an increase of 145% over the Xth Plan (2002 to 07)

Another ambitious reform initiative is a shift from a controlled to an open market economy, opening doors for private sector / foreign investment in infrastructure projects such as energy, petroleum, telecommunications,

transportation sectors etc. Total infrastructure investments as a percentage of GDP has been increasing steadily and is expected to reach 9.22% of GDP by FY2012.

3. Bharti AXA Focused Infrastructure Fund – A “Truly Focused” Infrastructure Fund

Bharti AXA Focused Infrastructure Fund has a clear mandate to invest only in specific sectors (as defined by AMFI) that are primarily engaged in infrastructure and related activities. As a result the fund will **only invest across 8 sectors** as defined below:

1. Cement & Cement Products
2. Construction
3. Energy
4. Industrial Manufacturing
5. Metals
6. Services (Only Infrastructure related services e.g. Transportation)
7. Telecommunication
8. Financial Services (only those primarily engaged in financing infrastructure projects)

Furthermore, the fund has gone a step further and also laid out the **sectors that it will not invest in**, namely the following:

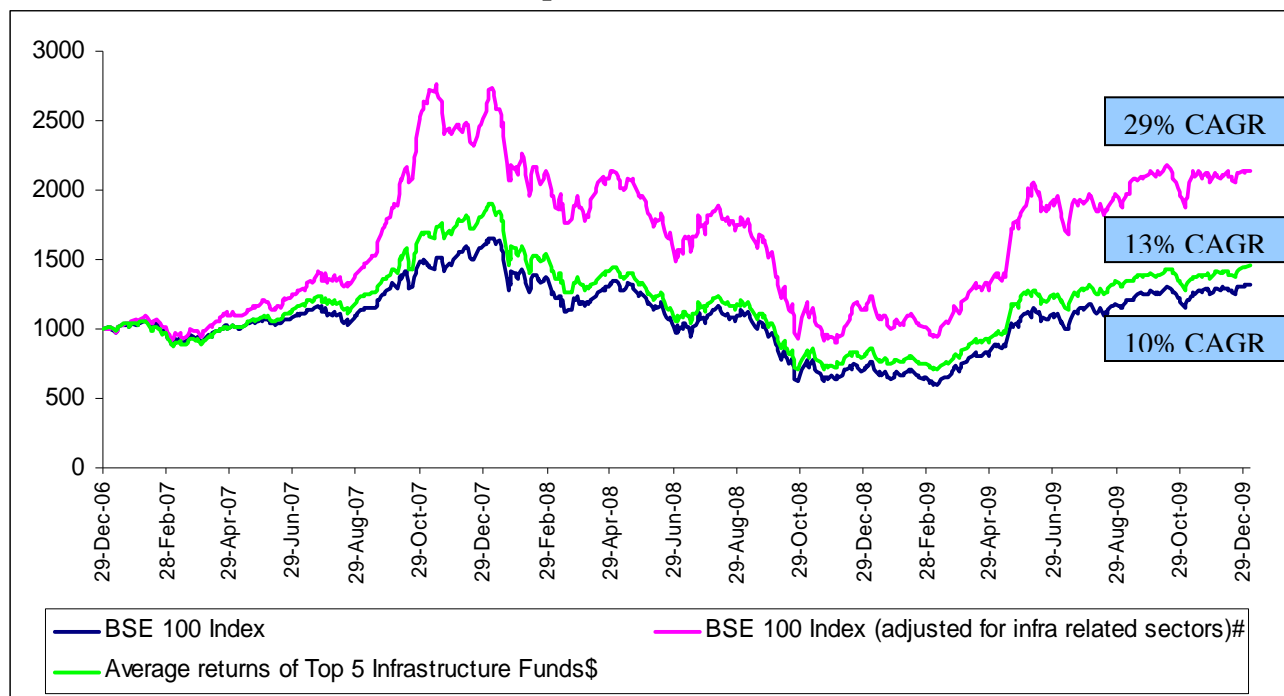
1. Automobiles
2. Banks & other Financial Services companies (other than those covered in above list)
3. Services (Other than Infrastructure related)
4. Chemicals
5. Consumer Goods
6. Fertilizers & Pesticides
7. Information Technology
8. Paper
9. Pharmaceuticals
10. Textiles

The above sectors cover the entire universe of listed equities in India. As a result, there is no ambiguity with regards to the investment universe or investment strategy of the fund.

Bharti AXA Infrastructure Fund is the **First truly Focused Infrastructure Fund** with clearly laid out sectors that the fund will AND will not invest in.

Investors are assured that that by investing in Bharti AXA Infrastructure Fund they would get exposure only to companies truly engaged in Infrastructure activities.

4. Core Infrastructure has been an outperformer



Source: MFIE, Bloomberg, Internal

Past Performance may or may not be sustained in the future. The above graph is for illustrative purposes only and in no way indicates or is providing any assurance of the possible returns from Bharti AXA Focused Infrastructure Fund.

#BSE 100 Index (adjusted for infra related sectors) is depiction of BSE 100 returns after removing the sectors in which Bharti AXA Focused Infrastructure Fund will not invest (as detailed in preceding pages).

^{\$} The portfolio composition and the benchmarks of the Top 5 Infrastructure Funds – shown in graph above - may vary from that of Bharti AXA Focused Infrastructure Fund. The Top 5 Infrastructure funds have been selected on the basis of returns given by open-ended infrastructure funds for the period Jan 1, 07 to Jan 4, 10.

In order to analyze the performance of the focused infrastructure sectors as identified by us under Bharti AXA Focused Infrastructure Fund., we plotted the BSE 100 Index (broad diversified index) against an adjusted BSE 100 Index after removing all the companies that belong to non infrastructure sectors (as identified above in the sectors that Bharti AXA Focused Infrastructure Fund will not invest in). The results show that the core infrastructure sectors have returned a CAGR of 29% over the period Jan 1, 07 to Jan 4, 10 as compared to a CAGR of 10% for the BSE 100 over the same period. During this period, the Top 5 infrastructure funds, depicted above, have given a CAGR of 13%.

History shows that focusing on core infrastructure has paid handsome dividends in the past. We believe this trend will continue in the coming years given the impetus on infrastructure investment both from the government as well as public-private partnerships.

5. Experienced Fund Manager with a proven track record

Prateek is currently the Fund Manager of Bharti AXA Equity Fund, Bharti AXA Tax Advantage Fund and Bharti AXA Regular Return Fund (equity portion). He heads Equity Investments at Bharti AXA Investment Managers. Prateek is a PGDM from XIM-B and is experienced both on the sell and buy side during his career spanning 15 years. He started his career in research with SBI capital where he spent 10 years. He moved to ABN AMRO AMC in 2004 where he set up the research function. He then moved to fund management in 2005, and became Head - Equity in June 2006. Prateek joined Bharti AXA IM in October 2007

Scheme Details:

Scheme Name	Bharti AXA Focused Infrastructure Fund
Category	An Open-Ended Equity Scheme
Investment Objective	The Scheme seeks to generate long term capital appreciation through a portfolio of predominantly equity and equity related securities of companies engaged in infrastructure and infrastructure related sectors The Scheme is not providing any assured or guaranteed returns. Further, there can be no assurance that the investment objectives of the scheme will be realized
Fund Manager	Mr. Prateek Agrawal
NFO Opening date	January 20, 2010
NFO Closing date	February 15, 2010
Re-opening Date	March 11, 2010
Entry Load	Nil
Exit Load	1% if redeemed within 1 year from the date of allotment
Benchmark	BSE 100 Index
Investment Options	- Growth Option for capital appreciation - Quarterly Dividend Option offering Dividend Re-investment and Dividend Pay-out facilities - Regular Dividend Option offering Dividend Re-investment and Dividend Pay-out facilities
Special Products Available	- Daily SIP & Daily STP - Monthly SIP & Monthly STP

Statutory Details: Bharti AXA Mutual Fund has been set up as a Trust (under the Indian Trust Act, 1882) by AXA Investment Managers, Sponsor of the Fund. The Sponsor is not responsible for any loss resulting from the operations of the schemes beyond the contribution of an amount of Rs.1 lakh made by it towards setting up the Mutual Fund. **Trustee:** Bharti AXA Trustee Services Private Limited, a limited liability company. **Investment Manager:** Bharti AXA Investment Managers Private Limited, a limited liability company. **Risk Factors:** All mutual funds and securities investments are subject to market risks and there can be no assurance that the Scheme's objectives will be achieved and the NAV of the Scheme may go up or down depending upon the factors and forces affecting the securities market. Past performance of the Sponsors and their affiliates / AMC / Mutual Fund and its Scheme does not indicate the future performance of the Scheme of the Mutual Fund. Investors in the Scheme are not being offered any guaranteed / assured returns. **Bharti AXA Focused Infrastructure Fund** – an open-ended equity scheme, is only the name of the Scheme and does not in any manner indicate either the quality of the Scheme, its future prospects or returns. **Investment Objective:** The Scheme seeks to generate long term capital appreciation through a portfolio of predominantly equity and equity related securities of companies engaged in infrastructure and infrastructure related sectors. **Asset Allocation Pattern:** Equity and equity related securities of companies engaged in infrastructure and infrastructure related sectors – 65% to 100% and Debt & money market securities/instruments# - 0 to 35%. # no investments will be made in securitized debt. **Term of Issue:** Units are being offered at Rs.10/- per unit during the New Fund Offer Period and at NAV based prices upon re-opening. **Load Structure: Entry Load** – Nil, **Exit Load** – 1% if redeemed within 1 year from date of allotment. Copies of Scheme Information Document /Key Information Memorandum/ Statement of Additional Information can be obtained at any of our Investor Service Centres or on the AMC Website www.bharti-axa-im.com. **Mutual Fund investments are subject to market risks. Investors are requested to read the Scheme Information Document, Statement of Additional Information & Addenda carefully before investing.**