



1 February 2010

<Mailing name>  
<Address line 1>  
<Address line 2>  
<Suburb> <State> <Postcode>  
<Country – if outside Australia>

Client number: TA XXXXXXXXX

Dear <Investor>

**2010 Withdrawal Offers for AXA's Australian Monthly Income Fund (AMIF or the Fund)**

We are introducing a number of enhancements to our Withdrawal Offers in 2010.

**As these are significant changes from previous Withdrawal Offers we recommend you read this letter and the attached questions and answers carefully.**

Specifically in 2010:

- you will be able to apply for all four Withdrawal Offers up front;
- for each offer you will be able to request to withdraw any amount up to your full balance; and
- a minimum payment of up to \$1000 (or your entire account balance for balances below the minimum payment amount) per offer will be available to ensure that you have certainty of the minimum you will receive.

You are not obliged to take up any of these offers. The offers are being made available to assist those investors who need access to capital.

Details for each Withdrawal Offer are as follows:

Offer Number	Opening Date	Closing Date	Approximate offer size*
5	1 February 2010	15 March 2010	\$170m (10%)
6	21 April 2010	28 May 2010	\$76m (5%)
7	19 July 2010	27 August 2010	\$72m (5%)
8	18 October 2010	26 November	\$69m (5%)

\* Information on any changes to the approximate dollar value available for each offer will be made available prior to the opening date for each offer via [www.axa.com.au/investment](http://www.axa.com.au/investment) or by calling 1800 780 035.

You may elect to withdraw some or all of the units you hold in AMIF. As the offers are funded by available cash, the amount you receive will depend on the available cash and the total value of all investor requests for each offer.

If the total amount requested by all investors exceeds the amount of available cash, then each withdrawal request will be reduced on a pro rata basis, subject to a minimum of up to \$1,000.

If you would like to participate in these offers, simply complete the attached form and return it to us in the reply-paid envelope provided. We must receive the form prior to 5.00 pm on the relevant closing date of the first offer you wish to participate in.

If you choose to take up any of the offers, proceeds will be paid within 21 days of each offer closing. Please ensure your financial institution account details are on the Withdrawal Offer form.

## Fund update

Launched in July 2000 AMIF has an excellent profile, winning the last three Standard & Poor's Fund Manager of the Year - Australian Mortgage Fund awards and most recently winning the 2009 Money Magazine Gold award for Best Mortgage Fund.

Research company Lonsec recently completed a review of the mortgage fund sector with AMIF one of five funds it upgraded from 'Hold' to 'Investment Grade'. Lonsec has stated that "for those investors wishing to retain an exposure to this asset class... AXA's Australian Monthly Income Fund [is] the most preferred option."<sup>\*\*\*</sup>

AMIF offers the following:

1. A combination of cash, fixed interest securities and loans to produce consistent monthly income.
2. All loans are secured by first ranking mortgages.
3. The loans are managed on a conservative basis with the average loan amount being just 55.50 per cent (as at 31 December 2009) of the value of the property.
4. Historically AMIF has had very low levels of arrears on its mortgages, reflecting the quality of the loan book. As at 31 December 2009 AMIF has no interest arrears.
5. Geographic and industry diversification to reduce sector specific risk.
6. Members of AXA's Commercial Lending team possess an average 30 years' credit management experience in both bank and non-bank lending and have managed mortgage assets through varying credit cycles.

## Further information

More details on these offers are included in the attached '2010 Withdrawal Offer information for investors'. It is important that you read this information along with this letter as it forms part of the Withdrawal Offers.

Any changes to the information detailed in this letter, the enclosed '2010 Withdrawal Offer information for investors' or Withdrawal Offer form will be available from [www.axa.com.au/investment](http://www.axa.com.au/investment).

If you have any further questions, please contact your financial adviser <adviser name> on <telephone number> or our Customer Service Centre on 1800 780 035. We will be pleased to help.

Yours sincerely

## Ian Campbell

General Manager – Product

\* National Mutual Funds Management Ltd AFSL 234652 (referred to as 'AXA' or 'we') is the Responsible Entity of the Australian Monthly Income Fund ARSN 091 553 856.

\*\*\* Extract from Lonsec Investment Perspective *Mortgage Sector Update – Ratings Changes* 10 July 2009. The Lonsec Limited ("Lonsec") ABN 56 061 751 102 rating (assigned August 2009) presented in this document is limited to "General Advice" and based solely on consideration of the investment merits of the financial product(s). It is not a recommendation to purchase, sell or hold the relevant product(s), and you should seek independent financial advice before investing in this product(s). The rating is subject to change without notice and Lonsec assumes no obligation to update this document following publication. Lonsec receives a fee from the fund manager for rating the product(s) using comprehensive and objective criteria.

**2010 Withdrawal Offer information for investors**  
**AXA's Australian Monthly Income Fund (AMIF or the Fund)**

**Q1. What is a Withdrawal Offer?**

A1. A Withdrawal Offer is a way for us to assist those investors in AMIF who need access to capital.

**Q2. Do I need to accept any of the Withdrawal Offers?**

A2. No. You are not obliged to take up any of the Withdrawal Offers.

While many investors wish to continue their investment, we understand that some investors need to access capital. The withdrawal arrangements enable AXA to open the fund to withdrawal requests periodically, and manage them in the best interest of all investors.

If you do not accept any of the Withdrawal Offers you will still be able to accept any subsequent Withdrawal Offers that may be made by AXA.

**Q3. How much can I withdraw?**

A3. You may elect to withdraw some or all of the units you hold in AMIF. In the attached form we have noted your balance as of 15 January 2010.

**Q4. How much will I receive?**

A4. As the offers are funded by available cash available from the Fund the amount you will receive will depend on this and the total value of all investor requests for each offer.

Provided the total value of investor requests received does not exceed the total amount available, investors will receive the full amount they have applied to withdraw.

If the total value of requests exceeds the amount available, investors will receive a percentage of their requested amount, which will be calculated according to the following scale-back formula:

$\% \text{ of request paid} = \text{total cash available from Fund} / \text{total value of investor requests received}.$

Example:

If the total value of all withdrawal offer requests is \$500,000 and the amount of cash available in the Fund to satisfy requests is \$250,000, the percentage each investor will receive of their request is:

$\$250,000 / \$500,000 = 50\%$

Under this scenario if you have requested \$20,000, then you will receive \$10,000.

Each Withdrawal Offer is independent of the other, so if we reduce the amount paid to you on a pro rata basis, the shortfall will not carry through to the next withdrawal offer.

Additionally, a minimum payment amount of up to \$1000 per offer will be available to ensure that investors have certainty of the minimum they will receive. Investors will receive a minimum of up to \$1000 per offer unless they have requested less. If you request less than the minimum payment amount you receive your requested amount in full.

Please note that the scale-back formula above will be applied once minimum payments have been allocated to all investors who have subscribed to the relevant Withdrawal Offer.

Please note that it is currently envisaged that the offers are likely to be oversubscribed and as such your request will be scaled-back. You should take this into account when deciding how much to request.

**Q5. How do I take up the Withdrawal Offer?**

A5. You must complete and sign the attached Withdrawal Offer form to take up some or all of the offers.

To elect to withdraw all of your units please tick the first box on the attached form. You will participate in each of the four Withdrawal Offers until your request is satisfied or we receive instructions from you to amend or cancel the request.

Alternatively, you may nominate to withdraw a number of units for each Withdrawal Offer by ticking against the Withdrawal Offers you wish to participate in on the attached form, then writing the number of units you wish to withdraw.

You must return the form to us in the reply-paid envelope provided. If you do not use the attached form, we will not be able to process your Withdrawal Offer. The form must be returned to us by no later than 5.00 pm on the relevant closing date of the first offer you wish to participate in. If we receive a Withdrawal Offer form after the closing date and time we are not obligated to process the form.

We will only process one withdrawal request per offer from each investment. If you send multiple Withdrawal Offer forms for an offer we will process the last or latest form we receive.

**Q6. I wish to participate in Offers 6, 7 or 8 – how will I know how much I can request?**

A6. Please see your latest statement for your up-to-date balance.

If the amount you have requested exceeds your balance, we will enter the request as a full withdrawal. Refer to Q4 for details on how much you will receive.

**Q7. Can I modify or cancel a request I have made?**

A7. Yes. Any amendments or cancellations must be in writing and received by AXA no later than 5.00 pm on the closing date of the relevant offer.

You can access a new Withdrawal Offer form from [www.axa.com.au/investment](http://www.axa.com.au/investment) or by calling 1800 780 035.

Note that if you cancel a request for an offer but have submitted requests for the other offers, those other offers will still stand.

**Q8. When will I be paid my Withdrawal Offer proceeds?**

A8. Withdrawal Offer proceeds will be paid within 21 days of each offer closing.

Please note that you will continue to receive regular income distributions before, during and after these Withdrawal Offers. These payments are processed separately from any Withdrawal Offer amounts paid.

**Q9. How are the Withdrawal Offers being funded?**

A9. Offer No.5 is being funded from available cash. It is forecasted that the available cash for Offers No.6, 7 & 8 will be funded from maturing loans, maturing fixed interest securities and redeemed cash assets.

**Q10. What will my Withdrawal Offer payment include?**

A10. Your payment will include capital and any interest income accrued up to the date of the payment.

This means you will receive a payment of \$1.00 for each unit you withdraw (the capital amount) plus your proportionate share of income earned from the date of the last income distribution to the date we process your withdrawal (the income amount).

This means your Withdrawal Offer payment will be a little over \$1.00 per unit.

**Q11. What impact will the Withdrawal Offer have on my income distributions?**

A11. You will continue to receive your regular income distributions before, during and after this Withdrawal Offer.

If you accept the Withdrawal Offer and request to withdraw a portion of your investment you should note that your future income distributions will be proportionately reduced.

# WAMIF unit holder letter

1 February 2010



<Mailing name>  
<Address line 1>  
<Address line 2>  
<Suburb> <State> <Postcode>  
<Country – if outside Australia>

Client number: TA XXXXXXXXX

Dear <Investor>

## 2010 Withdrawal Offers for AXA's Wholesale Australian Monthly Income Fund (WAMIF or the Fund)

We are introducing a number of enhancements to our Withdrawal Offers in 2010.

**As these are significant changes from previous Withdrawal Offers we recommend you read this letter and the attached questions and answers carefully.**

Specifically in 2010:

- you will be able to apply for all four Withdrawal Offers up front;
- for each offer you will be able to request to withdraw any amount up to your full balance; and
- a minimum payment of up to \$1000 (or your entire account balance for balances below the minimum payment amount) per offer will be available to ensure that you have certainty of the minimum you will receive.

You are not obliged to take up any of these offers. The offers are being made available to assist those investors who need access to capital.

Details for each Withdrawal Offer are as follows:

Offer Number	Opening Date	Closing Date	Approximate offer size*
5	1 February 2010	10 March 2010	Minimum of \$112m (10%)
6	21 April 2010	25 May 2010	5%
7	19 July 2010	24 August 2010	5%
8	18 October 2010	23 November 2010	5%

\* As the Wholesale Australian Monthly Income Fund invests in AXA's Australian Monthly Income Fund the amount it will make available will depend on how much it receives from the corresponding Withdrawal Offer of AXA's Australian Monthly Income Fund. As such the amount available for the Wholesale Australian Monthly Income Funds' Withdrawal Offers may vary from the approximate offer size described above. Information on any changes to the approximate dollar value available for each offer will be made available prior to the opening date for each offer via [www.axa.com.au/investment](http://www.axa.com.au/investment) or by calling 1800 780 035.

You may elect to withdraw some or all of the units you hold in WAMIF. As the offers are funded by available cash, the amount you receive will depend on the available cash and the total value of all investor requests for each offer.

If the total amount requested by all investors exceeds the amount of available cash, then each withdrawal request will be reduced on a pro rata basis, subject to a minimum of up to \$1,000.

If you would like to participate in these offers, simply complete the attached form and return it to us in the reply-paid envelope provided. We must receive the form prior to 5.00 pm on the relevant closing date of the first offer you wish to participate in.

If you choose to take up any of the offers, proceeds will be paid within 21 days of each offer closing. Please ensure your financial institution account details are on the Withdrawal Offer form.

### Fund update

Launched in July 2000 WAMIF has an excellent profile, winning the last three Standard & Poor's Fund Manager of the Year - Australian Mortgage Fund awards and most recently winning the 2009 Money Magazine Gold award for Best Mortgage Fund.

AXA Australia Customer Service PO Box 14330 Melbourne VIC 8001  
Telephone 1800 780 035 Facsimile (03) 8688 5789  
Responsible Entity - National Mutual Funds Management Ltd.  
ABN 32 006 787 720 AFS Licence No. 234652  
Member of the Global AXA Group  
[www.axa.com.au](http://www.axa.com.au)

Research company Lonsec recently completed a review of the mortgage fund sector with AMIF one of five funds it upgraded from 'Hold' to 'Investment Grade'. Lonsec has stated that "for those investors wishing to retain an exposure to this asset class... AXA's Australian Monthly Income Fund [is] the most preferred option."<sup>\*\*\*</sup>

WAMIF offers the following:

3. A combination of cash, fixed interest securities and loans to produce consistent monthly income.
4. All loans are secured by first ranking mortgages.
3. The loans are managed on a conservative basis with the average loan amount being just 55.50 per cent (as at 31 December 2009) of the value of the property.
4. Historically WAMIF has had very low levels of arrears on its mortgages, reflecting the quality of the loan book. As at 31 December 2009 WAMIF has no interest arrears.
5. Geographic and industry diversification to reduce sector specific risk.
6. Members of AXA's Commercial Lending team possess an average 30 years' credit management experience in both bank and non-bank lending and have managed mortgage assets through varying credit cycles.

#### **Further information**

More details on these offers are included in the attached '2010 Withdrawal Offer information for investors'. It is important that you read this information along with this letter as it forms part of the Withdrawal Offers.

Any changes to the information detailed in this letter, the enclosed '2010 Withdrawal Offer information for investors' or Withdrawal Offer form will be available from [www.axa.com.au/investment](http://www.axa.com.au/investment).

If you have any further questions, please contact your financial adviser <adviser name> on <telephone number> or our Customer Service Centre on 1800 780 035. We will be pleased to help.

Yours sincerely

#### **Ian Campbell**

General Manager – Product

\* National Mutual Funds Management Ltd AFSL 234652 (referred to as 'AXA' or 'we') is the Responsible Entity of the Wholesale Australian Monthly Income Fund ARSN 91 553 954.

\*\*\* Extract from Lonsec Investment Perspective *Mortgage Sector Update – Ratings Changes* 10 July 2009. The Lonsec Limited ("Lonsec") ABN 56 061 751 102 rating (assigned August 2009) presented in this document is limited to "General Advice" and based solely on consideration of the investment merits of the financial product(s). It is not a recommendation to purchase, sell or hold the relevant product(s), and you should seek independent financial advice before investing in this product(s). The rating is subject to change without notice and Lonsec assumes no obligation to update this document following publication. Lonsec receives a fee from the fund manager for rating the product(s) using comprehensive and objective criteria.

## **2010 Withdrawal Offer information for investors**

### **AXA's Wholesale Australian Monthly Income Fund (WAMIF or the Fund)**

**Q1. What is a Withdrawal Offer?**

A1. A Withdrawal Offer is a way for us to assist those investors in WAMIF who need access to capital.

**Q2. Do I need to accept any of the Withdrawal Offers?**

A2. No. You are not obliged to take up any of the Withdrawal Offers.

While many investors wish to continue their investment, we understand that some investors need to access capital. The withdrawal arrangements enable AXA to open the fund to withdrawal requests periodically, and manage them in the best interest of all investors.

If you do not accept any of the Withdrawal Offers you will still be able to accept any subsequent Withdrawal Offers that may be made by AXA.

**Q3. How much can I withdraw?**

A3. You may elect to withdraw some or all of the units you hold in WAMIF. In the attached form we have noted your balance as of 15 January 2010.

**Q4. How much will I receive?**

A4. As the offers are funded by available cash available from the Fund the amount you will receive will depend on this and the total value of all investor requests for each offer.

Provided the total value of investor requests received does not exceed the total amount available, investors will receive the full amount they have applied to withdraw.

If the total value of requests exceeds the amount available, investors will receive a percentage of their requested amount, which will be calculated according to the following scale-back formula:

$\% \text{ of request paid} = \text{total cash available from Fund} / \text{total value of investor requests received}.$

Example:

If the total value of all withdrawal offer requests is \$500,000 and the amount of cash available in the Fund to satisfy requests is \$250,000, the percentage each investor will receive of their request is:

$\$250,000 / \$500,000 = 50\%$

Under this scenario if you have requested \$20,000, then you will receive \$10,000.

Each Withdrawal Offer is independent of the other, so if we reduce the amount paid to you on a pro rata basis, the shortfall will not carry through to the next withdrawal offer.

Additionally, a minimum payment amount of up to \$1000 per offer will be available to ensure that investors have certainty of the minimum they will receive. Investors will receive a minimum of up to \$1000 per offer unless they have requested less. If you request less than the minimum payment amount you receive your requested amount in full.

Please note that the scale-back formula above will be applied once minimum payments have been allocated to all investors who have subscribed to the relevant Withdrawal Offer.

Please note that it is currently envisaged that the offers are likely to be oversubscribed and as such your request will be scaled-back. You should take this into account when deciding how much to request.

**Q5. How do I take up the Withdrawal Offer?**

A5. You must complete and sign the attached Withdrawal Offer form to take up some or all of the offers.

To elect to withdraw all of your units please tick the first box on the attached form. You will participate in each of the four Withdrawal Offers until your request is satisfied or we receive instructions from you to amend or cancel the request.

Alternatively, you may nominate to withdraw a number of units for each Withdrawal Offer by ticking against the Withdrawal Offers you wish to participate in on the attached form, then writing the number of units you wish to withdraw.

You must return the form to us in the reply-paid envelope provided. If you do not use the attached form, we will not be able to process your Withdrawal Offer. The form must be returned to us by no later than 5.00 pm on the relevant closing date of the first offer you wish to participate in. If we receive a Withdrawal Offer form after the closing date and time we are not obligated to process the form.

We will only process one withdrawal request per offer from each investment. If you send multiple Withdrawal Offer forms for an offer we will process the last or latest form we receive.

**Q6. I wish to participate in Offers 6, 7 or 8 – how will I know how much I can request?**

A6. Please see your latest statement for your up-to-date balance.

If the amount you have requested exceeds your balance, we will enter the request as a full withdrawal. Refer to Q4 for details on how much you will receive.

**Q7. Can I modify or cancel a request I have made?**

A7. Yes. Any amendments or cancellations must be in writing and received by AXA no later than 5.00 pm on the closing date of the relevant offer.

You can access a new Withdrawal Offer form from [www.axa.com.au/investment](http://www.axa.com.au/investment) or by calling 1800 780 035.

Note that if you cancel a request for an offer but have submitted requests for the other offers, those other offers will still stand.

**Q8. When will I be paid my Withdrawal Offer proceeds?**

A8. Withdrawal Offer proceeds will be paid within 21 days of each offer closing.

Please note that you will continue to receive regular income distributions before, during and after these Withdrawal Offers. These payments are processed separately from any Withdrawal Offer amounts paid.

**Q9. How are the Withdrawal Offers being funded?**

A9. The available cash for the offers will be funded from proceeds from AXA's Australian Monthly Income Fund's Withdrawal Offers.

**Q10. What will my Withdrawal Offer payment include?**

A10. Your Withdrawal Offer payment will be made using the applicable unit price as at the date of payment.

**Q11. What impact will the Withdrawal Offer have on my income distributions?**

A11. You will continue to receive your regular income distributions before, during and after this Withdrawal Offer.

If you accept the Withdrawal Offer and request to withdraw a portion of your investment you should note that your future income distributions will be proportionately reduced.

AIF unit holder letter

1 February 2010



<Mailing name>  
<Address line 1>  
<Address line 2>  
<Suburb> <State> <Postcode>  
<Country – if outside Australia>

Client number: TA XXXXXXXXX

Dear <Investor>

**2010 Withdrawal Offers for AXA's Australian Income Fund (AIF or the Fund)**

We are introducing a number of enhancements to our Withdrawal Offers in 2010.

**As these are significant changes from previous Withdrawal Offers we recommend you read this letter and the attached questions and answers carefully.**

Specifically in 2010:

- you will be able to apply for all four Withdrawal Offers up front;
- for each offer you will be able to request to withdraw any amount up to your full balance; and
- a minimum payment of up to \$1000 (or your entire account balance for balances below the minimum payment amount) per offer will be available to ensure that you have certainty of the minimum you will receive.

You are not obliged to take up any of these offers. The offers are being made available to assist those investors who need access to capital.

Details for each Withdrawal Offer are as follows:

Offer Number	Opening Date	Closing Date	Approximate offer size*
5	1 February 2010	11 March 2010	\$31m (10%)
6	21 April 2010	26 May 2010	\$14m (5%)
7	19 July 2010	25 August 2010	\$13m (5%)
8	18 October 2010	24 November 2010	\$13m (5%)

\* Information on any changes to the approximate dollar value available for each offer will be made available prior to the opening date for each offer via [www.axa.com.au/investment](http://www.axa.com.au/investment) or by calling 1800 780 035.

You may elect to withdraw some or all of the units you hold in AIF. As the offers are funded by available cash, the amount you receive will depend on the available cash and the total value of all investor requests for each offer.

If the total amount requested by all investors exceeds the amount of available cash, then each withdrawal request will be reduced on a pro rata basis, subject to a minimum of up to \$1,000.

If you would like to participate in these offers, simply complete the attached form and return it to us in the reply-paid envelope provided. We must receive the form prior to 5.00 pm on the relevant closing date of the first offer you wish to participate in.

If you choose to take up any of the offers, proceeds will be paid within 21 days of each offer closing. Please ensure your financial institution account details are on the Withdrawal Offer form.

**Fund update**

AIF will continue to accept applications from existing investors and distributions may be reinvested in the fund.

AIF provides you with a stable monthly income and your investment capital is guaranteed. AIF offers the following:

1. A combination of cash, fixed interest securities and an exposure to loans to produce consistent monthly income.
2. All loans are secured by first ranking mortgages.
3. The loans are managed on a conservative basis and as at 31 December 2009, AIF has no interest arrears on its mortgages.
4. Members of AXA's Commercial Lending team possess an average 30 years' credit management experience in both bank and non-bank lending and have managed mortgage assets through varying credit cycles.

**Further information**

More details on these offers are included in the attached '2010 Withdrawal Offer information for investors'. It is important that you read this information along with this letter as it forms part of the Withdrawal Offers.

Any changes to the information detailed in this letter, the enclosed '2010 Withdrawal Offer information for investors' or Withdrawal Offer form will be available from [www.axa.com.au/investment](http://www.axa.com.au/investment).

If you have any further questions, please contact your financial adviser <adviser name> on <telephone number> or our Customer Service Centre on 1800 780 035. We will be pleased to help.

Yours sincerely

**Ian Campbell**

General Manager – Product

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**2010 Withdrawal Offer information for investors**  
**AXA's Australian Income Fund (AIF or the Fund)**

**Q1. What is a Withdrawal Offer?**

A1. A Withdrawal Offer is a way for us to assist those investors in AIF who need access to capital.

**Q2. Do I need to accept any of the Withdrawal Offers?**

A2. No. You are not obliged to take up any of the Withdrawal Offers.

While many investors wish to continue their investment, we understand that some investors need to access capital. The withdrawal arrangements enable AXA to open the fund to withdrawal requests periodically, and manage them in the best interest of all investors.

If you do not accept any of the Withdrawal Offers you will still be able to accept any subsequent Withdrawal Offers that may be made by AXA.

**Q3. How much can I withdraw?**

A3. You may elect to withdraw some or all of the units you hold in AIF. In the attached form we have noted your balance as of 15 January 2010.

**Q4. How much will I receive?**

A4. As the offers are funded by available cash available from the Fund the amount you will receive will depend on this and the total value of all investor requests for each offer.

Provided the total value of investor requests received does not exceed the total amount available, investors will receive the full amount they have applied to withdraw.

If the total value of requests exceeds the amount available, investors will receive a percentage of their requested amount, which will be calculated according to the following scale-back formula:

$\% \text{ of request paid} = \text{total cash available from Fund} / \text{total value of investor requests received.}$

Example:

If the total value of all withdrawal offer requests is \$500,000 and the amount of cash available in the Fund to satisfy requests is \$250,000, the percentage each investor will receive of their request is:

$\$250,000 / \$500,000 = 50\%$

Under this scenario if you have requested \$20,000, then you will receive \$10,000.

Each Withdrawal Offer is independent of the other, so if we reduce the amount paid to you on a pro rata basis, the shortfall will not carry through to the next withdrawal offer.

Additionally, a minimum payment amount of up to \$1000 per offer will be available to ensure that investors have certainty of the minimum they will receive. Investors will receive a minimum of up to \$1000 per offer unless they have requested less. If you request less than the minimum payment amount you receive your requested amount in full.

Please note that the scale-back formula above will be applied once minimum payments have been allocated to all investors who have subscribed to the relevant Withdrawal Offer.

Please note that it is currently envisaged that the offers are likely to be oversubscribed and as such your request will be scaled-back. You should take this into account when deciding how much to request.

**Q5. How do I take up the Withdrawal Offer?**

A5. You must complete and sign the attached Withdrawal Offer form to take up some or all of the offers.

To elect to withdraw all of your units please tick the first box on the attached form. You will participate in each of the four Withdrawal Offers until your request is satisfied or we receive instructions from you to amend or cancel the request.

Alternatively, you may nominate to withdraw a number of units for each Withdrawal Offer by ticking against the Withdrawal Offers you wish to participate in on the attached form, then writing the number of units you wish to withdraw.

You must return the form to us in the reply-paid envelope provided. If you do not use the attached form, we will not be able to process your Withdrawal Offer. The form must be returned to us by no later than 5.00 pm on the relevant closing date of the first offer you wish to participate in. If we receive a Withdrawal Offer form after the closing date and time we are not obligated to process the form.

We will only process one withdrawal request per offer from each investment. If you send multiple Withdrawal Offer forms for an offer we will process the last or latest form we receive.

**Q6. I wish to participate in Offers 6, 7 or 8 – how will I know how much I can request?**

A6. Please see your latest statement for your up-to-date balance.

If the amount you have requested exceeds your balance, we will enter the request as a full withdrawal. Refer to Q4 for details on how much you will receive.

**Q7. Can I modify or cancel a request I have made?**

A7. Yes. Any amendments or cancellations must be in writing and received by AXA no later than 5.00 pm on the closing date of the relevant offer.

You can access a new Withdrawal Offer form from [www.axa.com.au/investment](http://www.axa.com.au/investment) or by calling 1800 780 035.

Note that if you cancel a request for an offer but have submitted requests for the other offers, those other offers will still stand.

**Q8. When will I be paid my Withdrawal Offer proceeds?**

A8. Withdrawal Offer proceeds will be paid within 21 days of each offer closing.

Please note that you will continue to receive regular income distributions before, during and after these Withdrawal Offers. These payments are processed separately from any Withdrawal Offer amounts paid.

**Q9. How are the Withdrawal Offers being funded?**

A9. Offer No. 5 is being funded from available cash and proceeds from AXA's Australian Monthly Income Fund's Withdrawal Offer. It is forecasted that the available cash for Offers No.6, 7 & 8 will be funded from maturing fixed interest securities, redeemed cash assets and proceeds from the Australian Monthly Income Fund's future Withdrawal Offers.

**Q10. What will my Withdrawal Offer payment include?**

A10. Your payment will include capital and any interest income accrued up to the date of the payment.

This means you will receive a payment of \$1.00 for each unit you withdraw (the capital amount) plus your proportionate share of income earned from the date of the last income distribution to the date we process your withdrawal (the income amount).

This means your Withdrawal Offer payment will be a little over \$1.00 per unit.

**Q11. What impact will the Withdrawal Offer have on my income distributions?**

A11. You will continue to receive your regular income distributions before, during and after this Withdrawal Offer.

If you accept the Withdrawal Offer and request to withdraw a portion of your investment you should note that your future income distributions will be proportionately reduced.

**Q12. Is the guarantee on investment capital for AIF impacted by this Withdrawal Offer?**

A12. No. AXA guarantees your investment capital for AIF. In addition we also guarantee the monthly rate of income in advance for AIF.

**Q13. If there are two account holders, do both account holders need to sign the Withdrawal Offer form?**

A13. Yes, both account holders need to sign the Withdrawal Offer form for it to be processed.

WAIF unit holder letter

1 February 2010



<Mailing name>  
<Address line 1>  
<Address line 2>  
<Suburb> <State> <Postcode>  
<Country – if outside Australia>

Client number: TA XXXXXXXXX

Dear <Investor>

**2010 Withdrawal Offers for AXA's Wholesale Australian Income Fund (WAIF or the Fund)**

We are introducing a number of enhancements to our Withdrawal Offers in 2010.

**As these are significant changes from previous Withdrawal Offers we recommend you read this letter and the attached questions and answers carefully.**

Specifically in 2010:

- you will be able to apply for all four Withdrawal Offers up front;
- for each offer you will be able to request to withdraw any amount up to your full balance; and
- a minimum payment of up to \$1000 (or your entire account balance for balances below the minimum payment amount) per offer will be available to ensure that you have certainty of the minimum you will receive.

You are not obliged to take up any of these offers. The offers are being made available to assist those investors who need access to capital.

Details for each Withdrawal Offer are as follows:

Offer Number	Opening Date	Closing Date	Approximate offer size*
5	1 February 2010	9 March 2010	Minimum of \$6m (10%)
6	21 April 2010	24 May 2010	5%
7	19 July 2010	23 August 2010	5%
8	18 October 2010	22 November 2010	5%

\* As the Wholesale Australian Income Fund invests in AXA's Australian Income Fund the amount it will make available will depend on how much it receives from the corresponding Withdrawal Offer of AXA's Australian Income Fund. As such the amount available for the Wholesale Australian Income Funds' Withdrawal Offers may vary from the approximate offer size described above. Information on any changes to the approximate dollar value available for each offer will be made available prior to the opening date for each offer via [www.axa.com.au/investment](http://www.axa.com.au/investment) or by calling 1800 780 035.

You may elect to withdraw some or all of the units you hold in WAIF. As the offers are funded by available cash, the amount you receive will depend on the available cash and the total value of all investor requests for each offer.

If the total amount requested by all investors exceeds the amount of available cash, then each withdrawal request will be reduced on a pro rata basis, subject to a minimum of up to \$1,000.

If you would like to participate in these offers, simply complete the attached form and return it to us in the reply-paid envelope provided. We must receive the form prior to 5.00 pm on the relevant closing date of the first offer you wish to participate in.

If you choose to take up any of the offers, proceeds will be paid within 21 days of each offer closing. Please ensure your financial institution account details are on the Withdrawal Offer form.

**Fund update**

WAIF will continue to accept applications from existing investors and distributions may be reinvested in the fund.

WAIF provides you with a stable monthly income and your investment capital is guaranteed. WAIF offers the following:

1. A combination of cash, fixed interest securities and an exposure to loans to produce consistent monthly income.
3. All loans are secured by first ranking mortgages.
3. The loans are managed on a conservative basis and as at 31 December 2009, WAIF has no interest arrears on its mortgages.
4. Members of AXA's Commercial Lending team possess an average 30 years' credit management experience in both bank and non-bank lending and have managed mortgage assets through varying credit cycles.

**Further information**

More details on these offers are included in the attached '2010 Withdrawal Offer information for investors'. It is important that you read this information along with this letter as it forms part of the Withdrawal Offers.

Any changes to the information detailed in this letter, the enclosed '2010 Withdrawal Offer information for investors' or Withdrawal Offer form will be available from [www.axa.com.au/investment](http://www.axa.com.au/investment).

If you have any further questions, please contact your financial adviser <adviser name> on <telephone number> or our Customer Service Centre on 1800 780 035. We will be pleased to help.

Yours sincerely

**Ian Campbell**

General Manager – Product

\* National Mutual Funds Management Ltd AFSL 234652 (referred to as 'AXA' or 'we') is the Responsible Entity of the Wholesale Australian Income Fund ARSN 088 919 359.

## **2010 Withdrawal Offer information for investors**

### **AXA's Wholesale Australian Income Fund (WAIF or the Fund)**

**Q1. What is a Withdrawal Offer?**

A1. A Withdrawal Offer is a way for us to assist those investors in WAIF who need access to capital.

**Q2. Do I need to accept any of the Withdrawal Offers?**

A2. No. You are not obliged to take up any of the Withdrawal Offers.

While many investors wish to continue their investment, we understand that some investors need to access capital. The withdrawal arrangements enable AXA to open the fund to withdrawal requests periodically, and manage them in the best interest of all investors.

If you do not accept any of the Withdrawal Offers you will still be able to accept any subsequent Withdrawal Offers that may be made by AXA.

**Q3. How much can I withdraw?**

A3. You may elect to withdraw some or all of the units you hold in WAIF. In the attached form we have noted your balance as of 15 January 2010.

**Q4. How much will I receive?**

A4. As the offers are funded by available cash available from the Fund the amount you will receive will depend on this and the total value of all investor requests for each offer.

Provided the total value of investor requests received does not exceed the total amount available, investors will receive the full amount they have applied to withdraw.

If the total value of requests exceeds the amount available, investors will receive a percentage of their requested amount, which will be calculated according to the following scale-back formula:

$\% \text{ of request paid} = \text{total cash available from Fund} / \text{total value of investor requests received.}$

Example:

If the total value of all withdrawal offer requests is \$500,000 and the amount of cash available in the Fund to satisfy requests is \$250,000, the percentage each investor will receive of their request is:

$\$250,000 / \$500,000 = 50\%$

Under this scenario if you have requested \$20,000, then you will receive \$10,000.

Each Withdrawal Offer is independent of the other, so if we reduce the amount paid to you on a pro rata basis, the shortfall will not carry through to the next withdrawal offer.

Additionally, a minimum payment amount of up to \$1000 per offer will be available to ensure that investors have certainty of the minimum they will receive. Investors will receive a minimum of up to \$1000 per offer unless they have requested less. If you request less than the minimum payment amount you receive your requested amount in full.

Please note that the scale-back formula above will be applied once minimum payments have been allocated to all investors who have subscribed to the relevant Withdrawal Offer.

Please note that it is currently envisaged that the offers are likely to be oversubscribed and as such your request will be scaled-back. You should take this into account when deciding how much to request.

**Q5. How do I take up the Withdrawal Offer?**

A5. You must complete and sign the attached Withdrawal Offer form to take up some or all of the offers.

To elect to withdraw all of your units please tick the first box on the attached form. You will participate in each of the four Withdrawal Offers until your request is satisfied or we receive instructions from you to amend or cancel the request.

Alternatively, you may nominate to withdraw a number of units for each Withdrawal Offer by ticking against the Withdrawal Offers you wish to participate in on the attached form, then writing the number of units you wish to withdraw.

You must return the form to us in the reply-paid envelope provided. If you do not use the attached form, we will not be able to process your Withdrawal Offer. The form must be returned to us by no later than 5.00 pm on the relevant closing date of the first offer you wish to participate in. If we receive a Withdrawal Offer form after the closing date and time we are not obligated to process the form.

We will only process one withdrawal request per offer from each investment. If you send multiple Withdrawal Offer forms for an offer we will process the last or latest form we receive.

**Q6. I wish to participate in Offers 6, 7 or 8 – how will I know how much I can request?**

A6. Please see your latest statement for your up-to-date balance.

If the amount you have requested exceeds your balance, we will enter the request as a full withdrawal. Refer to Q4 for details on how much you will receive.

**Q7. Can I modify or cancel a request I have made?**

A7. Yes. Any amendments or cancellations must be in writing and received by AXA no later than 5.00 pm on the closing date of the relevant offer.

You can access a new Withdrawal Offer form from [www.axa.com.au/investment](http://www.axa.com.au/investment) or by calling 1800 780 035.

Note that if you cancel a request for an offer but have submitted requests for the other offers, those other offers will still stand.

**Q8. When will I be paid my Withdrawal Offer proceeds?**

A8. Withdrawal Offer proceeds will be paid within 21 days of each offer closing.

Please note that you will continue to receive regular income distributions before, during and after these Withdrawal Offers. These payments are processed separately from any Withdrawal Offer amounts paid.

**Q9. How are the Withdrawal Offers being funded?**

A9. The available cash for the offers will be funded from proceeds from AXA's Australian Income Fund's Withdrawal Offers.

**Q10. What will my Withdrawal Offer payment include?**

A10. Your Withdrawal Offer payment will be made using the applicable unit price as at the date of payment.

**Q11. What impact will the Withdrawal Offer have on my income distributions?**

A11. You will continue to receive your regular income distributions before, during and after this Withdrawal Offer.

If you accept the Withdrawal Offer and request to withdraw a portion of your investment you should note that your future income distributions will be proportionately reduced.

**Q12. Is the guarantee on investment capital for WAIF impacted by this Withdrawal Offer?**

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