

# AXA's Australian Monthly Income Fund

## Fund performance<sup>1,2</sup>

### One year rolling return

	Dec 2011 %	Dec 2010 %	Dec 2009 %	Dec 2008 %	Dec 2007 %
Distribution	4.8	4.4	3.3	7.2	6.5
Growth	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>4.8</b>	<b>4.4</b>	<b>3.3</b>	<b>7.2</b>	<b>6.5</b>

### Fund return at 31 December 2011

	3 months %	1 year %	3 years % pa	5 years % pa	Since Incept. % pa
Distribution	1.1	4.8	4.2	5.2	5.4
Growth	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>1.1</b>	<b>4.8</b>	<b>4.2</b>	<b>5.2</b>	<b>5.4</b>

**Please be advised that this investment is not a bank deposit and is not guaranteed. Loss of some or all principal investment is a risk associated with the product.**

### Market and fund review

AXA's Australian Monthly Income Fund's December earning rate was 4.3% for retail and 4.8% for wholesale.

During the December quarter, the Reserve Bank cut cash rates twice, lowering the rate by a total of 50 basis points to 4.25%. This downwards movement reflected concerns over the global growth slowdown and debt issues burdening many key European nations. Inflation for the year to September was at 3.5%. This is still above the RBA's preferred 2-3% range but it is expected to trend back towards this range during 2012-13 as commodity prices soften and wage demands lessen outside of the resources sector.

In October 2008, the Federal Government announced a deposit guarantee initiative applicable to a range of bank and non-bank authorised deposit-taking institutions. This guarantee (which was removed from 1 April 2010 for wholesale funding only) did not extend to mortgage funds and as a result, the Fund saw an increase in withdrawal requests. Consequently, it was decided to extend the period for the payment of redemption requests with effect from 23 October 2008. Eleven quarterly withdrawal offers were paid under this regime from 2009 to September 2011.

A decision has now been made to wind up these funds effective 3 October 2011. Investors now receive quarterly returns of capital in place of withdrawal offers. The first payment was made in December 2011 and the second will occur in March 2012.

<sup>1</sup> Past performance is not necessarily indicative of future performance. Performance figures have not taken into consideration the following fees: withdrawal fees on investments held for less than 12 months charged on a sliding scale up to a maximum of 1.5% (payable by reduction in units), an optional adviser review fee where applicable, any upfront rebates due to adviser commission dial down and any trail commission rebates. The Distribution return reflects total distributions paid from the Fund, while the Growth return reflects changes in the capital value of units.



# AXA's Australian Monthly Income Fund

## Sector allocation

at 31 December 2011

	% of Fund	\$ million
Commercial loans		
- Hospitality	1.8	14.7
- Residential	0.2	2.0
- Industrial	19.8	161.1
- Commercial	22.4	182.2
- Retail	30.3	246.4
- Specialised & other	1.0	7.8
Mortgage Backed Securities	0.1	0.7
Income securities	10.0	80.3
Cash	14.4	117.1
<b>Total</b>	<b>100.0</b>	<b>812.4</b>

## Top 10 fixed interest securities

at 31 December 2011

	% of Fund
Westpac Banking	1.7
ANZ	1.4
General Prop Trust	1.4
National Capital	1.2
Snowy Hydro Limited	0.9
Suncorp-Metway	0.8
Australian Unity Health	0.6
NAB	0.6
Reds Trust	0.6
Macquarie Bank	0.5
<b>Total</b>	<b>9.7</b>

## Commercial loans geographical allocation

at 31 December 2011

	% of loans
WA	35.6
NSW & ACT	27.9
VIC	20.5
QLD	15.2
TAS	0.0
SA & NT	0.8
<b>Total</b>	<b>100.0</b>

**Total average loan to valuation ratio across commercial loan portfolio: 56.8%**

**Fund size at 31 December 2011:** \$812.4 million

**Inception date:** August 2000

**Investment objective:** To provide a competitive interest income return on a monthly basis, while at the same time providing a stable unit price.

**Investment manager:** AXA Australia is responsible for the Fund's exposure to mortgage investments.

AllianceBernstein is the investment manager for the Fund's exposure to fixed interest securities and cash/money market securities through the AllianceBernstein Fixed Income Investment team.

2 On 5 September 2011 we announced the fund is being terminated.

### Important information

This publication has been prepared to provide general information only and does not take into account the financial objectives, situation or needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Before making an investment decision, you need to consider (with or without the assistance of an adviser) whether this information is appropriate to your needs, objectives and circumstances. Past performance is not necessarily indicative of future performance. Detailed information about the product is contained in the PDS. Applications for investment in AXA Australia products will only be accepted on receipt of an application form accompanying a current PDS. A copy of the PDS is can be obtained by calling 137 292. National Mutual Funds Management Ltd and its associates derive income from issuing interests in the product, full details of which is contained in the PDS. Unless specifically stated, the repayment of capital or performance of our products is not guaranteed. This information is provided for persons in Australia only and is not provided for the use of any person who is in any other country.

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AXA Australia Customer Service GPO Box 2780 Melbourne VIC 3001  
Telephone: 1800 780 085 Facsimile: (03) 8688 5796  
Responsible entity: National Mutual Funds Management Ltd  
ABN 32 006 787 720 AFS Licence No. 234652



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