

AXA's Global Equity – Growth Fund

Fund performance^{1, 2, 3}

One year rolling return

	July 2010 %	July 2009 %	July 2008 %	July 2007 %	July 2006 %
Distribution	0.0	0.0	0.0	0.0	0.0
Growth	-0.2	-28.4	-22.4	4.7	12.3
Total	-0.2	-28.4	-22.4	4.7	12.3
Benchmark	0.5	-11.4	-18.9	6.9	12.6

Fund return at 31 July 2010

	1 month %	3 months %	1 year %	3 years % pa	5 years % pa
Distribution	0.0	0.0	0.0	0.0	0.0
Growth	0.5	-4.1	-0.2	-17.8	-8.2
Total	0.5	-4.1	-0.2	-17.8	-8.2
Benchmark	0.7	-2.8	0.5	-10.3	-2.8

Market and fund review

Global equities were choppy but overall moved up during July, with the benchmark MSCI World ex Australia Index in AUD up 0.7%. The month started down due to weak manufacturing growth in the US, China and Europe, but turned around following positive earnings announcements. In the middle of the month, however, markets pulled back because of lower than expected GDP data from China and weaker than expected US consumer confidence. Nevertheless, stocks reversed course once again, bolstered by in line results from the European bank stress test results, and BP capping its oil well in the Gulf of Mexico. All sectors rebounded during the month, with industrial commodities, financials and telecoms faring best.

AXA's Global Equity Growth fund underperformed its benchmark in July.

Detractors included generic drug company Teva Pharmaceutical, diversified medical company Covidien and exchange operator CME Group. Teva Pharmaceutical retreated amid concerns about potential weaker sales for Copaxone, a multiple sclerosis drug. Covidien's shares declined after it reported disappointing quarterly results. Despite reporting a rise in second-quarter earnings, CME Group was down slightly as the company's results were in line with analyst expectations. Contributors included energy exploration and production company Tullow Oil and oil and gas equipment company Cameron International. Tullow Oil advanced after announcing a significant discovery in Ghana and providing positive guidance about projects in Uganda. Cameron International benefited from renewed investor focus on the energy services sector, particularly given the trend toward tighter safety standards after the Gulf of Mexico oil spill.

Alliance Growth Equities believes that the economic data slowed during the quarter and underlying economies remain challenged. Against this they expect it to be difficult for many companies to sustain an upside earnings surprise or indeed show that their earnings are commensurate with the elevation in their stock prices. Further Alliance Growth Equities believes that in this context earnings disappointments have potential to create richer rewards for companies that manage to sustain an earnings surprise—or at least hold up better than their peers.

¹ Past performance is not necessarily indicative of future performance. The performance figures for the Global Equity - Growth Fund have not taken into consideration the following fees: an entry fee of up to 4.4% on each amount invested; or where the investor has chosen the nil-entry fee option, deferred fees of up to 0.3625% per quarter on application of the first 4 years and early withdrawal fees of up to 5.28% on redemptions made within the first 4 years (both payable by reduction in units), a buy/sell margin of 0.40%, a sliding scale management fee rebate applicable for balances over \$50,000; an optional adviser review fee where applicable and any trail commission rebates. The Growth return reflects changes in the capital value of units, while the Distribution return reflects total distributions paid from the Fund.



AXA's Global Equity – Growth Fund

Sector allocation at 31 July 2010

	Portfolio Benchmark	
	%	%
Energy	8.6	10.3
Materials	7.4	6.7
Industrials	11.7	11.4
Consumer Discretionary	13.2	10.2
Consumer Staples	7.2	10.3
Health Care	10.1	9.7
Information Technology	17.5	12.3
Telecom. Services	1.1	4.4
Utilities	0.7	4.5
Financials	19.0	20.2
Liquidity & Other	3.5	0.0
Total	100.0	100.0

Top 10 holdings at 31 July 2010

	Country	Portfolio %	Benchmark %
Tullow Oil	UK	2.1	0.1
Apple	US	2.0	1.2
Wells Fargo	US	1.7	0.7
Goldman Sachs	US	1.6	0.4
JPMorgan Chase	US	1.6	0.8
Rio Tinto	UK	1.5	0.4
Credit Suisse	CHE	1.5	0.3
PepsiCo	US	1.3	0.5
Google	US	1.3	0.6
Vale SA	BRA	1.3	0.0
Total		15.9	5.0
Total holdings		152	1,580+

Regional allocation at 31 July 2010

	Portfolio %	Benchmark %
North America	48.0	56.3
Europe	21.4	20.5
United Kingdom	11.6	10.3
Japan	4.7	10.5
Asia ex Japan	5.7	2.0
Other	8.6	0.4
Total	100.0	100.0

Currency Management at 31 July 2010

	% of Portfolio
Hedging Level	0.7

Fund size at 31 July 2010: \$ 7.4 million

Inception date: July 2001

Investment objective: To provide investors with long-term capital growth. The fund aims to outperform the Morgan Stanley Capital International World Index (Net Dividends Reinvested) in Australian dollar terms, after costs and over rolling five-year periods.

Investment manager: The fund uses the global investment resources and capabilities of Alliance Growth Equities, the growth style investment and research management unit of AllianceBernstein L.P. (AllianceBernstein), a leading global investment management firm. This expertise is delivered to Australian investors through a joint venture between AXA Asia-Pacific Holdings and AllianceBernstein Australia Limited.

² The Benchmark is the MSCI World ex Australia Index (net dividends reinvested) in Australian dollar terms.

³ The Global Equity - Growth Fund was closed to new investors on 30 September 2004. The Fund is offered as Generations Alliance Growth Global Equity as part of the Generations range.

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 any 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. 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. The Fund is closed to new applications for investment.

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