

Date of this letter
23 September 2011

Investor name
Primary Client Forename
Primary Client Forename 2
Primary Client Forename 3
Primary Client Surname
Secondary Client Forename
Secondary Client Surname

Investor number
Policy Number

Phone
1800 780 035

Facsimile
(03) 8688 5789

Email
**client.enquiry
@axa.com.au**

FR

Mailing Name
Address Line 1
Address Line 2
SUBURB STATE POSTCODE
Country

Changes to AXA's Wholesale Australian Monthly Income Fund

Why are you contacting me?

To let you know about the termination of AXA's Wholesale Australian Monthly Income Fund.

Do I need to do anything?

No. The payment of your pro-rata proceeds will automatically take place each quarter.

Salutation

We're writing to give you some important information regarding your investment in AXA's Wholesale Australian Monthly Income Fund (the Fund) ARSN 091 553 954.

After careful consideration, National Mutual Funds Management Ltd (NFMF or AXA), as responsible entity for the Fund, has decided to wind up the Fund commencing **3 October 2011**.

Background

As part of the work to bring AXA and AMP together, we are undertaking a comprehensive review of our investment products. We're focussed on taking the strengths of both companies to deliver a robust and efficient range of investment solutions.

Why is the Fund terminating?

Since we changed the withdrawal arrangements for AXA's mortgage funds in December 2008, we have made quarterly Withdrawal Offers available to investors in an effort to meet their liquidity needs.

Throughout this time, we have been working to find a solution that meets the ongoing liquidity requirements of investors and complements the nature of the funds' underlying assets. However, taking into account the above issues as well as shifts in market demand and the most equitable methods to return capital, it has been decided it is in the best interests of investors to wind up these funds.

AXA Australia Customer Service GPO Box 2780 Melbourne VIC 3001
Telephone: 1800 780 035 Facsimile: (03) 8688 5789
Responsible entity - National Mutual Funds Management Ltd.
ABN 32 006 787 720, AFS Licence No. 234652
www.axa.com.au

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What does this mean for me?

From 3 October 2011, we will no longer accept additional investments into the Fund, including Regular Savings Plans. If you reinvest your income distributions, these can no longer be processed from 3 October 2011. Your income distribution payments will be made directly to you instead.

The termination of the Fund also means that Withdrawal Offer #12, which was due to open 24 October 2011 and close 2 December 2011, has now been cancelled.

Do I need to do anything?

No - the capital repayment process will take place automatically each quarter.

When will I receive payment?

We intend to make capital repayments to investors every quarter based on the Fund's available cash, asset sales and the timing of mortgage maturities in the portfolio. We will make the first capital repayment in December 2011 and we currently expect to complete the repayment process by mid 2014.

We have taken this longer-term approach due to the maturity terms of the mortgages held in the portfolio.

How will I be paid?

Capital repayments will be made quarterly and will be paid into your pre-nominated Australian bank account, or otherwise sent by cheque to the address we have on record.

We have the following bank details on record and will process your repayments to this account:

Account name: Bank Account Name
Branch/BSB number: BSB-No
Account number: Bank Account#

If you wish to nominate a different Australian bank account, please contact our Customer Service Centre on 1800 780 035.

Will I continue to receive distributions?

Yes – subject to available distributable income, monthly distributions will continue to be paid in the usual way after the Fund terminates on 3 October. However, as the value of your investment in the Fund will decrease following each capital repayment, your income distributions will also decrease.

Can I withdraw my funds in circumstances of financial hardship?

When the Fund goes into wind up on 3 October 2011, we will be unable to process hardship claims. We are seeking relief from the Australian Securities and Investments Commission (ASIC) to once again start accepting withdrawal requests from investors on the basis of financial hardship, and will update you on our website of any material changes as soon as they occur.

Fund update

While the Fund is winding up, we will continue to actively manage the assets in the best interests of all unit holders. The fundamentals of the Australian Monthly Income Fund (AMIF)* also remain stable:

- all loans have been secured by first-ranking mortgages and there are no related party loans
- the Fund does not have borrowings or a line of credit
- there are no loans in arrears (at 31 July 2011), and
- it lends to a wide range of diversified borrowers to shield the Funds from concentration risk.

Do I need to be aware of anything else?

The termination of the Fund may have implications for your tax position. To fully understand how the termination affects your personal financial situation, we recommend that you speak to your financial adviser or tax professional.

Your financial adviser can help

We recommend you discuss this update with your financial adviser. It's a good time to take stock and to think about how the changes affect you and your financial plan. Your financial adviser can help you make sense of the changes and recommend wealth building strategies to help you secure your financial future.

Further information

For more information on the wind up process, including our expected capital repayment schedule, visit axa.com.au/investment > **Changes to AXA's property and mortgage funds.**

If you have further questions, please contact your financial adviser, Adviser Name Adviser Surname on AdviserContact# or our Customer Service Centre on 1800 780 035.

Yours sincerely



Craig Dainton
General Manager
Wealth Management Operations

*As the Wholesale Australian Monthly Income Fund (WAMIF) has a significant investment in AMIF (either directly or indirectly) the circumstances surrounding AMIF also apply to WAMIF.

