

AXA's Wholesale Australian Equity – Growth Fund

Fund performance^{1, 2, 3}

One year rolling return

	Jun 2010 %	Jun 2009 %	Jun 2008 %	Jun 2007 %	Jun 2006 %
Distribution	2.8	3.3	11.5	25.1	20.3
Growth	11.8	-19.2	-25.4	4.4	4.8
Total	14.6	-15.9	-13.9	29.5	25.1
Benchmark	13.1	-20.3	-13.7	29.2	24.0

Fund return at 30 June 2010

	3 months %	1 year %	3 Years pa %	5 years % pa	7 years % pa
Distribution	0.8	2.8	6.3	12.0	11.5
Growth	-12.4	11.8	-12.3	-5.9	-0.4
Total	-11.6	14.6	-6.0	6.1	11.1
Benchmark	-11.2	13.1	-8.0	4.5	9.7

Market and fund review

After peaking in mid-April, both global and Australian equity markets retreated as a number of developments sapped confidence. Europe's debt woes set off alarms, doubts emerged over the durability of the US economic recovery and there was concern that China's attempts to puncture a real estate bubble may have harmful spill-over effects. The unpleasant brew caused Australian equities—as measured by the S&P/ASX 300 Accumulation Index—to fall 11.2% in the June quarter. Australian shares' weakness was broadly in step with the global decline.

Sector returns were consistent with lower risk appetite, as market components that tend to do well in times of risk aversion fared best. Telecommunications provided a positive return and the consumer staples and utilities sectors did relatively well in a difficult month.

AXA's Wholesale Australian Equity Growth Fund underperformed its benchmark in the June quarter.

Detractors included Qantas, Macquarie Group (Macquarie) and TEN Network (TEN). Virgin Blue's profit warnings and questions about the pace of economic recovery weighed on Qantas. Unsettled capital markets were a headwind for Macquarie. Strong ratings and improving advertising trends were not enough to save television station TEN from the general weakness of consumer discretionary stocks. Contributors for the quarter included Ansell, Resmed and SAI Global.

Alliance Growth Equities expects the global economy recovery to continue at a measured pace in 2010 but nevertheless faces considerable uncertainties as policy makers around the world undertake the delicate balancing act of reigning in fiscal deficits while sustaining economic growth. Alliance Growth equities also believes that even though Australia's picture is more encouraging and less ambiguous, weakness in its trading partners will sap some of the domestic strength. Alliance Growth Equities also points out that optimism is evident in upbeat 2011 consensus earnings expectations. Alliance Growth Equities is looking to build a portfolio that can weather possible headwinds through strong internal capabilities; finally they have confidence that their portfolios contain exposures to such companies.

¹ Past performance is not necessarily indicative of future performance. Performance figures are calculated using exit prices, are net of management fees, ongoing fees and expenses, assume distributions are reinvested and tax is not deducted. The Growth return reflects changes in the capital value of units, while the Distribution return reflects total distributions paid from the fund.



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Sector allocation at 30 June 2010

Sector	Portfolio %	Benchmark %
Energy	7.7	7.3
Materials	27.9	25.4
Industrials	6.0	6.2
Consumer Discretionary	7.3	4.3
Consumer Staples	5.8	8.9
Health Care	2.0	3.6
Information Technology	2.9	0.8
Telecommunication Services	3.4	3.9
Utilities	0.0	1.4
Financials - Including Prop. Trusts	35.5	38.2
Other	0.0	
Liquidity	1.5	
Total	100.0	100.0

Top 10 holdings at 30 June 2010

	Sector	Portfolio %	Benchmark %
BHP Billiton	Materials	14.0	12.3
CBA	Financials Ex Prop. Trusts	7.6	7.3
ANZ	Financials Ex Prop. Trusts	6.4	5.3
Westpac	Financials Ex Prop. Trusts	5.8	6.1
Rio Tinto	Materials	4.9	2.8
NAB	Financials Ex Prop. Trusts	4.3	4.8
Telstra	Telecom. Services	3.4	3.5
Woodside Petroleum	Energy	2.8	2.1
Wesfarmers	Consumer Staples	2.4	3.2
Macquarie Group Ltd	Financials Ex Prop. Trusts	2.3	N/av
Total		53.9	47.4
Total number of holdings		50	300

Fund size at 30 June 2010: \$45.9 million

Inception date: November 1998

Investment objective: To provide investors with long-term capital growth. The fund aims to outperform the S&P/ASX 300 Accumulation Index 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 S&P/ASX 300 Accumulation Index.

³ The Wholesale Australian Equity – Growth Fund, issued by National Mutual Funds Management Ltd, is available by way of PDS which you can obtain from your financial adviser or by calling 1800 780 085. You should read the PDS before making an investment decision.

Important information

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