

AXA's Wholesale Australian Equity – Growth Fund

Fund performance^{1, 2, 3}

One year rolling return

	Dec 2011 %	Dec 2010 %	Dec 2009 %	Dec 2008 %	Dec 2007 %
Distribution	5.7	3.1	3.8	8.9	23.6
Growth	-17.7	-2.9	34.8	-46.2	-2.1
Total	-12.0	0.2	38.6	-37.3	21.4
Benchmark	-11.0	1.9	37.6	-38.9	16.2

Fund return at 31 December 2011

	3 months %	1 year %	3 Years pa %	5 years % pa	7 years % pa
Distribution	2.9	5.7	4.4	9.3	11.6
Growth	-0.7	-17.7	2.5	-10.7	-6.3
Total	2.2	-12.0	6.9	-1.4	5.3
Benchmark	2.1	-11.0	7.7	-2.4	4.4

Market and fund review

While stock markets recovered globally, the S&P/ASX 300 Accumulation Index was up just 2.1% for the quarter. That left the local market down 11.0% for 2011. At the company level, Australian banks suffered ratings downgrades and warned of difficult funding markets and consumer companies facing tough trading conditions downgraded guidance. The Reserve Bank of Australia responded to the deteriorating environment by cutting cash rates twice, to 4.25%.

AXA's Wholesale Australian Equity Growth Fund outperformed its benchmark in the December quarter.

The main contributors in the quarter were Oil Search, Transfield Services, Brambles and Bradken. Oil Search regained some lost ground in the October rally and has continued to rally to year relative highs. Transfield Services announced a buyback and Brambles outperformed in November helped by the rising US\$. Newcrest Mining also detracted from performance. Detractors included Newcrest Mining as the gold price continues to sell off and so is not behaving as a safe haven asset.

Alliance Growth Equities indicates the investment outlook continues to be highly uncertain with some large tail risks to the downside; a disorderly default somewhere in Europe could be the cause of a Lehman type event, although governments so far have acted just enough to prevent this. Alliance Growth Equities still hold the view that the global economy will battle through with below trend growth as the world takes time to recover from the financial crisis. With so much uncertainty in the macro picture, Alliance Growth Equities continues to keep focus on companies that have a better control of their destinies, a robust outlook and a sustainable competitive advantage that have potential to deliver beyond market expectations.

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 31 December, 2011

Sector	Portfolio %	Benchmark %
Energy	8.0	7.1
Materials	25.4	25.0
Industrials	10.7	7.2
Consumer Discretionary	5.5	3.9
Consumer Staples	7.8	8.0
Health Care	3.5	3.6
Information Technology	0.0	0.7
Telecommunication Services	5.8	4.5
Utilities	0.0	1.6
Financials - Including Prop. Trusts	32.7	38.4
Other	0.0	0.0
Liquidity	0.6	0.0
Total	100.0	100.0

Top 10 holdings at 31 December 2011

	Sector	Portfolio %	Benchmark %
BHP Billiton	Materials	12.2	11.2
ANZ	Financials Ex Prop. Trusts	6.9	5.5
CBA	Financials Ex Prop. Trusts	6.7	7.9
Westpac	Financials Ex Prop. Trusts	5.9	6.2
Wesfarmers	Consumer Staples	5.8	3.5
Telstra Corp	Telecom. Services	5.8	4.2
NAB	Financials Ex Prop. Trusts	5.7	5.3
Rio Tinto	Materials	3.9	2.7
Newcrest Mining	Materials	2.9	2.3
Origin Energy	Energy	2.8	1.5
Total		58.6	50.3
Total number of holdings		37	292

Fund size at 31 December 2011: \$34.9 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 was closed to new investors on 05 September 2011.

Important information

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