

AXA's Wholesale Australian Monthly Income Fund

Fund performance^{1, 2, 3}

One year rolling return

	July 2010 %	July 2009 %	July 2008 %	July 2007 %	July 2006 %
Distribution	4.3	5.3	7.7	6.8	6.2
Growth	0.0	0.0	0.0	0.0	0.0
Total	4.3	5.3	7.7	6.8	6.2

Fund return at 31 July 2010

	1 month %	3 months %	1 year %	3 years % pa	5 years % pa
Distribution	0.4	1.2	4.3	5.7	6.0
Growth	0.0	0.0	0.0	0.0	0.0
Total return	0.4	1.2	4.3	5.7	6.0

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

The Fund's July earning rate was 5.1% compared to 4.8% in June 2010.

The cash rate has now remained unchanged at 4.5% since May 2010. Following six rate increases since October 2009, interest rates are now trending around longer term averages. The Australian economy has continued to grow over the first half of 2010, boosted by strong commodity prices and public spending. The CPI increase of 3.1% is at the upper end of the Bank's target range and is expected to remain in this range for the next few quarters. Consumer confidence has trended higher in recent months, in contrast to business confidence which is at a 14 month low. However, higher consumer confidence has not translated into spending, with retail sales softening as the effects of financial stimulus packages unwind. Consumer spending is expected to improve as employment growth remains strong and wages growth is again starting to be seen.

Whilst the global economy has grown faster than expected in recent months, the outlook is still mixed. Growth in Asia remains strong however there are indications that growth in China is moderating. In contrast, many European nations are facing tighter fiscal policies and US growth is still hampered by labour market weakness.

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. Six withdrawal offers have been paid since 2009 and the next withdrawal offer will be paid in September. Applications continue to be accepted and distributions may be reinvested in the Fund.

The fund's asset base has its largest exposure to variable rate interest earnings. Optimal asset allocation remains critical whilst ensuring that high credit standards are maintained. The manager continues to ensure that target asset allocations and adequate liquidity levels are maintained.

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 Distribution return reflects total distributions paid from the fund, while the Growth return reflects changes in the capital value of units. There is a risk that the Fund may achieve lower than expected returns.



AXA's Wholesale Australian Monthly Income Fund

Sector allocation⁴

at 31 July 2010

	% of fund	\$ million
Commercial loans		
- Hospitality	2.9	43.6
- Residential	0.3	5.1
- Industrial	14.5	215.7
- Commercial	23.0	341.5
- Retail	27.8	412.6
- Development	0.1	0.8
- Specialised & other	2.1	31.3
Mortgage Backed Securities	0.1	0.9
Income securities	13.7	203.5
Cash	15.5	229.8
Total	100.0	1,484.8

Top 10 fixed interest securities⁴

at 31 July 2010

	% of Fund
Ale Property Trust	1.5
Elm B.V.	1.3
Select Access Inv	1.3
Consolidated Press Fin.	1.0
QBE Int. Holdings UK	1.0
ANZ Bank	0.9
Westpac Banking	0.9
ANZ Bank	0.7
General Prop Trust	0.7
Southern Cross Air	0.7
Total	10.0

Commercial loans geographical allocation

at 31 July 2010

	% of loans
WA	33.4
NSW & ACT	30.0
VIC	20.0
QLD	11.9
TAS	2.8
SA & NT	1.9
Total	100.0

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

Fund size at 31 July 2010: \$ 937.8 million

Inception date: July 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 The Wholesale Australian Monthly Income 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.

3 Withdrawals from the Fund are subject to any Withdrawal Offer made by the responsible entity.

4 The Wholesale Australian Monthly Income Fund invests predominantly and sometimes fully in the Australian Monthly Income Fund. The figures shown refer to the Australian Monthly Income Fund's investment holdings.

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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