



New investment management arrangements for direct property funds

As part of the work to bring AXA and AMP together, we're undertaking a comprehensive review of our investment management model. We're looking at all aspects of our investment management arrangements to determine the most appropriate model and operational structure to deliver greater investment opportunities and outcomes for you and your clients.

The review process has highlighted a significant opportunity to transfer our investment management interests in-house to AMP Capital from DEXUS and AllianceBernstein.

Change of investment manager

Following the review, we have decided to transition the investment management for all of the assets held in the Wholesale Australian Property Fund (WAPF) (NML0001AU) to AMP Capital. As AXA's Australian Property Fund (APF) (NML0337AU) invests predominantly in AXA's Wholesale Australian Property Fund (WAPF or the Fund), the change of investment manager for WAPF also applies to APF.

Background to changes

Previously, the majority of the investment services for these funds were carried out by external investment managers DEXUS and AllianceBernstein with support from the AXA investment team. Looking forward, AMP Capital's property team will assume responsibility for the day-to-day management of these funds including operations, compliance and performance.

We believe this decision has been made in the best interests of investors. This move enables clients to benefit from access to one of Australasia's largest and most experienced specialist property managers. The appointment of AMP Capital as the sole investment manager for these funds also means that the management process will become fully integrated and more streamlined, enabling more timely decision making by AMP Capital.

Moving to an internal investment management model also provides us with greater transparency and control of the funds' assets.

What does this mean for unitholders?

Nothing changes for unitholders. They are still invested in the same fund. Only the investment manager who oversees the underlying assets in the funds' has changed. Unitholders retain their units, management fees remain unchanged and income will continue to be paid in the form of regular distributions. The funds' investment strategy and objectives remain unchanged.

Experienced, highly capable investment team

AMP Capital is one of Australia's leading specialist investment managers with over 250 investment professionals and a carefully selected global network of investment partners. AMP Capital manages approximately A\$93[^] billion in funds under management and offers significant depth and breadth of investment expertise across a range of asset classes.

With a 50-year track record and over A\$22 billion` in property funds under management, property investment is one of AMP Capital's core strengths. It operates specialist teams with expertise across research, property management, leasing, capital transactions, development and funds management. AMP Capital is the third largest real estate fund manager in Asia and a top 15* real estate investment manager globally.



Importantly, AMP Capital also has proven experience in successfully managing liquidity requirements for investors, being one of the few managers in the Australian market to continue to meet investor withdrawal demand during the global financial crisis for its flagship AMP Capital Core Property Fund~. Although withdrawal facilities for WAPF and APF remain limited at this time, one of our top priorities continues to be working with AMP Capital to enhance liquidity opportunities for your clients.

Seamless transition

The following table details current and new investment manager arrangements for each asset class, including when the new arrangements will take effect.

| Asset class | Current investment manager | New investment manager | Effective date |
|-----------------|----------------------------|------------------------|----------------|
| Direct property | DEXUS | AMP Capital | 1 June 2012 |
| Cash | AllianceBernstein | AMP Capital | Immediately |
| Listed property | AllianceBernstein | AMP Capital | Immediately |

For the next six months and beyond, the AMP Capital property team will work closely with DEXUS to ensure the funds' assets continue to be managed in accordance with the investment objectives and strategy of the funds' and to facilitate a smooth handover of the funds' assets.

Additionally, the role previously fulfilled by the AXA investment management team in determining the tactical asset allocation and liquidity management for the funds will be transitioned to AMP Capital.

For further information

For further information, please contact your AXA relationship manager or axaresearch@axa.com.au

[^] As at 30 September 2011

^ˆ As at 30 June 2011

* Towers Watson, Global Alternatives Survey, 2011

~ Past performance (including that of AMP Capital) is not indicative of future performance

