

Withdrawal Offer for AXA's mortgage funds

Further to AXA's* announcement on 18 December 2008 regarding the introduction of new withdrawal arrangements for its mortgage funds, the first Withdrawal Offer opens to direct unit holders from 30 January 2009 for:

- AXA's Australian Monthly Income Fund ('AMIF')
- AXA's Wholesale Australian Monthly Income Fund ('WAMIF')
- AXA's Australian Income Fund ('AIF')
- AXA's Wholesale Australian Income Fund ('WAIF')

The Withdrawal Offer is being made available to assist those unit holders who need access to capital. The Withdrawal Offer will be funded from available cash in each of the funds.

The [attached letter](#) and [form](#) will be sent to all direct unit holders on 30 January 2009, giving all unit holders an equal opportunity to withdraw up to 5 per cent of the units they hold in their applicable fund as at 9 January 2009. Alternatively, they can elect to receive an amount less than 5 per cent of their units.

If direct unit holders wish to take advantage of this Withdrawal Offer they need to complete the Withdrawal Offer form (no.1 – 30 January 2009) and return it to us in the reply-paid envelope provided by 2.00 pm on:

- 27 February 2009 for AMIF
- 20 March 2009 for WAMIF
- 6 March 2009 for AIF
- 20 March 2009 for WAIF

Withdrawal Offer proceeds will be deposited into direct unit holders' nominated accounts within 21 days of the offer closing.

Summit platform investors

Summit will be writing to platform investors in the coming days to advise them of the Withdrawal Offer. A Special Summit Bulletin will be sent to advisers shortly explaining the Withdrawal Offer for platform investors. Please note that the closing dates for platform investors will be different from the closing dates above which are for direct unit holders only.

Keeping you informed

To follow is a set of Questions and Answers in relation to the Withdrawal Offer.

For any queries in regards to this bulletin please contact the AXA National Accounts team or email axaresearch@axa.com.au



Q&A for Withdrawal Offer information for advisers
AXA's mortgage funds - Withdrawal Offer no. 1 - 30 January 2009

Q1. Which AXA Funds are making Withdrawal Offers?

A1. AXA is making Withdrawal Offers to direct investors in each of the following funds:

- Australian Monthly Income Fund (AMIF)
- Wholesale Australian Monthly Income Fund (WAMIF)
- Australian Income Fund (AIF)
- Wholesale Australian Income Fund (WAIF)

Q2. When does the Withdrawal Offer open and close?

A2. The Withdrawal Offer for each of the funds opens on 30 January 2009.

Each Withdrawal Offer closes on a different date to enable the orderly processing of investor requests and to allow platforms enough time to communicate with their investors.

Fund	Close date
AMIF	27 February 2009
WAMIF	20 March 2009
AIF	6 March 2009
WAIF	20 March 2009

The Withdrawal Offer form must be received by AXA no later than 2.00 pm on the applicable date above. The form needs to be completed and returned in the reply-paid envelope provided to investors.

AXA must apply this deadline strictly to ensure payments are processed promptly. If we receive a form after the closing deadline we are not bound to process it.

Q3. What is the total value of the Withdrawal Offer?

A3. If all investors take up the Withdrawal Offer in full the approximate dollar value of the offer is:

Fund	Approximate amount of offer
AMIF	\$100.0m
WAMIF	\$66.9m
AIF	\$17.0m
WAIF	\$3.9m

These amounts represent approximately 5 per cent of the value of each fund's assets. AXA will use each fund's cash investments to pay the Withdrawal Offer. WAMIF, AIF and WAIF have a significant investment in AMIF (either directly or indirectly). Where relevant AXA will make withdrawal requests to ensure each fund has cash investments to pay each Withdrawal Offer.



The Corporations Act requires that if the value of withdrawal requests exceeds the total amount made available under the Withdrawal Offer, then requests are to be satisfied on a pro rata basis, to ensure that all unit holders are treated equally.

As the offer only allows each unit holder to withdraw 5 per cent of their units, we do not envisage this will be necessary.

Q4. Do investors need to accept this Withdrawal Offer?

A4. No. Investors are not obliged to take up this or any other subsequent Withdrawal Offer that may be made by AXA.

While many investors wish to continue their investment, we understand that some investors need to access capital. The new withdrawal arrangements will enable AXA to open the fund to withdrawal requests periodically, and manage them in the best interest of all unit holders.

If investors do not accept this Withdrawal Offer they will still be able to accept subsequent Withdrawal Offers that may be made by AXA.

Q5. If investors subscribe to this Withdrawal Offer, will they be able to subscribe to any other Withdrawal Offers that may be made by AXA?

A5. Yes. Unit holders who want access to capital will be able to make one withdrawal request for each Withdrawal Offer made by AXA.

Q6. If investors do not accept this Withdrawal Offer, will they be given an opportunity to subscribe to any future Withdrawal Offer that may be made by AXA?

A6. Yes. All unit holders will be given an equal opportunity to participate in any Withdrawal Offer made by AXA.

Q7. If investors do not accept this offer, can the 5 per cent be carried forward to the next Withdrawal Offer that may be made by AXA?

A7. No. Investors who do not take up the offer this quarter will not have their 5 per cent carried forward to the next Withdrawal Offer. All investors will be given an equal opportunity to withdraw the same percentage at each Withdrawal Offer.

Q8. How much can investors withdraw?

A8. We are giving all investors an equal opportunity to withdraw up to 5 per cent of their units in **each of the funds** as at 9 January 2009.

Investors may choose to withdraw less than the maximum 5 per cent of their units by electing this option on the attached form.

Investors may not request a withdrawal of more than 5 per cent of their units. If they do, we will process a withdrawal of 5 per cent of their units only.

If investors make further investments or reinvest income distributions received from the Fund and a distribution is paid to the investor after the date of this offer they will receive additional units in the Fund. These additional units will not be included in the calculation of their maximum allowable withdrawal of 5 per cent of their units. The number of units on which this Withdrawal Offer is made was based on the number of units investors held on 9 January 2009.

The Withdrawal Offer form shows the total number of units investors held in the fund as at 9 January 2009 and the maximum number of units they are entitled to withdraw.

To estimate this amount in dollar terms for AMIF and AIF, investors can multiply the number of units they are entitled to withdraw by the unit price of \$1.00. When we process the withdrawal



we will also pay investors their share of the income accrued in the Fund up to the date of payment.

For WAIF and WAMIF, we will not know the dollar value of their withdrawal until after the Withdrawal Offer closes and we will process the withdrawal at the applicable unit price.

However, as a guide, to estimate this amount in dollar terms, investors can simply multiply the number of units they are entitled to withdraw by the latest published unit price.

The unit price is set daily and published on www.axa.com.au

Q9. When will Withdrawal Offer proceeds be paid?

A9. Withdrawal Offer proceeds will be paid into investors' nominated financial accounts within 21 days of the offer closing.

All payments will be processed effective the same date using the same unit price. The proceeds should reach investors' nominated accounts on or around 20 March 2009 for AMIF and 27 March 2009 for WAMIF, AIF and WAIF.

Please note that investors will continue to receive their regular income distributions before, during and after this Withdrawal Offer. These payments are processed separately from any Withdrawal Offer amount paid.

Q10. What will the Withdrawal Offer payment include?

A10. The Withdrawal Offer payment for AMIF and AIF investors will include capital and any interest income accrued up to the date of the payment.

This means they will receive a payment of \$1.00 for each unit withdrawn (the capital amount) plus their proportionate share of income earned from the date of the last income distribution to the date we process the withdrawal (the income amount).

This means the Withdrawal Offer payment for AMIF and AIF will be a little over \$1.00 per unit.

The Withdrawal Offer payment for WAMIF and WAIF investors will be made using the applicable unit price as at the date of payment, 27 March 2009, for both WAMIF and WAIF.

Q11. What impact will the Withdrawal Offer have on income distributions?

A11. Regular income distributions will continue to be paid before, during and after this Withdrawal Offer.

If investors accept the Withdrawal Offer and request to withdraw a portion of their investment they should note that their future income distributions will be proportionately reduced.

Q12. Will early withdrawal fees be charged?

A12. No. Early withdrawal fees will not be applied to the proceeds of any Withdrawal Offer and the minimum withdrawal requirements outlined in the product disclosure statement will be waived.

Q13. What about minimum account balances and withdrawal amounts?

A13. For these Withdrawal Offers, AXA will waive any applicable minimum account balance or minimum withdrawal amount.

Q14. Is the guarantee on investment capital for AIF and WAIF impacted by this Withdrawal Offer?

A14. No. AXA guarantees investors' investment capital for AIF and WAIF. In addition we also guarantee the monthly rate of income in advance for AIF and WAIF.



Q15. When is the next Withdrawal Offer?

A15. We anticipate making further Withdrawal Offers on a quarterly basis, subject to a number of factors including available cash and demand from investors who take up the Withdrawal Offers. AXA intends to make the second Withdrawal Offer in May 2009 with payments being made in June 2009. AXA will notify all investors of any Withdrawal Offer via mail.

Q16. My Client has lost their Form

A16. As each offer letter and form is customised for that client's individuals holding AXA can not provide a generic form for their completion.

Please direct you client to the AXA contact the AXA Service Centre on 1800 780 035 to arrange for the form to be re printed and posted

Fund update

AMIF is a strong fund performing in line with its objective of providing a competitive income return on a monthly basis. Launched in July 2000 AMIF has an excellent profile, winning the last three Standard & Poor's Fund Manager of the Year - Australian Mortgage Fund awards and most recently winning the 2009 Money Magazine Gold award for Best Mortgage Fund.

AMIF offers the following:

1. A combination of cash, fixed interest securities and mortgages to produce consistent monthly income.
2. All loans are secured by first ranking mortgages.
3. The loans are managed on a conservative basis with the average loan amount being just 56.76 per cent of the value of the property (as at 31 December 2008).
4. Historically AMIF has had very low levels of arrears on its mortgages reflecting the quality of the loan book. As at 31 December 2008 <W>AMIF has no interest arrears.
5. Geographic and industry diversification, reflecting the stringent mortgage selection process undertaken before each loan is approved.
6. Members of AXA's Commercial Lending team possess an average 30 years' credit management experience in both bank and non-bank lending and have managed mortgage assets through varying credit cycles.



30 January 2009

<Mailing name>
<Address line 1>
<Address line 2>
<Suburb> <State> <Postcode>
<Country – if outside Australia>

Client number: TA XXXXXXXX

Dear <Investor>

Withdrawal Offer for AXA's <Australian Monthly Income Fund> <Wholesale Australian Monthly Income Fund> <Australian Income Fund> <Wholesale Australian Income Fund> ('<AMIF> <WAMIF> <AIF> <WAIF>' or 'the Fund')

In December 2008 we wrote to inform you of the introduction of new withdrawal arrangements for the <Australian Monthly Income Fund> <Wholesale Australian Monthly Income Fund> <Australian Income Fund> <Wholesale Australian Income Fund>. We are now writing to notify you of a Withdrawal Offer open from 30 January 2009 to 2.00 pm on <27 February 2009 (for AMIF)> <20 March 2009 (for WAMIF)> <6 March 2009 (for AIF)> <20 March 2009 (for WAIF)>.

You are not obliged to take up this Withdrawal Offer, or any subsequent Withdrawal Offer that may be made by AXA*. The Withdrawal Offer is being made available to assist those investors who need access to capital. It will be funded from available cash in <AMIF><WAMIF><AIF><WAIF>.

If you would like to take advantage of this Withdrawal Offer, simply complete the attached Withdrawal Offer form (No.1 - 30 January 2009) and return it to us in the reply-paid envelope provided. This must be received by AXA by 2 pm on <27 February 2009 (for AMIF)> <20 March 2009 (for WAMIF)> <6 March 2009 (for AIF)> <20 March 2009 (for WAIF)>.

All investors are being given an equal opportunity to withdraw up to 5 per cent of the units they held in <AMIF><WAMIF><AIF><WAIF> as at 9 January 2009. The total number of units you held as at 9 January 2009 is <Balance of units> and the maximum number of units you can withdraw under this offer is <(5 % of units)>. You can nominate to withdraw less than 5 per cent of your units by electing this option on the attached form.

If you choose to take up the offer, we will pay your Withdrawal Offer proceeds into your nominated financial institution account within 21 days of the offer closing. If you have not previously advised us of your nominated financial institution account details, please ensure you complete this part of the Withdrawal Offer form.

Further information

More details are included in the attached 'Withdrawal Offer information for investors'. It is important that you read this information along with this letter as it forms part of the Withdrawal Offer. If you have any further questions, please contact your financial adviser <adviser name> on <telephone number> or our Customer Service Centre on 1800 780 035. We will be pleased to help.

Yours sincerely

Ian Campbell
General Manager – Product

*National Mutual Funds Management Ltd AFSL 2343652 (referred to as 'AXA' or 'we') is the Responsible Entity of the <Australian Monthly Income Fund ARSN 088 996 392> <Wholesale Australian Monthly Income Fund ARSN 91 553 954> <Australian Income Fund ARSN 88 999 679> <Wholesale Australian Income Fund ARSN 88 919 359>.

AXA Australia Customer Service PO Box 14330 Melbourne VIC 8001
Telephone 1800 780 035 Facsimile (03) 8688 5789
Responsible Entity - National Mutual Funds Management Ltd.
ABN 32 006 787 720 AFS Licence No. 234652
Member of the Global AXA Group
www.axa.com.au



< For AIF and WAIF investors >

Fund update

<W>AIF will continue to accept applications from existing unit holders and distributions may be reinvested in the fund.

<W>AIF provides you with a stable monthly income and your investment capital is guaranteed. <W>AIF offers the following:

1. A combination of cash, fixed interest securities and mortgages to produce consistent monthly income.
2. All loans are secured by first ranking mortgages.
3. The loans are managed on a conservative basis and as at 31 December 2008, <W>AIF has no interest arrears on its mortgages.
4. Members of AXA's Commercial Lending team possess an average 30 years' credit management experience in both bank and non-bank lending and have managed mortgage assets through varying credit cycles.

SAMPLE

S

A

M

P

L

E



redefining / investments

Withdrawal Offer form <Australian Monthly Income Fund> <Wholesale Australian Monthly Income Fund> <Australian Income Fund> <Wholesale Australian Income Fund>

Withdrawal Offer No. 1 - 30 January 2009

Client number: TA

UNIT HOLDER DETAILS

Unit holder name

Street number and name

Town/Suburb

State

Postcode

Country (if outside Australia)

Please tick either Option 1 or Option 2 below.

Option 1: Tick this box to request to withdraw 5 per cent of the units you hold in the Fund.

I/We wish to accept the offer to withdraw 5 per cent of my/our units in the <Australian Monthly Income Fund> <Wholesale Australian Monthly Income Fund> <Australian Income Fund> <Wholesale Australian Income Fund> as follows:

Total number of units you hold in the Fund	The maximum number of units you are entitled to withdraw
<Total number of units> units	<5% of units > units

NB. Percentage amounts have been rounded up to the next whole unit.

Or

Option 2: Tick this box to request to withdraw less than 5 per cent of the units you hold in the Fund.

I/We wish to accept the offer to withdraw less than 5 per cent of my/our units in the <Australian Monthly Income Fund> <Wholesale Australian Monthly Income Fund> <Australian Income Fund> <Wholesale Australian Income Fund> as follows:

Total number of units you hold in the Fund	The maximum number of units you are entitled to withdraw	Number of units you'd like to withdraw (this number must be less than the maximum number of units you are entitled to withdraw).
<Total number of units> units	<5% of units > units	<customer to complete>

We am/are aware that I/we cannot request a withdrawal above the maximum amount of this Withdrawal Offer.

Please pay the proceeds of this withdrawal to the following financial institution account:

(Note: Only available for accounts held within Australia)

Name

Branch no.

Account name

Account no.



<WMS Code>

Wholesale footer:

AXA Australia Customer Service GPO Box 2780 Melbourne VIC 3001
Telephone: 1800 780 085 Facsimile: (03) 8688 5789
Responsible entity - National Mutual Funds Management Ltd.
ABN 32 006 787 720, AFS Licence No. 234652
Member of the Global AXA Group
www.axa.com.au

I/We acknowledge that direct credits not accepted by my/our bank, building society or credit union will be held in trust by AXA until I/we provide accurate financial institution details.

I/We declare that all the details given in this form are true and correct.

I/We authorise AXA to act in accordance with my/our instructions as set out above and acknowledge that my/our instructions are subject to the terms set out in the Withdrawal Offer. In particular I/we:

- have read and understood the letter and attached Withdrawal Offer information for investors dated 30 January 2009 outlining the Withdrawal Offer and confirm acceptance of the terms
- understand that AXA may cancel this Withdrawal Offer before the Closing Date, or extend the Closing Date, and
- acknowledge and agree that neither AXA nor any other person will (to the extent the law allows) be liable to me/us and I/we will not bring any claim or action against AXA nor any other person, by reason of, or in connection with this Withdrawal Offer.

I/We acknowledge that I am/we are providing personal details in this form and I/we agree to be bound by the privacy notices and consents set out in the product disclosure statement that was current at the time of our investment.

UNIT HOLDER AUTHORISATION INDIVIDUALS ONLY

Sign here

Signature

Date

Signature

Date

Insert representatives name here (only if representative signs form)

If signed by an authorised representative the representative must inset his or her name in the space below

(Please print)

COMPANIES ONLY

Sign and Seal here

The Common Seal of the Unit Holder was hereunto affixed in accordance with its constitution in the presence of:

(two signatures required)



Director

Director / Secretary

PLEASE REFER TO NOTES BELOW

NOTES

- 1 This form may only be used to accept the Withdrawal Offer made by AXA on 30 January 2009 to unit holders in <Australian Monthly Income Fund> <Wholesale Australian Monthly Income Fund> <Australian Income Fund> <Wholesale Australian Income Fund>.
- 2 (a) This request may either be signed by you personally or by your authorised attorney (including, where applicable, your authorised representative appointed under the Authorised Representative Facility or Authorised Signatory). If signed under power of attorney (other than the Authorised Representative Facility or by Authorised Signatory) the power must be submitted for notation (unless this has already been done) and the donee of such power states that the donee has received no notice of revocation thereof.
(b) In the case of joint unit holdings all unit holders must sign (except where using the Authorised Representative Facility or by Authorised Signatory).
(c) If the unit holder is a company the request may either be executed under its common seal or by its authorised attorney (including, where applicable, its authorised representative appointed under the Authorised Representative Facility) in accordance with its constitution. If the articles of association of the company require the common seal to be affixed in the presence of or be attested by persons other than one director and one director/secretary, the requisite additional persons must also attest on this request that the common seal was affixed in their presence.