



Wholesale Australian Equity – Industrials Fund

Investment Manager: AllianceBernstein

Product Disclosure Statement

2 April 2007



Be Life Confident

Five things you should know about this Fund

- 1** The Wholesale Australian Equity – Industrials Fund (Fund) invests predominantly in Australian industrial shares chosen for their potential to provide strong capital growth.
- 2** The investment strategy for the Fund is to buy shares in Australian industrial companies involved in a diverse range of business activities.
- 3** In line with the Fund's investment objective, we recommend investors remain in this Fund for at least five years.
- 4** The Fund suits investors prepared to accept a high level of volatility and risk as a trade-off for returns that might typically be expected to be above those returned by other Australian asset classes over the longer term.
- 5** Neither your investment capital nor any income is guaranteed.

Wholesale Australian Equity – Industrials Fund
ARSN 089 808 104
APIR Code: NML0143AU
Product Disclosure Statement (PDS)

Product issuer

National Mutual Funds Management Ltd.
ABN 32 006 787 720, AFS Licence No. 234652
(referred to throughout this PDS as 'AXA Australia',
'we' or 'us'), a member of the Global AXA Group, is
the product issuer and responsible entity of the Fund.

The information in this PDS is current as at the date of
this PDS, however it is subject to change. Any changes
to the information in this PDS that are not materially
adverse will be updated on www.axa.com.au and a
paper copy of any updated information will be made
available to you free of charge by contacting AXA
Australia on 1800 780 085. If we increase fees, we
will give you 30 days prior written notice. For any
other material change we will inform you within three
months of the change.

Statement of contact details

AXA Australia
Wholesale Customer Service
GPO Box 2780, Melbourne VIC 3001
Phone: 1800 780 085 Fax: (03) 9287 4867
Email: client.inquiry@axa.com.au
Internet: www.axa.com.au

We may conduct business with related parties as
permitted by the Corporations Act 2001 (Corporations
Act). The Corporations Act requires that these
transactions be conducted on arms length terms or
with the approval of unit holders.

No company in the Global AXA Group supports or
guarantees the obligations of AXA Australia and no
other company in the Global AXA Group is responsible
for any statements or information contained in this
PDS. Neither the performance of the Fund, nor
the repayment of any capital is guaranteed by any
company in the Global AXA Group. If you have any
questions about this Fund, you should either speak
to your financial adviser or contact your master trust
or wrap account operator. We recommend that you
obtain professional advice from a financial and/or
taxation adviser before investing in this Fund.

This PDS is dated 2 April 2007. If you have received this
document electronically we will provide a paper copy
free should you request this. No units will be issued
on the basis of this document when it is no longer
current. Investors who access or wish to access the
Fund through a master trust or wrap account that has
entered into an appropriate agreement with us are
authorised to use this document.

Terminology used in this PDS, eg market value, net
asset value, may not necessarily be consistent with
terminology in the new Australian equivalent to
International Financial Reporting Standards (AEIFRS).
The new accounting standards relate to financial
statements. This PDS uses terminology commonly
accepted in the financial services industry when referring
to the calculation of fees and unit prices, which may
differ to that used in the Fund's financial statements.

**This document can only be used by investors
receiving it (electronically or otherwise) in Australia.**

**Applications for investment in the Wholesale
Australian Equity – Industrials Fund made
on the basis of this PDS cannot be accepted
until 16 April 2007.**

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About AXA Australia

The Global AXA Group helps more than one million Australians provide for their financial future. The Global AXA Group is one of the largest financial services groups in the world, with an enviable track record in meeting the superannuation, investment and insurance needs of millions of clients worldwide.

We have appointed AllianceBernstein Australia Limited ABN 53 095 022 718, AFS Licence No. 230698 (AllianceBernstein) as the investment manager of the Fund. Through this appointment, AXA Australia is able to deliver to Australian investors the proven expertise and experience of this recognised global investment manager.

Investment structure

The investment structure of the Fund is a unit trust which pools the money of individual investors. When you invest, you are allocated a number of 'units' in the Fund based on the entry unit price at the time of your investment.

The unit trust entity is established by a trust deed, known as the Fund's constitution. The constitution details the operation of the trust. This PDS summarises the rights and obligations that we believe are important to potential investors.

You do not have any direct ownership of the underlying assets held in the Fund, and the value of your units changes over time as the market value of the assets in the Fund rises or falls.

The role of AllianceBernstein

AllianceBernstein delivers four distinct investment services in key asset classes – Bernstein Value Equities, Alliance Growth Equities, AllianceBernstein Style Blend portfolios and AllianceBernstein Fixed Income.

AllianceBernstein is the investment manager for the Fund's exposure to Australian equities through the Alliance Growth Equities investment team, and cash/cash securities through the AllianceBernstein Fixed Income investment team. AllianceBernstein is responsible for market research, stock selection and the buying and selling in relation to those securities.

AllianceBernstein is a joint venture company formed between AXA Asia Pacific Holdings Limited and a wholly owned subsidiary of AllianceBernstein L.P., a US-based organisation that is also a member of the Global AXA Group.

AllianceBernstein L.P. is a global investment adviser offering a wide range of investment management services worldwide. As at 31 December 2006, AllianceBernstein L.P. managed approximately US\$717 billion (approximately A\$922 billion) in assets under management and employed more than 500 investment professionals skilled in the management of investments, of whom around 300 are investment analysts.

Fund investment objective

The objective is to outperform the S&P/ASX 300 Industrials Accumulation Index, after costs and over rolling five year periods.

Investment style

Alliance Growth Equities

Alliance Growth Equities is an active growth manager, primarily focused on stock selection that seeks to invest for capital growth.

Active management refers to a style of investment management which seeks to obtain returns above a market index by using stock selection and asset allocation.

Alliance Growth Equities uses a defined process for selecting investments and believes quality fundamental research underpins investment success.

Alliance Growth Equities seeks to buy shares in companies whose earnings growth potential is underestimated by the equity market.

Alliance Growth Equities screens the largest 300 stocks on the Australian Stock Exchange (ASX) and ranks them according to growth prospects, quality and valuation factors. Stocks that rank highly in the screen undergo in-depth fundamental research by Alliance Growth Equities' investment analysts. Each analyst's proprietary fundamental research culminates in a stock rating and recommended weighting. Portfolios are constructed using the analyst ratings, a set of risk controls, risk analysis and extensive team-wide consultations.

What does the Fund invest in?

The Fund holds a diversified portfolio of Australian industrial stocks listed on the ASX.

The Fund may also invest in derivative instruments (ie financial products that derive their value from other assets or indices), such as futures and options, to quickly and efficiently change exposure to

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particular assets. Derivatives will not be used to gear the Fund; that is, the Fund's effective market exposure will not exceed its market value.

The Fund may also invest in other managed investment schemes (including those for which we are the responsible entity) or investment companies.

When the Fund is not fully invested in the investments outlined above it may hold cash.

Borrowing

The Fund's constitution places no formal restrictions on amounts that may be borrowed or liabilities that may be incurred.

If required, borrowings would be sought by us only on a short-term basis and only for the purposes of:

- funding withdrawals of units, and
- covering settlements.

The Fund may incur costs through interest expenses and the establishment and maintenance of a borrowing facility.

Labour standards and environmental, social and ethical considerations

Neither we nor AllianceBernstein explicitly take labour standards or environmental, social or ethical considerations into account in the selection, retention or realisation of the Fund's investments.

Investment information

Set out below are the investment ranges for the Fund. Depending on liquidity requirements and prevailing market conditions, the actual investment exposure of the Fund may vary beyond these ranges.

| Investment ranges | | |
|-------------------|---------|---------|
| | Minimum | Maximum |
| Australian shares | 95% | 100% |
| Cash | 0% | 5% |

Fund performance and size

The following table illustrates actual performance of the Fund for various periods to 31 December 2006.

| Performance information | | | |
|-------------------------|--------------|---------------|---------------|
| | 1 year pa | 3 years pa | 5 years pa |
| Distribution return | 19.4% | 9.2% | 6.5% |
| Growth return | 5.4% | 15.3% | 7.6% |
| Total return | 24.8% | 24.5% | 14.1% |

Fund performance figures:

- are calculated using exit (withdrawal) prices
- are net of all management, transactional and operational costs (but make no allowance for fees or rebates charged or credited directly to your account), and
- 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.

The above figures represent past performance and investors should be aware that investment returns can be volatile and past performance is not necessarily indicative of future performance.

Financial position of the Fund as at 31 December 2006

| | |
|--------------|----------|
| Gross assets | \$129.7m |
| Liabilities | \$0.3m |

On request (and at no cost) we will provide you with copies of the latest audited annual financial statements for the Fund.

Up-to-date information on the investment information and Fund performance and size is available on our website www.axa.com.au or on request by calling your financial adviser, or AXA Australia on 1800 780 085. A paper copy of up-to-date information is available free of charge on request.

What are the risks?

What is risk?

Traditionally, risk in an investment context has referred to the variation of investment returns or incomes and the possibility of the loss of capital. However, risk can also refer to the uncertainty of whether your specific goals will be met.

What risks apply to the Fund?

Shares are subject to income and capital fluctuations and may be considered the most volatile of the major asset classes.

Share funds investing only in industrial shares may be considered more volatile than diversified share funds.

This volatility will be reflected in the value of your units in the Fund and therefore in your investment returns.

You should be aware that there are no guarantees that any historical pattern of performance will be repeated in the future including income returns or capital growth. There are no guarantees protecting you against the loss or erosion in the value of your investment.

Among the principal risks of investing in the Fund is market risk, which may involve increases and decreases in market valuations. This includes factors beyond our control that affect investment performance including economic cycles, financial market conditions, government policy, interest rates, inflation and business confidence.

Given the focus of this portfolio, significant changes in the value of any one or more companies' shares in the portfolio may have a significant effect, either positive or negative, on the Fund's net asset value.

When the Fund includes derivatives there is a risk that the counterparty to the derivative transaction may not be able to meet its obligations. The Fund may then need to replace the transaction at market rates, which may not be as favourable as when the initial derivative transaction took place (in which case any costs will impact on performance).

The Fund is subject to risk associated with its unit trust structure. This includes termination of the Fund, changes to its rules and features (including fee increases), a change in investment manager and the performance of the investment manager.

How is risk managed?

All investment funds are subject to varying risks and we manage these risks by ensuring that this Fund is:

- diversified across a number of securities
- monitored regularly to ensure that the Fund operates within its specific investment parameters and constraints, and
- not geared.

In addition to other uses, we may also use derivatives for risk management purposes.

A licensed financial adviser can help you understand your tolerance for risk as well as your need to attain a particular return on your investment. We strongly encourage you to seek financial advice and to invest for the timeframe recommended in that financial advice.

How do I invest?

Direct investors

Please complete the current application form accompanying this PDS and send it to us with your cheque, made out to 'AXA Australia – Wholesale Australian Equity – Industrials Fund' and crossed 'Not Negotiable'. A minimum initial investment of \$25,000 must be made.

Timing

If your application reaches us by 1.00 pm (Melbourne time) on a Melbourne business day, we generally process the application effective that day. Applications received after 1.00 pm (Melbourne time) on a Melbourne business day, or on a weekend or Melbourne public holiday, are generally processed effective the next Melbourne business day.

Any interest which accrues on application monies held by us prior to the issue of units will be retained by us.

Investing through a master trust or wrap account

It is possible to gain exposure to the Fund through an investment or reporting service such as a master trust, wrap account, investor directed portfolio service or nominee or custody service. In this document we refer to these services as master trusts or wrap accounts and to people who invest through them as indirect investors.

Indirect investors do not become unit holders in the Fund. Instead it is generally the operator of the master trust or wrap account that invests for you and so has the rights of a unit holder. They exercise these rights (or not) in accordance with their arrangements with you.

If you wish to invest through a master trust or wrap account, please refer to their terms and conditions.

Cooling Off

Direct investors

If you are a retail investor (as defined in the Corporations Act), you have a period of 14 days (the 'Cooling Off' period) during which you can cancel your investment by notifying us in writing. The 14-day period starts from the date you receive confirmation of your investment or five days after we process your application, whichever occurs first. If you cancel your investment during this period, the amount repaid to you is adjusted in accordance with the Corporations Act to reflect any increase or

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decrease in the value of your investment, any tax or duties payable by us, and administrative expenses and transaction costs associated with the acquisition and termination of your investment.

The right to Cooling Off terminates immediately if you exercise a right or power under the terms of the product, such as selling part of your investment or switching it to another product. For any subsequent contributions made under the terms of an existing agreement, or investments made under a switching facility or distribution reinvestment plan, the right to Cooling Off does not apply to these subsequent contributions.

Indirect investors

If you are an indirect investor, please contact your master trust or wrap account operator about any right to Cooling Off as you do not receive the right of Cooling Off from us.

Additional investments

Direct investors

To make additional investments simply send us an authorised fax or letter detailing your investor number, the additional amount you wish to invest, together with confirmation that the investment monies have been deposited into our account. Alternatively you may use an additional deposit form – please call AXA Australia on 1800 780 085 to obtain a copy.

Each additional investment must be at least \$1,000.

Additional units are issued on the terms and conditions set out in the PDS current at the time the application is processed.

We will provide a copy of the current PDS free on request.

As soon as is reasonably practicable after each investment we will send you a statement setting out details of your investment and your balance.

The relevant fees and expenses will apply to all additional investments. Refer to 'Additional explanation of fees and costs' on page 8.

Indirect investors

If you are an indirect investor and wish to make additional investments, please contact your master trust or wrap account operator.

Making withdrawals and switches

Payment of the proceeds of a withdrawal request (including a switch) is subject to the time it takes for a sufficient amount of your investment to be cleared to cover the withdrawal.

Direct investors

Simply send us an authorised fax or letter detailing your investor number, the amount you wish to withdraw and where you would like us to send the proceeds. If your investment is below our current minimum investment of \$25,000 and you wish to make a withdrawal, you may be asked to withdraw your entire investment.

When you make a withdrawal you dispose of units in the Fund, which may have tax implications.

Timing

We generally take up to five Melbourne business days to process a withdrawal. However, we cannot give an absolute assurance that a longer withdrawal period will not apply in some cases.

If you are a direct investor, we will pay the amount withdrawn by cheque made payable to you or to your nominated Australian bank or financial institution account.

For withdrawal requests received before 12 noon (Melbourne time) on a Melbourne business day, the withdrawal will generally be effective that day. For withdrawal requests received after 12 noon (Melbourne time) on a Melbourne business day, or on a weekend or Melbourne public holiday, the withdrawal will generally be effective the next Melbourne business day.

The terms and conditions relating to the withdrawal of units described above assume that the Fund remains 'liquid' within the meaning of the Corporations Act. A scheme is liquid when at least 80 per cent of assets can be sold at market value within a set period.

We are of the view that the Fund is currently 'liquid' for the purposes of the Corporations Act.

Where a fund becomes 'non-liquid' a unit holder has no right to withdraw from the fund, except in accordance with any withdrawal offer the responsible entity may elect to make. Refer to 'When we can delay access to your money' on page 12.

Indirect investors

If you are an indirect investor, please direct your withdrawal request to your master trust or wrap account operator.

Switching

Direct investors

A request for a switch is a withdrawal of units from the Fund, and an application for units in another AXA Australia fund. The relevant procedures, process timings and conditions relating to withdrawals and applications will apply. If you are a direct investor and want to switch all or part of your investment into another AXA Australia fund, please send us an authorised fax or letter and a completed application form with your request.

Indirect investors

If you are an indirect investor, please contact your master trust or wrap account operator.

Reporting

Direct investors

If investing directly, we currently send you:

- as soon as is reasonably practicable after every transaction you make, a confirmation statement for the transaction
- an annual tax statement to help you with your tax return
- where the Fund makes a distribution, information about that distribution
- the Fund's accounts each year (unless you have opted not to receive them), and
- investment statements detailing all transactions and the current balance (generally sent at least quarterly).

Indirect investors

If you are an indirect investor, please ask your master trust or wrap account operator about their reporting policy.

Unit pricing

Unit prices fluctuate with changes in the value of the investments of the Fund.

Provisions in the Fund's constitution give AXA the ability to exercise discretion in relation to the calculation of application and withdrawal unit prices. The application and withdrawal prices are based on the net asset value of the Fund at the next valuation of its investments adjusted by transaction costs (the buy/sell margin). AXA has a policy that details how and when we exercise this discretion. To obtain a copy of the policy free of charge, contact AXA Australia on 1800 780 085.

The Fund's investments are valued in accordance with its constitution, generally on the basis of market value but other valuation policies and methods may be adopted by us if appropriate. In the case of a listed security this will generally be the last price at which the security was traded on the relevant stock exchange.

In some circumstances a market value may not be available. This may be because of a temporary closure of the market (for example, due to a public holiday), which we do not expect will have a significant impact on the market value of the relevant assets. In this situation we will generally continue to use the most recently available market value for those assets. Alternatively, a market value may not be available because of unforeseen events that result in a market being closed. In this situation we will generally suspend the ability to invest in or withdraw from the Fund if we think that the market closure might have a significant impact on market values (unless we are satisfied that independently verifiable application and withdrawal prices can be obtained).

We generally calculate the market value of the Fund each Melbourne business day. When you apply for units in the Fund or make a withdrawal from the Fund, your transaction will usually be processed at the unit price derived from asset values at the close of business on the effective date of your transaction.

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Income received by the Fund during a distribution period is reflected in the unit price. At the end of the distribution period, unit prices will generally fall by the amount distributed per unit.

Distributions

The distribution period is half-yearly ending 30 June and 31 December. Distributions will normally be made within one month after the end of a distribution period and must be made within 60 days, or as soon as possible after the Fund's audit (if any). The amount distributed to each unit holder will be based on the number of units held by the unit holder at the end of the distribution period.

Direct investors

Direct investors can elect to have distributions paid directly into an Australian bank or financial institution account, or reinvested in the Fund in the form of additional units. Unless you advise us otherwise when completing your application form, distributions will be automatically reinvested in the Fund. Should you wish to change your distribution choice at some time in the future please advise us in writing.

Indirect investors

For indirect investors, distributions will be paid or reinvested in accordance with the instructions received from your master trust or wrap account operator.

Year-end processing

We are required to perform a substantial amount of processing and calculations for our investment funds at the end of each financial year (30 June). This invariably causes delays in the determination of unit prices, the processing of application details (such as sending out confirmation statements, but not the investment of application monies) and in withdrawal processing and payments (including switches between funds). Normal processing times may therefore be extended during the end of financial year period.

Fees and other costs

Consumer advisory warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole.

You should read all of the information about fees and costs because it is important to understand their impact on your investment.

All fees are inclusive of GST less any reduced input tax credits.

Taxes are set out in another part of this document.

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| Type of fee or cost | Amount | How and when paid? |
|--|----------|--|
| Fees when your money moves in or out of the Fund | | |
| Establishment fee The fee to open your investment | Nil | Not applicable |
| Contribution fee The fee on each amount contributed to your investment | Nil | Not applicable |
| Withdrawal fee The fee on each amount you take out of your investment | Nil | Not applicable |
| Termination fee The fee to close your investment | Nil | Not applicable |
| Management costs¹ The fees and costs for managing your investment | | |
| Management fee (excluding transaction costs ²) | 0.77% pa | Calculated on the gross asset value of the Fund daily and payable monthly. The management fee is reflected in the unit price. |
| Expenses | 0.08% pa | This is an estimate based on historical data and covers expenses incurred in the management of the Fund. Included in unit prices as the expenses are incurred. |
| Service fees³ | | |
| Investment Switching fee The fee for changing investment options | Nil | Not applicable |

Notes:

- 1 See 'Management costs' under the heading 'Additional explanation of fees and costs' on page 8.
- 2 See 'Transaction costs' under the heading 'Additional explanation of fees and costs' on page 9.
- 3 An Adviser Review Fee may be payable if you choose this feature – see 'Adviser Review Fee' under the heading 'Additional explanation of fees and costs' on page 9.

Additional explanation of fees and costs

1 Management costs

1.1 Management fee

We currently charge an ongoing management fee of 0.77 per cent per annum of the gross asset value of the Fund, calculated daily and payable monthly. The management fee is reflected in the unit price.

The Fund may retain any (reduced) input tax credits in respect of the GST on our fees.

1.2 Expenses

All expenses relating to the proper performance of our duties are recoverable from the Fund. These include (but are not limited to) expenses in relation to: audits, postage, printing, legal advice, the compliance committee, disclosure document costs, amendments to the constitution, audit of the compliance plan and costs associated with acquiring, holding and selling investments of the Fund. We estimate these expenses to be 0.08 per cent per annum based on historical costs

and expenses. The actual costs and expenses are deducted from the Fund at the times they are incurred, and are reflected in the unit price.

1.3 Fee rebates

From time to time we may rebate some of our fees (or issue additional units in the Fund) to 'sophisticated' or 'professional' investors or 'wholesale clients' (as defined under the Corporations Act) so that they pay reduced fees. We cannot enter into individual fee arrangements with other investors.

1.4 Where the Fund invests in other funds managed by us

The Fund may invest in other funds or investment companies including those managed by us or our associates.

Where we are the responsible entity of that other fund, full management fees will not be received by us from both funds. Instead, adjustments will be made so that our management fee will be no greater than the fee we have elected to take under the Fund's constitution at the relevant time.

2 Transaction costs

2.1 Buy/sell margin

The Fund's buy/sell margin is the difference between the application price and withdrawal price of a unit and is our estimate of the costs of buying and selling investments, as a result of purchases and withdrawals of units, that is factored into the calculation of the application and withdrawal prices. For example, these costs may include brokerage fees and government taxes and charges. These costs will differ according to the type of asset traded and whether it is traded in Australia or overseas.

Buy/sell margins are intended to ensure that investors who transact infrequently do not bear the costs generated by investors who transact more frequently.

These costs are calculated as a pre-determined average of the costs the investment manager expects to incur when assets are bought or sold. They will therefore depend on the type of assets held by a Fund. They will also be influenced by the investment manager's actual experiences of the costs involved in trading these assets. These costs are reviewed at least annually.

In some cases costs may not actually be incurred. For example, where some new investments are made at the same time as other investments are withdrawn. However in order to make sure that investors are treated in a consistent way we generally apply the buy/sell margins for all investments and withdrawals.

These estimated costs are not paid to us but are retained by the Fund.

As at the date of this PDS the buy/sell margin is 0.3 per cent (made up of 0.15 per cent above the net asset value per unit for the application price and 0.15 per cent below the net asset value per unit for the withdrawal price).

If considered in isolation the effect of the buy/sell margin of 0.3 per cent on a \$1,000 investment would result in the reduction of the investment to approximately \$997 upon its withdrawal. That is, \$1,000 less the buy/sell margin of \$3 (0.3 per cent) = \$997.

This amount is an additional cost to the investor that is reflected in the unit price and is not charged separately.

The margin is an estimate and is subject to change at any time without notice.

To obtain up-to-date information on the Fund's buy/sell margin please call AXA Australia on 1800 780 085 or visit www.axa.com.au.

3 When can we change fees?

The Fund's constitution allows us to charge certain fees up to the limits specified below. Should we raise a fee within the limits permitted by the constitution, we will notify you in writing 30 days before raising the fee.

Under the constitution, we are entitled to a contribution fee of up to 8 per cent of each application amount invested in the Fund, a withdrawal fee of up to 8 per cent for each amount withdrawn by investors from the Fund, and a management fee of up to 2 per cent per annum of the gross asset value of the Fund, calculated daily and payable monthly.

We are also entitled to a custody and compliance fee of 0.06 per cent per annum of the gross asset value of the Fund, calculated daily and payable monthly.

4 What is paid to my financial adviser?

4.1 Adviser Review Fee

This option is only available to direct investors. Indirect investors should contact their master trust or wrap account operator about the availability of such an arrangement.

The Adviser Review Fee is a negotiable fee agreed between you and your adviser and a convenient way to pay your financial adviser for the professional services he or she may provide.

The Adviser Review Fee is paid by withdrawing units from your investment in this Fund, or another AXA Australia Fund (Investment Fund) under the same investor number. If you do not nominate a fund, the Adviser Review Fee will be deducted from your Investment Fund with the highest account balance at the time the fee is deducted.

The Adviser Review Fee is payable quarterly. You can nominate either a fixed annual dollar amount or an equivalent percentage per annum of your entire balance in Investment Funds under your investor number (referred to as your Investor Account Balance). Your nominated option will apply to all investments you have under your investor number.

We limit the amount withdrawn to a maximum of 1 per cent per annum of your quarterly Investor Account Balance. If the dollar amount that you have agreed with your adviser exceeds this 1 per cent per annum (a quarter of 1 per cent per quarter) maximum, the fee will not be deducted for the quarter and we will inform your financial adviser.

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When filling in the application form you can nominate the start date for the Adviser Review Fee to be deducted. If you do not nominate a start date, the Adviser Review Fee will be deducted on your quarterly anniversary date. If the date falls on a weekend or Melbourne public holiday, the fee will be deducted the next Melbourne business day.

Please write to us to change or stop your Adviser Review Fee deductions. We will inform your financial adviser of any requests to alter or cease Adviser Review Fee deductions.

The payment of the Adviser Review Fee requires a withdrawal of units in the fund from which it is deducted. The relevant fees and tax implications will apply.

Adviser Review Fee example

When considered in isolation, with an Investor Account Balance of \$25,000 and a maximum Adviser Review Fee of 1 per cent per annum, an investor's total return would be reduced by a maximum of \$250 each year.

4.2 Commission

Commission may be payable to your financial adviser for selling units in the Fund. We pay all commissions from our own money and therefore there is no financial impact on your investment.

4.3 Other benefits to financial advisers

From time to time, we may decide to provide financial advisers with non monetary benefits (such as training or entertainment). This is in addition to the commission that we may pay to financial advisers detailed earlier in this document. When we do this, it does not represent a charge or cost to you. We maintain a register of the non monetary benefits that we provide to advisers from time to time. If you would like a copy of the register contact AXA Australia on 1800 780 085.

Management Expense Ratio (MER)

Historical MERs provide an indication of the indirect fees and costs incurred by investors of the Fund to date. Expressed as a percentage of the net asset value of the Fund, the MER includes all management fees deducted from the Fund, and all other relevant Fund fees and expenses but not transaction costs such as brokerage. Listed below are the historical MERs for the Fund.

Due to a change in the law, from 1 July 2006 management or investment costs are no longer to be expressed as MERs, but are calculated to include the total indirect fees and costs incurred by investors and deducted from the Fund prior to the

unit price being calculated. This new fee measure is called an Indirect Cost Ratio (ICR) and may be the same figure as the MER, however, this may not always be the case. The ICR will be used to calculate 'other management costs' which will be displayed on your annual statement for the statement period commencing on or after 1 July 2006.

At the date of this PDS, the statement period for which the ICR fee measure is required to be applied has not yet ended and, therefore, an ICR figure for that period is not yet available. More information regarding the ICR figure can be obtained online at www.axa.com.au/statements.

MERs for year ended 30 June

| 2006 | 2005 | 2004 |
|-------|-------|-------|
| 0.85% | 0.85% | 0.85% |

Example of annual fees and costs

This table gives an example of how fees and costs for this product can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

| Example | Balance of \$50,000 with a contribution of \$5,000 during the year |
|-----------------------|--|
| Contribution Fees | Nil |
| Plus Management Costs | 0.85%* |
| Equals Cost of fund | For every \$5,000 you put in, you will be charged \$0. And , for every \$50,000 you have in the fund you will be charged \$425 each year. If you had an investment of \$50,000 at the beginning of the year (1 January) and 6 months later (1 July) you put in an additional \$5,000, you would be charged fees of: \$446.25** . What it costs you will depend on your investment account balance. |

The above example assumes a balance of \$50,000 at the beginning of the year and the additional contribution of \$5,000 is made after six months. The \$446.25 is therefore comprised of \$425 (\$50,000 x 0.85 per cent) plus \$21.25 (\$5,000 x 0.85 per cent x 6/12).

Any contribution made or unit price gain will increase your account balance on which the management costs are calculated.

* Management costs of 0.85 per cent are made up of the management fee (0.77 per cent) and expenses (0.08 per cent).

** Additional fees may apply:

If you agree to the **Adviser Review Fee** it will apply as outlined on page 9.

Tax

The following information is a brief outline of the tax consequences of investing in the Fund. The tax laws are subject to frequent change and the tax consequences of investing in the Fund may differ between unit holders, particularly unit holders who are not Australian residents. We recommend you seek tax advice specific to your situation.

Income tax

The Fund fully distributes all net income to unit holders. All taxable income you become entitled to during a financial year should be included as part of your assessable income, irrespective of whether the income was reinvested.

Imputation credits

Your income distribution may include an entitlement to franked dividends. Your particular circumstances (and that of the Fund) will be relevant to determine whether you are entitled to any franking credits in respect of your share of the franked dividends.

Capital gains

The net income of the Fund for tax purposes may include net capital gains, some of which may be discount capital gains (arising from the discount concession).

When you invest in the Fund you receive an interest in the Fund. The Fund may have unrealised capital gains and losses at the time you invest in it.

Disposal of units

If you withdraw, switch or transfer ownership of any part of your investment, it is treated as a disposal, for tax purposes.

Some investors may be eligible for the discount capital gain concession upon disposal of their units if the units are held for 12 months or longer. You should obtain professional advice about the availability of the concession.

Non-resident investors

If you are not an Australian resident, tax will normally be deducted from distributions before they are paid to you. The tax rate will depend on the nature of the distribution and the country in which you reside.

Privacy – use and disclosure of personal information

Direct investors

The privacy of your personal information is important to you and also to AXA Australia. The purpose of collecting your information on the application form is to process your application, and manage your investment in the Fund. If the information you give us is not complete or accurate, we may not be able to provide you with the products and services you have applied for.

In processing your application, and managing your investment in the Fund, we may need to disclose your personal information to other parties such as your financial adviser.

In the future, we may contact you about new products or special offers provided by us or by other Global AXA Group companies. If, at any time, you do not want to receive this information, you can opt out by telephoning AXA Australia on 1800 780 085 and quoting your investor number.

You are also entitled to request reasonable access to information we have about you. We reserve the right to charge an administration fee for collating the information you request.

For our policy on privacy refer to our website www.axa.com.au or contact AXA Australia on 1800 780 085.

Indirect investors

If you are an indirect investor, it is the master trust or wrap account operator that holds the relationship with us. We therefore do not receive any of your personal details. Please contact your master trust or wrap account operator for details of their privacy policy in relation to the use and disclosure of your personal information.

Our legal relationship with you

Direct investors

The constitution under which the Fund was established provides the framework for the operation of the Fund and, with the Corporations Act, this PDS and other laws, sets out our relationship with you. The following information will help you decide whether to request a copy of the constitution. To obtain a copy of the constitution free of charge while this PDS is current, contact AXA Australia on 1800 780 085.

Wholesale Australian Equity – Industrials Fund

Product Disclosure Statement

Indirect investors

If you are an indirect investor, it is the master trust or wrap account operator that has the relationship with us. Your rights are governed by your agreement with the master trust or wrap account operator.

Amending the Fund's constitution

The Fund is a registered managed investment scheme under the Corporations Act and is governed by a constitution. Unit holders' rights and entitlements are largely governed by the Fund's constitution, the terms and conditions of which are binding on us and on unit holders. We may amend the constitution at any time, however, the Corporations Act requires that unit holders approve an amendment of a constitution if the proposed amendment will adversely affect their rights.

Our role

We are responsible for the Fund's management including the determination of the investment objectives and policy and the day-to-day administration. Our role also includes holding the investments of the Fund securely and protecting the rights and interests of unit holders. This includes the duties to act honestly, exercise due care and diligence and treat investors equally. Subject to the Corporations Act and the Fund's constitution we may at any time voluntarily retire or be removed by unit holders at a unit holder meeting as responsible entity of the Fund.

The nature of units

Each unit gives a unit holder an equal and undivided interest in the Fund. However, a unit does not confer any interest in any particular asset of the Fund and does not entitle the unit holder to have any of the assets of the Fund transferred to the unit holder or to interfere with any of our rights or powers.

Unit holder meetings

We may at any time convene a meeting of unit holders of the Fund. Subject to the requirements of the Corporations Act, we will also convene a meeting if requested in writing to do so by members with at least 5 per cent of the votes that may be cast on the resolution, or at least 100 members who are entitled to vote on resolutions. If a meeting is to be held, a notice setting out relevant information about the meeting will be sent to unit holders. Unit holders may vote at the meeting unless prohibited under the Fund's constitution or under the Corporations Act.

Indemnities

We are not liable for any loss unless we fail to comply with our duties as specified in the constitution or under any prevailing law. Your liability is limited by certain provisions in the constitution to the amount, if any, which remains unpaid in relation to your application for units but the courts are yet to determine the effectiveness of provisions like this.

Termination

The Fund may be terminated in a number of circumstances under its constitution and the Corporations Act.

The Fund terminates at the earliest of:

- the 80th anniversary of the day before the Fund commenced
- the date specified by the responsible entity as the date of termination of the Fund in a notice given to members, or
- the date on which the Fund terminates in accordance with another provision of the constitution or by law.

When we can delay access to your money

The Corporations Act provides that a fund's withdrawal arrangements must be closely tied to the liquidity of the fund's underlying investments. The Corporations Act distinguishes between 'liquid' and 'non-liquid' funds and has separate withdrawal rules for each type. While a fund is a 'liquid' scheme investors can make a request to withdraw from the fund at any time and the request must be satisfied out of the fund's assets within the withdrawal period provided for in the fund's constitution. For this Fund that withdrawal period is up to 30 days. We generally take up to five business days to process a withdrawal. There is no obligation for the responsible entity to satisfy a withdrawal request out of its own money.

Where a fund is a 'non-liquid' scheme the responsible entity can offer investors the opportunity to withdraw from the fund on a periodic basis, but is not obligated to do so. Where there is no such offer currently open to unit holders, a unit holder has no right to withdraw from the fund. The offer period must be at least 21 days long. Before making a withdrawal offer, the responsible entity must identify the liquid investments of the fund which are available to meet withdrawal requests which result from the offer. When a withdrawal offer closes, the responsible entity must satisfy withdrawal requests

made in response to the offer within 21 days. If the value of withdrawal requests exceeds the amount identified as being available for withdrawal, the requests must be met on a pro rata basis. As at the date of this PDS we are of the view that the Fund is a 'liquid' scheme and hence withdrawals will be made at the request of investors.

Our powers

Under the constitution we, as responsible entity, have very broad powers to enable the efficient and prudent management of the Fund including practically unrestricted powers in relation to the types of assets in which the Fund can invest. These powers are limited by the Fund's investment objective, which is referred to on page 1.

Additional disclosure information

The Fund is subject to regular reporting and disclosure obligations under the Corporations Act. Copies of documents lodged with the Australian Securities and Investments Commission (ASIC) may be obtained from or inspected at an ASIC office.

You may also request a copy of the following documents from us when they are available:

- the Fund's annual financial report most recently lodged with ASIC
- any half-year financial report lodged with ASIC, and
- any continuous disclosure notices given for the Fund after lodgement of the Fund's annual financial report and before the date of this PDS.

Compliance plan

We have a compliance plan for the Fund.

The compliance plan sets out the measures we will apply in operating the Fund to ensure compliance with the Corporations Act and the Fund's constitution. The compliance plan is lodged with ASIC and is audited by our independent auditors annually to determine our compliance with it.

We have a compliance committee to monitor the operation of the Fund and overall compliance with the compliance plan. The majority of the members of the compliance committee must be, and are, independent of AXA Australia. The compliance committee has the obligation to monitor our compliance with the compliance plan and to report certain breaches of the Corporations Act and the compliance plan to ASIC.

Complaints

Direct investors

Please contact AXA Australia first if you have a complaint. We will acknowledge your complaint within 14 days (if it was not resolved during an initial telephone discussion). We will then give proper consideration to the complaint and advise you of the outcome within 45 days of receipt of the complaint.

If your issues remain unresolved, you may be able to obtain assistance from the Financial Industry Complaints Service. This service has been set up as an objective party to hear unresolved complaints. There is no cost for using this service. The Financial Industry Complaints Service can be contacted on 1300 780 808.

Indirect investors

If you are an indirect investor, any queries or complaints should be directed to your master trust or wrap account operator.

Contacting us

If you are an indirect investor, all correspondence should be directed to your master trust or wrap account operator. All other investors should contact AXA Australia:

Phone: 1800 780 085

Fax: (03) 9287 4867

Mail: AXA Australia
Wholesale Customer Service
GPO Box 2780
Melbourne VIC 3001

Email: client.inquiry@axa.com.au

Internet: www.axa.com.au

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