



Underlying investment fund update – AXA Wholesale Australian Property

As OneAnswer - AXA Property fund (Fund) invests into the AXA Wholesale Australian Property fund, we have been provided consent by AXA to provide you with access to their 'AXA Property Fund Update Flyer' and the ASIC Regulatory Guide 46- additional disclosure document. These documents are relevant to investments in the Fund and will provide further information around the management of the Fund's underlying assets.

[AXA Wholesale Property Fund Update Flyer](#)

Click here to view the AXA Wholesale Property Fund update flyer

Please note that fund performance figures in this flyer are not applicable to your investment in OneAnswer - AXA Property fund. If you require this information please go to the Performance & Updates tab > Fund details, unit prices & performance history.

[ASIC Regulatory Guide 46 - Additional disclosure for Unlisted Property Schemes](#)

Click here to view the Disclosure Principles for Unlisted Property Schemes – ASIC Regulatory Guide 46

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Update March 2011

AXA's Wholesale Australian Property Fund

Keeping you informed



2010 in review

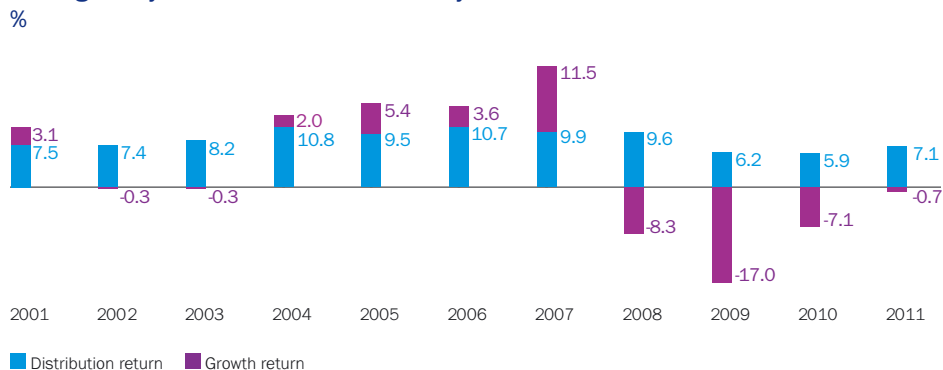
Conditions in the Australian property market continued to stabilise in 2010, with the market benefitting from the ongoing global economic recovery, robust support for the Australian dollar, strong commodity export prices and moderate increases in asset valuations.

While the outlook for returns in 2011 remains positive, factors such as rising interest rates, extreme climatic events and reduced housing affordability may weaken local market conditions.



Snapshot of the Wholesale Australian Property Fund

Rolling one-year returns to 28 February



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 return reflects total distributions paid from the Fund. These performance figures have not taken into consideration an optional adviser review fee where applicable.

All references to the Fund in this update refer to AXA's Wholesale Australian Property Fund (WAPF).



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Fund update

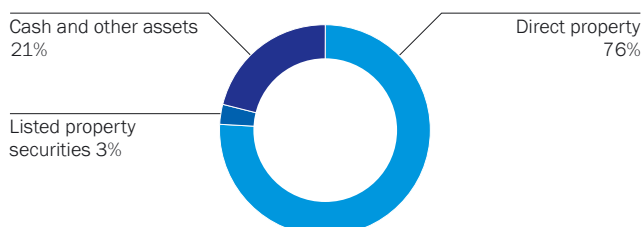
The Fund's size was \$829 million at 28 February 2011 and its direct property weighting was 76% as shown in the pie graph adjacent. As part of a wider strategy to both re-balance the portfolio and improve the overall liquidity of the Fund, we have completed the sales of three New Zealand properties held within the Fund. The Shortland St, Auckland property was sold in December 2010 and the Westpac Building, Wellington was sold in January 2011.

In February 2011, a third property, the ANZ Building in Wellington, was sold at a small discount to its prior book value. In total, these sales raised capital of approximately A\$73.9 million.

The Fund continues to meet its primary objective of providing income with some long-term capital growth. Income distributions remain strong and competitive relative to other investment yields available. Capital values appear to have stabilised and begun to increase, albeit moderately.

While the Fund remains closed to new or additional investments as well as withdrawal requests outside of formal Withdrawal Offers, our fundamental investment philosophy remains unchanged. We continue to:

- focus on providing income (some of which is tax-advantaged) with some long-term capital growth
- invest in predominantly direct property as well as listed property and cash in order to provide some liquidity to unit holders, and
- emphasise diversification across commercial, industrial and retail property sectors.



In line with our liquidity strategy, we will also continue to explore further opportunities to sell several non-core, readily marketable properties to facilitate future Withdrawal Offers for those unit holders who need access to capital.

Sector outlook

Real estate markets in Australia should benefit from forecast growth in the Australian economy over the next two years. Risks in the short term are mainly on the demand side; however, these risks are substantially mitigated by a lack of new supply.

Rents and capital values appear to have largely stabilised and in some cases are now increasing, in what will likely be a relatively typical recovery cycle.

Australian office markets are poised to perform strongly over the next 12 months. A combination of low CBD vacancy rates, below-average construction levels and positive macro demand drivers are expected to deliver solid effective rental growth.

The retail environment was adversely affected in late 2010 by the Reserve Bank lifting official cash rates; however, employment growth and wage rises appear to be offsetting the dampening effect of interest rates.

Industrial property markets continue to improve, in line with broader economic growth.

Property valuations

As part of our regular revaluation cycle for direct assets held within the Fund, all properties in the portfolio were revalued in November of 2010. This resulted in the following movements from the previous book valuations in May 2010:

- the value of Australian retail assets increased by \$8.2 million (7%) to a total of \$123.1 million
- the value of Australian commercial assets increased by \$2.9 million (1%) to \$232.1 million
- the value of Australian industrial assets increased by \$9.2 million (4%) to \$244.8 million
- New Zealand assets declined by NZ\$13.1 million (9%) to NZ\$135.7 million.

In accordance with our revaluations schedule, all direct assets held in the Fund will once again be revalued in May 2011.

Asset mix

Properties	Book value at 28 Feb 2011 (A\$m)
Retail	
Casula Mall, Sydney, NSW	108.0
933-945 North East Road, Modbury, SA	15.1
The Plaza, Whangaparaoa, Auckland, NZ	27.6
	150.7
Commercial	
20 Windmill Street, Walsh Bay, NSW	69.2
124 Walker Street, North Sydney, NSW	66.4
441 St Kilda Road, Melbourne, VIC	50.0
12 Moore Street, Canberra, ACT	46.6
85 Waterloo Road, Macquarie Park, NSW	16.0
	248.2
Industrial	
105-111 Vanessa Street, Kingsgrove, NSW	51.0
12-18 Distribution Drive, Laverton North, VIC	50.1
121 Evans Road, Salisbury, QLD	25.7
7 and 25 Gauge Circuit, Canning Vale, WA	22.1
2 Pound Road West, Dandenong, VIC	19.4
200 Greens Road, Dandenong, VIC	18.5
1B Unwin Street, Rosehill, NSW	16.9
10 Wesley Court, Burwood East, VIC	13.5
20 Holbeche Road, Arndell Park, NSW	11.8
	229.0
Total	627.9

Source: Dexus Property Group

Important information

This information has been prepared to provide you with general information only. 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. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. 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. You should obtain a copy of the relevant Product Disclosure Statement (PDS) before making a decision to invest in any financial product. Detailed information about the product is contained in the PDS. The National Mutual Life Association of Australasia Limited and its associates derive income from issuing interests in the products, full details of which are contained in the PDSs. 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. Past performance is not necessarily indicative of future performance.

National Mutual Funds Management Ltd AFSL 234652 (referred to as 'AXA' or 'we') is the Responsible Entity of the Wholesale Australian Property Fund ARSN 088 996 392 and the Australian Property Fund ARSN 096 853 619.

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