



Wholesale Australian Income Fund

Investment Manager: AXA Australia

Product Disclosure Statement

23 June 2006



Be Life Confident

Supplementary Product Disclosure Statement (SPDS)

Wholesale Australian Income Fund ARSN 088 919 359

Date of issue: 1 May 2007

This Supplementary Product Disclosure Statement (SPDS) for the Wholesale Australian Income Fund (Fund) supplements the Product Disclosure Statement (PDS) dated 23 June 2006, issued by National Mutual Funds Management Ltd. ABN 32 006 787 720, AFS Licence No. 234652 (AXA Australia) as the product issuer and responsible entity of the Fund. This SPDS is effective 1 May 2007. You should read this SPDS together with the PDS.

This SPDS replaces the text relating to Unit pricing on page 7 and the Management Expense Ratio (MER) on page 11.

Unit pricing

Unit prices may fluctuate with the 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. We will provide you with a copy of the policy free of charge at your request by contacting AXA Australia on 1800 780 085.

Within the underlying Fund the mortgages and fixed interest securities are valued on a hold to maturity basis.

We guarantee that the withdrawal price for units issued under this document will not be less than their application price (plus any accrued income and less any applicable early withdrawal fee).

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.

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
1.43%	1.45%	1.46%



Five things you should know about this Fund

1 The Wholesale Australian Income Fund ('Fund') provides exposure to Australian first ranking mortgages, other interest bearing financial instruments and cash.

2 The investment strategy for the Fund emphasises consistency of income, taking into account prevailing market interest rates.

3 We recommend investors remain in this Fund for at least 18 months.

4 The Fund suits investors who seek a low risk product that provides easy access to their investment and monthly interest income at competitive rates.

5 Your investment capital is guaranteed. The monthly rate of income is guaranteed monthly in advance.

Wholesale Australian Income Fund
ARSN 088 919 359
APIR Code: NML0257AU
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 us 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 23 June 2006. 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 accounting standards 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 Fund, made on the basis of this PDS, cannot be accepted until 30 June 2006.

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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.

AXA Australia is responsible for the Fund's exposure to mortgage investments and we have appointed AllianceBernstein Australia Limited ABN 53 095 022 718 ('AllianceBernstein') as the investment manager for the Fund's exposure to fixed interest securities and cash/money market securities ('cash'). Through this appointment, AXA Australia is able to deliver to Australian investors the proven expertise and experience of this recognised 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.

The role of AXA Australia

AXA Australia is responsible for the Fund's exposure to mortgage investments. AXA Australia has been managing mortgage investments in Australia for over 20 years and has a specialised and experienced Commercial Lending team. All credit and approval decisions in relation to mortgage investments are made by AXA Australia. As at 31 March 2006, AXA Australia managed more than \$1.5 billion of mortgage assets.

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 fixed interest securities and cash 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 2005, AllianceBernstein L.P. managed approximately US\$579 billion (approximately A\$793 billion) in assets under management and employed more than 600 investment professionals skilled in the management of investments, of whom around 300 are investment analysts.

Fund investment objective

The objective is to provide a competitive interest income return on a monthly basis while at the same time providing a stable unit price.

Investment style

AXA Australia

AXA Australia is responsible for the Fund's exposure to mortgage investments. We actively manage the mortgage portfolio using an investment style that involves a bottom-up approach to assessing individual loans, while factoring in top-down issues and risk.

Top-down information about the economic climate and property and credit cycles is drawn from internal and external sources, including economists, property specialists and commercial property valuers.

Bottom-up management of the mortgage portfolio focuses on risk evaluation and the quality of individual loans. Each loan application is assessed in relation to the applicant's financial position and ability to service loan-related interest and principal

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repayments when they fall due. Independent valuations are obtained for the property to be mortgaged. Each loan is then assigned a risk rating. By using this system, we actively manage the risk profile of the portfolio. Other key risk management measures relate to restrictions on the type of loans that can be included in the portfolio, diversification across mortgage sectors and geographic areas, liquidity management and interest rate risk.

AllianceBernstein Fixed Income investment team

The AllianceBernstein Fixed Income investment team is responsible for managing the Fund's exposure to fixed interest securities and cash.

The AllianceBernstein Fixed Income investment team actively manages funds with a disciplined and research based investment process.

Their strategy combines top-down macroeconomic analysis for sector and industry selection with a bottom-up approach for individual stock selection. Credit research is based on a well-defined credit rating process that seeks to anticipate the likelihood of changes in credit quality.

Capital and income guarantee

We guarantee that the price paid on withdrawal of units issued under this document will not be less than the application price (adjusted for any income component originally included in the application price).

For the life of this document we will set a minimum rate of income at the beginning of each month. Unit holders will become entitled to this rate of income which will either be reflected as an increase in the unit price or paid out as part of the distribution or a combination of these. This minimum rate is guaranteed regardless of the Fund's actual income earned for that month. Income generated above the guaranteed rate will be fully distributed to unit holders in each financial year.

What does the Fund invest in?

The Fund invests predominantly (and, at times, fully) in the Australian Income Fund ARSN 088 999 679 (the 'Underlying Fund'). At those times when the Fund is not fully invested in the Underlying Fund it will (directly) hold cash. We are also the responsible entity of the Underlying Fund and responsible for its exposure to mortgage investments. The

AllianceBernstein Fixed Income investment team is also responsible for the Underlying Fund's exposure to fixed interest securities and cash.

Typically, the Underlying Fund will hold a diversified portfolio of Australian loans being first ranking mortgages (which may include development loans and illiquid mortgage backed securities), fixed interest securities (including, but not limited to, bonds, liquid mortgage backed securities and listed income securities) and cash.

Going forward, the Underlying Fund intends to gain investment exposure by investing in the Australian Monthly Income Fund ARSN 091 553 856. The Australian Monthly Income Fund has the same investment style and investment objective as the Underlying Fund.

It is intended that all loans in which the Underlying Fund invests will be secured by a first ranking mortgage over property. The level of funds available under any loan will generally be restricted to 70 per cent of the value of the property held as security for the loan or 80 per cent of total development costs for development loans. Property valuations are determined by qualified valuers. Loans are provided on either a fixed or floating rate basis (or a combination of these) at the request of the borrower. There is no requirement for the mortgaged property to be income producing, however, the capability for servicing of total loan commitments is expected to be proven.

The Underlying Fund's fixed interest securities will be used to manage its liquidity position while potentially offering a yield that is superior to cash. Each fixed interest security will, at the time of purchase, be subject to a minimum credit rating of Investment Grade.

Investment Grade is an industry term which refers to securities that are either rated BBB- or better by Standard & Poor's or rated Baa3 or better by Moody's, and are regarded as acceptable investments for this type of portfolio.

It is our long term objective to have a cash level of 10 per cent of total assets held directly or indirectly by the Fund, although from time to time its cash level may vary.

The Fund and the Underlying Fund may invest in derivative instruments (ie financial products that derive their value from other assets or indices), but they will not be used to gear either fund. That is,

the effective market exposures of this Fund and the Underlying Fund will not exceed their respective market values.

To manage both the nature and the level of interest rate risk, interest rate swaps, interest rate options and forward rate agreements may be used.

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

Borrowing

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

Neither the Fund nor the Underlying Fund currently borrows. However each fund may incur liabilities, including borrowings, as part of its ordinary operations.

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 or Underlying Fund's investments.

Investment information

Set out below are the investment ranges for the Underlying Fund expressed as a percentage of the gross assets of the Underlying Fund. Depending on liquidity requirements and prevailing market conditions, the actual investment exposure of the Underlying Fund may vary beyond these ranges. Further, the allocations for the Fund may at any time vary from the allocations for the Underlying Fund due to timing of cash flows and cash holdings within the Fund.

Investment ranges		
Sector	Minimum	Maximum
Mortgages	55%	90%
Fixed interest securities	0%	30%
Cash	5%	25%

Fund performance and size

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

Performance information			
	1 year	3 years pa	5 years pa
Distribution Return	5.3%	5.1%	5.0%
Growth Return	-0.1%	0.0%	0.0%
Total Return	5.2%	5.1%	5.0%

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 fluctuate and past performance is not necessarily indicative of future performance.

Financial position of the Fund as at 31 March 2006	
Gross assets	\$145.9m
Liabilities	\$0.2m

On request (and at no cost) we will provide investors 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.

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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?

Fixed interest securities may be considered one of the least volatile of the major asset classes over the longer term. Mortgages may be considered to be a subset of this asset class.

You should be aware that there are no guarantees that any historical pattern of income performance will be repeated in the future. Although the level of income may fluctuate from month to month, a rate of income is guaranteed monthly in advance.

Risk factors beyond our control that affect investment performance include economic cycles, financial market conditions, government policy, interest rates, inflation and business confidence.

In relation to loans, there is a risk that borrowers may default on the payment of interest or the repayment of loan principal. If the relevant property is sold, there is a risk that the sale price may be less than the amount owed. However, we guarantee your investment capital.

Development loans may carry a higher level of risk than loans for completed properties. However, our investment style seeks to minimise these risks.

Mortgage funds are generally associated with a regular income payment, which represents interest payments derived from the borrowers of the mortgages held. The level of income paid to investors in mortgage funds will vary depending in part upon market movements in the level of interest rates. The level of income is also dependent on the structure of the mortgage portfolio; that is, the proportion of fixed and variable rate mortgages held after the effects of any swap arrangements.

For example, where interest rates rise and the Fund is exposed to a large component of fixed rate mortgages that are unhedged, the full extent of this rise will not be felt until the fixed rate mortgages are either settled early or have matured. Alternatively, the variable rate mortgages held in the Fund's portfolio will move with the market and, in the

above circumstances, will provide an increase in the interest rate earned by the portfolio.

For fixed interest securities, as with loans, there is a risk that the counterparty may default on interest or principal, or both.

The level of income paid on fixed interest securities will vary depending on the market level of interest rates either prevailing at the current time or at the time of issue.

When the Fund or the Underlying Fund includes derivatives there is a risk that the counterparty to the derivative transaction may not be able to meet its obligations. The Fund or the Underlying 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.

We may 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 AXA Australia Wholesale Investment Funds application form and send it to us with your cheque, made out to 'AXA Australia – Wholesale Australian Income Fund' and crossed 'Not Negotiable'. A minimum initial investment of \$100,000 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 or electronically. 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 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 us 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 10.

Indirect investors

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

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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 \$100,000 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

If we receive your withdrawal request before 12.00 noon (Melbourne time) on a Melbourne business day, the withdrawal will usually be processed in accordance with the following policy.

- If the withdrawal request is for up to \$1 million or 10 per cent of a unit holder's aggregate account balance (whichever is the greater), we will complete the withdrawal within five Melbourne business days of receiving the request.
- If the withdrawal request is for more than \$1 million or 10 per cent of a unit holder's aggregate account balance (whichever is the greater), we will complete the withdrawal for the first \$1 million or 10 per cent of the unit holder's aggregate account balance within five Melbourne business days after receiving the request, and the balance of the withdrawal no later than five months after receiving the request.

We will aggregate the value of all withdrawal requests received from a unit holder (net of all applications made and processed) during the five months prior to us receiving the current withdrawal request. This aggregate value will be used to determine the withdrawal period applicable for the current withdrawal request.

Although it is not expected that the usual withdrawal period will exceed five months, we cannot give an absolute assurance that a withdrawal period of up to 12 months (and in certain cases, as outlined under the Fund's constitution, in excess of 12 months) will not apply.

If you are a direct investor, we will pay the amount withdrawn by cheque or to your nominated

Australian bank or financial institution account. You will receive the unit price effective for the last day of the withdrawal period.

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 14.

Indirect investors

Direct your withdrawal request to your master trust or wrap account operator.

Switching

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

Reporting

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).

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.

Under the constitution, AXA has certain 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 a Fund at the next valuation of its investments adjusted by transaction costs (the buy/sell margin).

As at the date of this PDS there is no buy/sell margin, however this may change in the future.

Within the Underlying Fund the mortgages and fixed interest securities are valued on a hold to maturity basis.

We generally calculate the 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.

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 monthly. Distributions will normally be made within one month after the end of a distribution period and must be made within two months. 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 moneys) and in withdrawal processing and payments (including switches between funds). Normal processing times may therefore be extended during the end of financial year period.

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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.

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)	1.13% pa	Calculated on the gross asset value of the Fund daily and payable monthly. This is reflected in the Fund's unit price.
	Plus 2.56% pa of the Fund's gross income	Calculated on the Fund's gross income daily and payable monthly. This is reflected in the Fund's unit price.
Expenses	0.15% 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

1 See 'Management costs' under the heading 'Additional explanation of fees and costs' on page 10.

2 See 'Transaction costs' under the heading 'Additional explanation of fees and costs' on page 10.

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 10.

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Additional explanation of fees and costs

1 Management costs

1.1 Management fee

The management fee comprises an asset based fee and an income based fee. We currently charge a management fee of 1.13 per cent per annum of the gross asset value of the Fund plus 2.56 per cent of the gross income of the Fund, both calculated daily and payable monthly. At the time of this PDS we estimate the combined management fee at 1.3 per cent per annum. The management fee is reflected in the Fund's 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, including fees charged by the Fund's auditors. We estimate these expenses to be 0.15 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

At the date of this PDS there is no buy/sell margin as the cost of trading these assets are minimal, however this may change in the future. A 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.

3 When can we change fees?

The Fund's constitution allows us to charge certain fees up to limits specified. 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 5 per cent of each application amount invested in the Fund, and a management fee of up to 2 per cent per annum of the gross asset value of the Fund and up to 5 per cent of the gross income of the Fund, both 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.

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 \$100,000 and a maximum Adviser Review Fee of 1 per cent per annum, an investor's total return would be reduced by a maximum of \$1,000 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 our Wholesale Customer Service Centre on 1800 780 085.

Management Expense Ratio (MER)

Due to a change in the law, from 1 July 2006 management or investment costs will no longer be expressed as MERs, but will be calculated to include the total indirect fees and costs incurred by investors and deducted from the Fund prior to the unit price being calculated. In some cases, the MER may be the same figure as the management or investment costs, however this may not always be the case.

At the date of this PDS, AXA Australia believes that historical MERs provide the most useful indication of the total indirect fees and costs incurred by investors of the Fund. 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:

MERs for year ended 30 June		
2005	2004	2003
1.45%	1.46%	1.23%

Wholesale Australian Income Fund

Product Disclosure Statement

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 \$100,000 with a contribution of \$5,000 during the year
Contribution Fees	Nil	For every \$5,000 you put in, you will be charged \$0
PLUS Management Costs	1.45%*	And, for every \$100,000 you have in the fund you will be charged \$1,450 each year
EQUALS Cost of fund		If you had an investment of \$100,000 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 \$1,486.25.** What it costs you will depend on your investment account balance and the fees you negotiate with your financial adviser.

The above example assumes the balance at the start of the year is \$100,000 and the additional contribution of \$5,000 is made after 6 months. The \$1,486.25 is therefore comprised of \$1,450 ($\$100,000 \times 1.45\%$) plus \$36.25 ($\$5,000 \times 1.45\% \times 6/12$).

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

* Management costs of 1.45% are made up of the management fee (1.3%) and expenses (0.15%).

** Additional fees may apply: If you agree to the **Adviser Review Fee** it will apply as outlined on page 10.

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.

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 any part of your investment, it is treated as a disposal.

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 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. We will send you a copy of the constitution free of charge while this PDS is current, by contacting us on 1800 780 085.

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 – 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

Except for our obligations under the capital guarantee, 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 the constitution to the value of your 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.

Wholesale Australian Income Fund

Product Disclosure Statement

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 12 months. 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 funds.

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 broad powers to enable the efficient and prudent management of the Fund including powers related to the types of assets in which the Fund can invest. These powers are limited by the Fund's stated objectives, which are referred to on page 1 of this PDS.

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 lodgment 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 us 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 after 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. Their telephone number is 1300 780 808.

Indirect investors

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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