

## Recent developments – February 2012

AXA AUSTRALIAN PROPERTY FUND | 1 FEBRUARY 2012

In February 2012 AXA announced a number of changes to the AXA Wholesale Australian Property Fund (“**AXA Wholesale Fund**”). The OneAnswer – AXA Australian Property Fund (“**OneAnswer Fund**”) wholly invests into the AXA Wholesale Fund.

### Changes announced by AXA in relation to the AXA Wholesale Fund

- **The AXA Wholesale Fund is now “liquid”**: AXA has announced that the AXA Wholesale Fund is “liquid” within the meaning of the law. This means that AXA may process withdrawal requests within the time frame specified in the AXA Wholesale Fund’s Constitution#. The Constitution for the AXA Wholesale Fund permits AXA to process withdrawal requests within 12 months from the date of receipt.
- **New withdrawal offer**: AXA has opened a withdrawal offer in relation to the AXA Wholesale Fund in February 2012. Withdrawal requests will be accepted up until 31 May 2012 with payments expected by 30 January 2013. This is within 12 months of the offer opening.
- **How much will be paid out**: This is subject to investor demand for withdrawal. AXA have a program of property sales underway to facilitate the payment of expected withdrawal requests.
- **When will the proceeds of the withdrawal offer be paid**: This is subject to the outcome of the withdrawal offer (more details are provided on page 2). It is likely that some or all of the proceeds will be paid by 30 January 2013.

### Impact on ANZ OneAnswer clients

- The change in status of the AXA Wholesale Fund does not change the current status of the OneAnswer Fund which remains suspended and “illiquid”.
- The OneAnswer Fund will not be opening a withdrawal offer to its investors.
- The OneAnswer Fund<sup>^</sup> is an investor in the AXA Wholesale Fund and must decide whether to make a withdrawal request on behalf of investors. The deadline for submitting a request is 31 May 2012. We will confirm our position in relation to the offer in June 2012.
- If OneAnswer does submit a withdrawal request we would expect to receive the proceeds by 30 January 2013. We would then pass the proceeds on to OneAnswer investors by returning capital to all investors on a pro rata basis by March 2013.
- Hardship claims can continue to be submitted and will be reviewed as per current process. The changes announced in February 2012 by AXA do not change this position.

### Do OneAnswer clients need to do anything?

- No, there is no action required by OneAnswer clients.

### Next steps

1. We will update investors in the OneAnswer Fund of our decision regarding the redemption offer during June 2012.

2. We expect AXA will make a further announcement during June 2012 in relation to the level of redemption requests received and the next steps. We will communicate the impact of announcements made by AXA on the OneAnswer Fund investors as soon as practicable.

## Background information

- The Funds (including the OneAnswer Fund and the AXA Wholesale Fund) have been suspended since August 2008.
- During 2011, the AXA Wholesale Fund made three withdrawal offers (Nov 2010, April 2011 and Nov 2011) and in each case the OneAnswer Fund requested a full redemption of its investment from the AXA Wholesale Fund. The proceeds of these withdrawal offers were passed on to investors in the OneAnswer Fund via a pro rata return of capital payment. Each withdrawal offer from the OneAnswer Fund returned approximately 8% of assets to investors.

## Other important information about the AXA Wholesale Fund

### Other recent changes implemented

AMP Capital was appointed as the new investment manager for the AXA Wholesale Fund in November 2011. AMP Capital will take over asset management of the direct properties from 1 June 2012. AMP Capital has taken over asset management of the cash holdings and will manage Listed Property Trusts (if held in future).

### Outcomes of the withdrawal offer will lead to one of two actions

AXA are proposing to implement a number of changes to the AXA Wholesale Fund with a view to continuing to offer the revamped fund to new and existing investors in the future. They plan to gauge investor interest in the revamped fund through the withdrawal offer closing 31 May 2012.

### **AXA have indicated that:**

If less than 50% of units are requested to be redeemed through the withdrawal offer closing 31 May 2012 then AXA will take this as a positive response to the changes and they reopen the fund to new investments from 1 July 2012 and implement a number of other changes to the AXA Wholesale Fund;

If more than 50% of units are requested to be redeemed they will not implement the proposed changes and instead will move to terminating the fund. This would involve returning capital to investors periodically over a two to four year period. If this occurs the timing of the capital payments is not clear and it is unlikely that withdrawal requests will be paid in full by 30 January 2013.

\* The Corporations Act 2001.

# A Constitution is the governing document that details how each Managed Investment Scheme will operate.

^ OnePath Funds Management Limited (OnePath FM) is the Responsible Entity of the OneAnswer - AXA Australian Property Trust (ARSN 115 529 005) offered through OneAnswer Investment Portfolio and OnePath FM will be making the decision about whether to withdraw. OnePath Custodians Pty Limited (OnePath Custodians) is the Trustee of the superannuation fund through which the OneAnswer - AXA Australian Property fund is offered and OnePath Custodians will be making the decision about whether to withdraw its investment in relation to the superannuation fund.