

North Investment Guarantee

To be read in conjunction with
North Investment
North Investment Options



Product Disclosure Statement

Issue Number 6, 10 May 2010



redefining / investments

Contents

2	North Investment Guarantee PDS
6	Protected Investment guarantee features
8	Protected Growth guarantee features
11	Risks and other information
12	Investment Strategies
13	Guarantee fees and other costs
15	Other important information
22	North IDPS, Guaranteed Deed Poll and NMFМ discretions
23	Privacy: Use and disclosure of personal information
24	Other information you should be aware of

NMFМ is the issuer of the Guarantees and this North Investment Guarantee PDS. The Guarantee issued by NMFМ to Investors is a put option, which is a derivative. For the purposes of this PDS, we have defined and described the features of the derivative as a Guarantee. NMMТ is the operator of the North IDPS and issuer of the North IDPS Guide.

Please note that if you transfer beneficial ownership of your North IDPS investment, the Guarantee will be removed.

NMFМ has issued the North Investment Guarantee PDS directly to investors of the North IDPS. The Guarantees are only available to individuals, joint tenants and trustees of self-managed superannuation funds who have invested through the North IDPS. While these investors can select the North IDPS without a Guarantee, a Guarantee is only available in conjunction with the North IDPS.

NMFМ will interact with you via North Online, which is operated by NMMТ. NMMТ will forward all information relevant to your application and transaction requests for a Guarantee to NMFМ. NMMТ will also collect fees relating to the Guarantees on behalf of NMFМ and when applying for a Guarantee you will be authorising NMMТ to forward those fees to NMFМ.

NMMТ bears no responsibility nor incurs any liabilities in relation to the Guarantees issued by NMFМ.

NMFМ reserves the right to cease to offer the Guarantees to new investors at any time.

Any reference to 'investment(s)', 'withdrawal(s)', 'North Investment Options', 'investment option', 'Account Value', 'Initial Investment', 'distributions', 'Investment Strategy', 'cash account' and 'Investment Instruction(s)' refers to your investment through the North IDPS.

There are two glossaries in this PDS:

- 'Throughout this PDS' (refer below), which defines the general words, terms and entities used through this PDS, and
- 'Key guarantee terms' (refer to page 5), which defines the terms specifically relating to the features of the Guarantee.

Throughout this PDS

References to:	To be read as:
AXA	AXA APH, NMMТ and NMFМ as appropriate
AXA APH	AXA Asia Pacific Holdings Limited ABN 78 069 123 011
Business day	A day other than a Saturday, Sunday or public holiday
CPI	The most recently published Consumer Price Index (All Groups)
EFT	Electronic Funds Transfer facility
Financial adviser	A person (including their agents or employees) who either holds an Australian Financial Services Licence (AFSL) or is authorised by a Licensee that holds an AFSL to provide financial product advice
Investor, you	An investor of North including any person you authorise to act on your behalf
NMFМ, we, our, us	National Mutual Funds Management Limited ABN 32 006 787 720 AFS Licence No. 234652
NMMТ	NMMТ Limited ABN 42 058 835 573 AFS Licence No 234653
North	A suite of products available from AXA
Guarantee(s)	A Protected Investment guarantee or Protected Growth guarantee issued by NMFМ. See 'Key terms' on page 5 for further details
North Guarantee PDS (This document)	North Investment Guarantee Product Disclosure Statement
North IDPS	North Investor Directed Portfolio Service issued by NMMТ
North IDPS Guide	North Investment Investor Directed Portfolio Service Guide & Financial Services Guide
North Investment	Offer available from AXA incorporating the North IDPS and North Guarantee
North Investment Options	The investment menu which lists the investment options available to you as part of the North IDPS and should be considered with the North IDPS Guide
PDS	Product Disclosure Statement
Portfolio	Your investments held through North IDPS
Public holiday	A day other than a weekend on which financial institutions in Melbourne are generally closed for normal trading

This document is the North Guarantee PDS which details the Protected Investment and Protected Growth guarantees issued by NMFМ and is only available in conjunction with the North IDPS. This document should be read in conjunction with the North IDPS Guide and North Investment Options PDS.

North Investment



Read all relevant documents

North Investment

North Investor Directed Portfolio Service Guide and Financial Services Guide

General information document issued by NMMT made up of the North IDPS Guide and Financial Services Guide

North Investment Guarantee

Product Disclosure Statement

Specific information regarding North's Guarantee options and is issued by NMFМ

North Investment Options

Provides a menu of investment options available via the North IDPS and is issued by NMMT

Information you should read

As with any investment, Investors through the North IDPS and the North Guarantee are subject to certain risks. These risks include NMFМ counterparty risk (related to the financial capacity and risk management techniques of NMFМ to honour the Guarantee) and that NMFМ's compliance and management policies or information technology systems will not operate effectively. You should also be familiar with the terms and conditions of the Guarantee Deed Poll and the North IDPS (including the removal of investment options and the early termination of the Guarantee if there is a failure to comply with those terms and conditions). You should read the information on page 11 which describes these risks in more detail.

North Investment Guarantee PDS

Through North, AXA gives Investors the ability to invest their savings in investments without the downside risk that ordinarily accompanies these investments.

Unlike many capital guaranteed market offers on the Australian investment market, North Guarantees do not force an investor's investments into cash or fixed interest assets if a market downturn is experienced. On the contrary, the Guarantees allow investors to remain fully invested in their nominated investment selection while still providing the peace of mind of capital protection. Existing North Investors who do not have a Guarantee but who wish to select one, may only invest in the investment options that are available with a Guarantee, as indicated in the North Investment Options document.

North provides Investors with a broad choice of guarantee Terms designed to match your specific needs and preferences:

- 6 and 8 year Terms are available under the Protected Investment guarantee, and
- 10 and 20 year Terms are available under the Protected Growth guarantee.

Importantly, the Protected Balance is only available in full at the end of the Term. Therefore, you should select a Term taking into consideration your investment time horizon. The choices available give you the flexibility to set the length of the Guarantee appropriate for your needs. However, if your investment horizon is less than 6 years, a North guarantee may not be appropriate for you and you should discuss this with your adviser.

Both the Protected Investment and Protected Growth guaranteed amounts are known as the Protected Balance.

The Guarantees are provided subject to the terms of the North Guarantee Deed Poll. Refer to pages 11 and 22 for more information.

North Online

Your North account is operated through North Online at **north.axa.com.au**. North Online allows you and your financial adviser to enquire, transact and report on your North account.

Transactions include:

- completing a North application, and
- maintaining your personal or account details.

All communications will be sent to you via North Online. They will be stored in your own online filing cabinet, providing you with easy access at any time.

Communications will include:

- welcome letter
- transaction confirmations
- change of details confirmations, and
- annual statements.

Important updates will be posted on the 'News & Announcements' page within North Online. North is an online product. An integral part of this product is the provision of information and services through the internet.

You require internet access to use and maintain this product.

Who can invest?

The Guarantees are only available to individuals, joint tenants and trustees of self-managed superannuation funds investing through the North IDPS.

Making an application

Your financial adviser will complete an application with you online.

There is no need for you to send any forms to AXA. Once your application is accepted you will be sent a welcome letter by mail and password access to North Online – either by email or mail if you don't provide an email address. It is important that you check all your details are correct.

When applying for a Guarantee you are required to meet certain identification requirements stipulated by legislation. Copies of your identification documents, such as a copy of your driver licence or passport, will be retained by your financial adviser. See 'Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Act' on page 24 for further information.

NMFM reserves the right to refuse an application for a Guarantee for any reason.

Protected Balance

Protected Investment guarantee



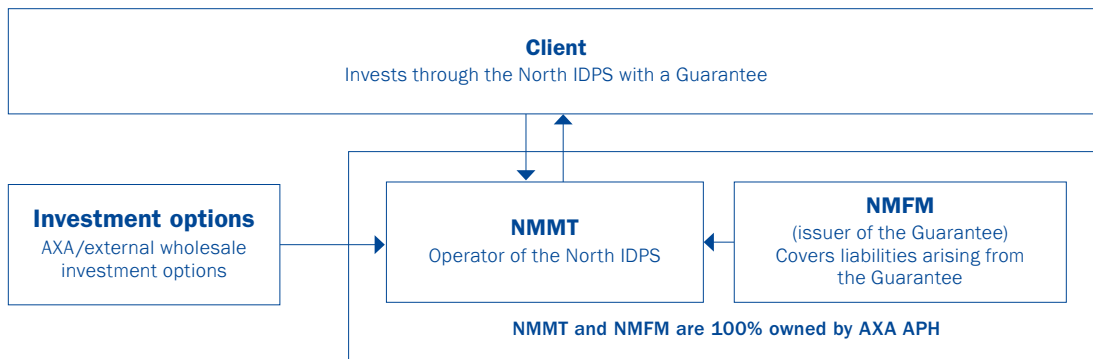
Protected Growth guarantee



Who provides the Guarantees?

The Guarantees are issued by NMFM. NMFM is wholly owned by AXA APH. The relationship between NMFM and AXA APH is shown below. Where NMFM is required to pay an amount to an Investor under a Guarantee pursuant to the terms of this PDS, AXA APH has provided an undertaking to NMFM that AXA APH will pay that amount to NMFM in circumstances where NMFM is unable to make that payment.

Product structure



Guarantee features at a glance

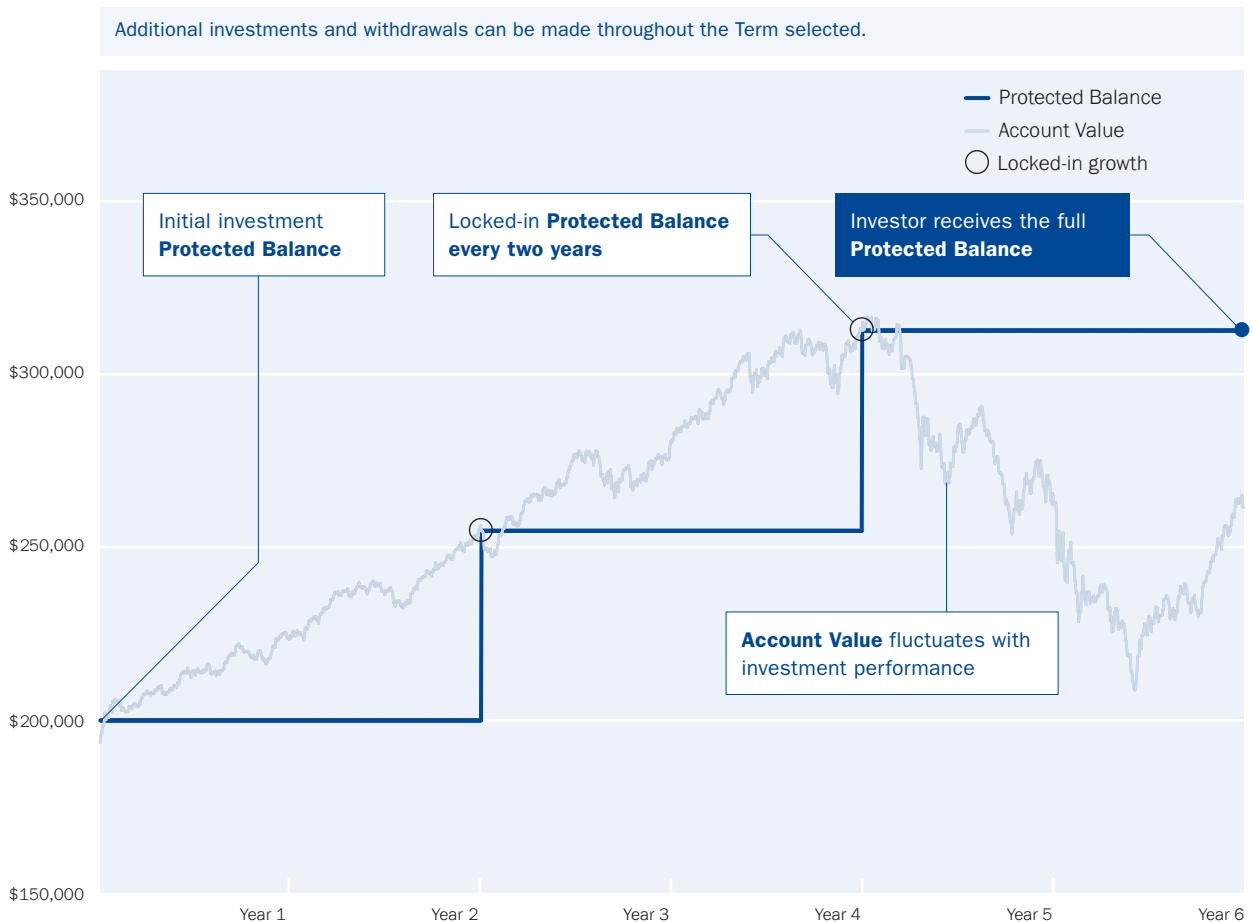
		Page
Protected Investment guarantee	Guarantees, at the end of your nominated Term, investments (net of Up-front fees, less any withdrawals, adviser remuneration or taxes paid) and every two years locks in growth in your Account Value as a result of positive investment performance if your Account Value is greater than your Protected Balance.	6
Terms available	Protected Investment guarantee – 6 and 8 years	7
	Protected Growth guarantee – 10 and 20 years	10
Protected Growth guarantee	Guarantees, at the end of your nominated Term, investments (net of Up-front fees, less any withdrawals, adviser remuneration or taxes paid) and annually locks in growth in your Account Value as a result of positive investment performance if your Account Value is greater than your Protected Balance.	8
Investment strategies	Five strategies available in respect of your North IDPS investment, each capping your maximum exposure to equity and property.	12
Maximum investment	Balances over \$2 million through the North IDPS need pre-approval from AXA.	15
Ongoing investments through the North IDPS	Allowed, subject to the initial Guarantee Fee (Protected Investment guarantee only) and the Additional Investment Guarantee fee (Protected Investment and Protected Growth guarantees).	15
Withdrawals	Allowed (may affect the value of the Guarantee).	15
Early termination of the Guarantee	Protected Investment guarantee – You will always have access to your Account Value.	20
	Protected Growth guarantee – You will always have access to your Available Balance, which is always at least equal to your Account Value and potentially a portion of the Protected Balance.	

Key Terms

Key guarantee terms	Definition
Account Value	The current market value of your underlying investments (including the cash account) through the North IDPS.
Available Balance (Protected Growth guarantee only)	If the Account Value is less than the Protected Balance, the Available Balance is the Account Value plus a proportion of the difference between the Protected Balance and the Account Value that an Investor is entitled to receive on cessation of the Protected Growth guarantee during the Term. This proportion is based on the number of whole years elapsed in the applicable Term and is calculated in accordance with the Participation Schedule. If the Account Value is greater than the Protected Balance, then the Available Balance equals the Account Value.
Guarantee	A Protected Investment guarantee or Protected Growth guarantee, both of which are put options and derivatives.
Guarantee anniversary date	Each year anniversary from the date the Guarantee commences. This is also the date: <ul style="list-style-type: none"> i) we calculate the annual Withdrawal threshold ii) plus, in the case of the Protected Investment guarantee, every second year, the date we review your Protected Balance and lock in any growth in your Account Value as a result of positive investment performance in the preceding two years, provided your Account Value is greater than your Protected Balance. iii) plus, in the case of the Protected Growth guarantee, the date we review your Protected Balance and lock in any growth in your Account Value as a result of positive investment performance in the preceding year, provided your Account Value is greater than your Protected Balance.
Initial Investment Period and Initial Investment	The Initial Investment Period is the first 90 days from the time the Guarantee is accepted by AXA. The Initial Investment is all investments (net of Up-front fees, but before other fees and charges are deducted) received in this period.
Investment strategies	Investment strategies place caps on exposure to certain asset classes. The total asset allocation of all chosen investment options must not exceed these caps.
Participation Schedule (Protected Growth guarantee only)	The Participation Schedule is used to determine the Available Balance. It is based on your chosen Term and the number of years that have elapsed in your term.
Protected Balance	The Protected Balance is your guaranteed amount. At the end of your Term, if your Protected Balance is greater than your Account Value, the difference between the two amounts is added to your Account Value.
Protected Growth guarantee	Guarantees the value of any investments (net of any Upfront fees and less any withdrawals, adviser remuneration or taxes) made through your North IDPS account and locks in any growth in your Account Value, as a result of positive investment performance, on your Guarantee anniversary date if your Account Value is greater than your Protected Balance. The full value of your Protected Balance is only available at the end of the applicable Term.
Protected Investment guarantee	Guarantees the value of any investments (net of any Upfront fees and less any withdrawals, adviser remuneration or taxes) made through your North IDPS account and every two years locks in any growth in your Account Value, as a result of positive investment performance, on your Guarantee anniversary date if your Account Value is greater than your Protected Balance. The value of your Protected Balance is only available at the end of the applicable Term.
Term	Protected Investment guarantee <ul style="list-style-type: none"> ▪ Either a 6 or 8 year Term can be chosen. Protected Growth guarantee <ul style="list-style-type: none"> ▪ Either a 10 or 20 year Term can be chosen.
Upfront fees	Any adviser investment fee in connection with your North IDPS investment paid to your financial adviser and the Additional Investment Guarantee fee.
Withdrawal threshold	Initially set at 15% of your Initial Investment. On each Guarantee anniversary your Withdrawal threshold is recalculated as 15% of your Account Value (if you have a Protected Investment guarantee) or Available Balance (if you have a Protected Growth guarantee) and set for the following 12 months.

Protected Investment guarantee features

When you become an Investor through the North IDPS you can apply for the Protected Investment guarantee as a feature of your account. The table below illustrates the main features of the Protected Investment guarantee.



You can select from a 6 or 8 year Term.

You must select from one of four Investment Strategies if you have a Protected Investment guarantee.

Things you need to know

The Protected Balance is only available at the end of your nominated Term and when it exceeds your Account Value. The Protected Balance will decrease when adviser remuneration, taxes and withdrawals are paid from your North IDPS account.

Protected Balance

The Protected Investment option guarantees to:

- every second year, lock in any growth as a result of positive investment performance on your Account Value provided your Account Value is greater than your current Protected Balance on the Guarantee anniversary date, and
- return, by the end of the Term, any investments (net of Up-front fees) made into your account less any withdrawals, adviser remuneration or taxes paid from your North IDPS account.

The guaranteed amount is known as your Protected Balance. The total amount you are entitled to receive from North at the end of your Term will at least be equal to your Protected Balance.

Withdrawals will decrease your Protected Balance. See page 15 for a definition of withdrawals.

Your Protected Balance will not decrease in the event of:

- negative market performance on your North IDPS investments
- administration fees (excluding any adviser trail) associated with the North IDPS
- investment management fees associated with the North IDPS
- initial and ongoing guarantee fees, or
- buy/sell costs.

Terms

You can select from one of two Terms:

- 6 year, or
- 8 year.

At the end of your Term you will have the option to:

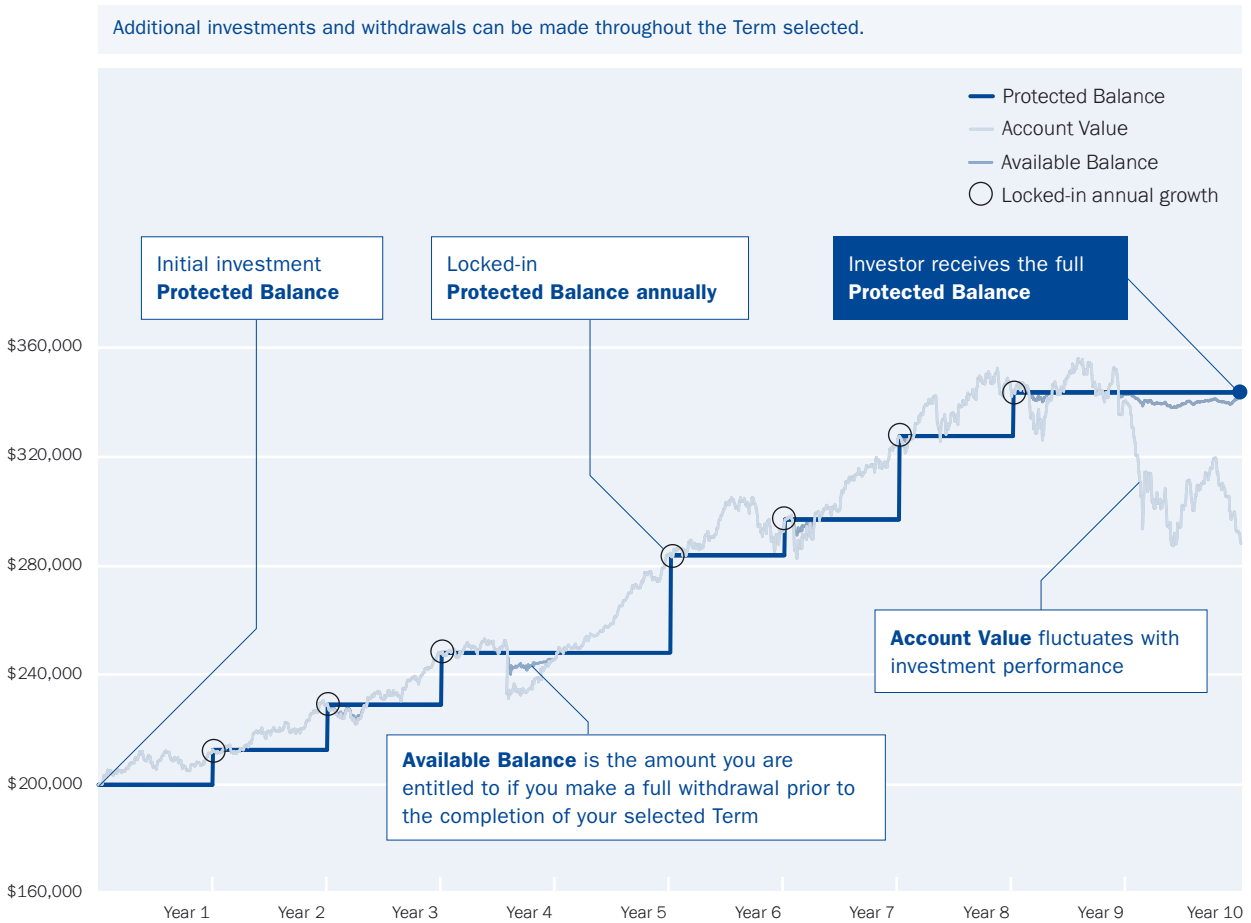
- nominate another Term and remain in the North IDPS
- remain in the North IDPS without a Guarantee
- withdraw your funds from the North IDPS.

At any time during your Term you may make a full withdrawal of your Account Value or cease the Guarantee applicable on your account. Please see pages 15 to 19 for further information in relation to withdrawals. If you make a full withdrawal or elect to cease the Guarantee prior to the end of your selected Term, you will not receive any benefit in relation to the Protected Investment guarantee.

You cannot change your Term or Investment Strategy during your Term. You can switch investment options within your chosen Investment Strategy in respect of your investment through the North IDPS. Please see 'Investment Strategies' on page 12 for further information. For further information on ceasing your Guarantee please see page 20.

Protected Growth guarantee features

When you become an Investor through the North IDPS, you may apply for the Protected Growth guarantee in accordance with this PDS. The table below illustrates the main features of the Protected Growth guarantee.



You can select from either a 10 or 20 year Term.

You must select from one of four Investment Strategies if you have a Protected Growth guarantee.

Things you need to know

The full value of the Protected Balance is only available at the end of your nominated Term and when it exceeds your Account Value. The Protected Balance will decrease when adviser remuneration, taxes and withdrawals are paid from your North IDPS account.

Protected Balance

The Protected Growth option guarantees to:

- annually lock in any growth as a result of positive investment performance on your Account Value provided your Account Value is greater than your Protected Balance on the Guarantee anniversary date, and
- return, by the end of the Term, any investments (net of Up-front fees) made into your account less any withdrawals, adviser remuneration or taxes paid from your North IDPS account.

The guaranteed amount is known as your Protected Balance.

The total amount you are entitled to receive from North at the end of your Term will at least be equal to your Protected Balance.

Withdrawals will decrease your Protected Balance. See page 15 for a definition of withdrawals.

Your Protected Balance will not decrease as a result of:

- negative market performance on your North IDPS investments
- administration fees (excluding any adviser trail) associated with the North IDPS
- investment management fees associated with the North IDPS
- ongoing guarantee fees
- buy/sell costs.

Available Balance

Within North, this feature is unique to the Protected Growth guarantee. The Available Balance is the total amount you are guaranteed to receive from North if you cease the Protected Growth guarantee prior to the completion of the selected Term.

Your Available Balance is relevant if your Account Value is less than your Protected Balance. At any other time your Available Balance will be equal to your Account Value.

The Available Balance is calculated using a Participation Schedule. The Participation Schedule is described on this page.

The Available Balance is calculated in one of the following two ways:

1 If the Protected Balance is greater than the Account Value

In this case your Available Balance is your Account Value, plus the difference between your Account Value and Protected Balance multiplied by the relevant participation percentage specified in the Participation Schedule (which increases with each year that has elapsed during your Term).

$$\text{Available Balance} = \left[\begin{array}{c} \text{Account Value} \\ + \\ (\text{Protected Balance} - \text{Account Value}) \\ \times \\ \text{Participation percentage} \end{array} \right]$$

2 If the Protected Balance is equal to or less than the Account Value

In this case your Available Balance equals your Account Value.

$$\text{Available Balance} = \text{Account Value}$$

Participation Schedule

The Participation Schedule is what sets out your participation percentage. Your participation percentage increases with each whole year completed in your Term on each Guarantee anniversary date. Your participation percentage begins to increase at the end of the first year of the Term, and then increases at the end of each following year. The participation percentage will be used for the following 12 months.

The Participation Schedule is set so that 100 per cent of your Protected Balance is available at the end of your Term.

Upon full withdrawal from your North IDPS before the end of the Term you will receive an amount equal to your Available Balance as a lump sum. For further information refer to 'Ceasing your Guarantee before the end of your Term' on page 20.

The Available Balance is calculated by applying the participation percentage associated with your Term.

The following chart illustrates the Participation Schedule for the Protected Growth guarantee.

Whole years completed	Term	
	10 Year	20 Year
0	0%	0%
1	10%	5%
2	20%	10%
3	30%	15%
4	40%	20%
5	50%	25%
6	60%	30%
7	70%	35%
8	80%	40%
9	90%	45%
10	100%	50%
11		55%
12		60%
13		65%
14		70%
15		75%
16		80%
17		85%
18		90%
19		95%
20		100%

During the first year of your Term your Available Balance will always equal your Account Value.

You can view your Available Balance at any time through North Online.

Case study 1

Calculating the Available Balance

Michael commences a North IDPS and selects the Protected Growth guarantee with a 10 year Term, investing \$400,000 initially through the North IDPS and making investments in the following years. After seven years Michael wants to withdraw his entire balance. Michael's North IDPS account has the following values:

Account Value = \$627,000

Protected Balance = \$728,000

Available Balance = \$697,700¹

1. The Account Value plus 70 per cent of difference between the Protected Balance and the Account Value, in accordance with the Participation Schedule (7 years of a 10 year Term have elapsed) $\$627,000 + [(\$728,000 - \$627,000) \times 0.70] = \$697,700$

Note: The figures used are hypothetical and are for illustrative purposes only. They should not be regarded as a forecast of how your investment may perform.

Terms

You can select from one of two Terms:

- 10 year, or
- 20 year

At the end of your Term you will have the option to:

- nominate another guarantee Term and remain in the North IDPS
- remain in the North IDPS without a Guarantee
- withdraw your funds from the North IDPS.

At any time during your Term you may make a full withdrawal of your North IDPS investment or cease the Guarantee applicable on your North IDPS account. Please see pages 15 to 19 for further information in relation to withdrawals.

You cannot change your Term or Investment Strategy during your Term. You can switch investment options within your chosen Investment Strategy in respect of your investment through the North IDPS. For further information please see 'Investment Strategies' on page 12. For further information on ceasing your Guarantee please see page 20.

Risks and other information

Risks

As with any investment, Investors through the North Guarantee PDS are subject to a number of risks. The significant risks associated with the Guarantees are discussed below and must be read in conjunction with the other risks associated with an investment through the North IDPS discussed in the North IDPS Guide.

Counterparty risk

NMFM is responsible for offering the Guarantees to North IDPS Investors. Investors are exposed to the following counterparty risks of NMFM:

- **Liability management risk:** NMFM is responsible for the liabilities arising from the Guarantees, meaning that Investors are exposed to the financial strengths and solvency of NMFM. NMFM holds an Australian Financial Services Licence to issue the Guarantee, which requires NMFM to meet certain capital, operational and conduct requirements. A copy of NMFM's independently audited Financial Report is available from AXA on request by emailing us at north@axa.com.au.

NMFM holds capital and employs a range of risk management techniques to manage the liabilities arising from the Guarantees, refer to page 24, 'Role of NMFM', for information in relation to NMFM's risk management techniques. There is a risk that the capital and risk management techniques employed by NMFM will not adequately cover the liabilities arising from the Guarantees. In the event this occurs, NMFM would be required to fund the Guarantee liabilities from other assets on its balance sheet. Further, AXA APH has provided an undertaking to NMFM that in circumstances where NMFM is unable to pay the Guarantee liabilities, AXA APH will pay that amount to NMFM. A copy of AXA APH's Annual Audited Accounts is available from AXA on request by emailing us at north@axa.com.au.

- **Operational risk:** Investors are exposed to the risk that NMFM's compliance and management policies or information technology will not operate effectively, which may have an adverse impact on the value of the Guarantees, your investments or your experience with the product generally. NMFM has business continuity plans, operational risk management, compliance and audit procedures and policies in place to reduce the possibility of these risks occurring.

North IDPS risk

These Guarantees are offered in conjunction with the North IDPS and its existence is dependent on the continuation of the North IDPS. As a Guarantee Investor, you will need to invest through the North IDPS and are required to comply with the North IDPS terms and conditions. A summary of the material terms and conditions of the North IDPS is set out at page 22 of this PDS. However, you should also read the North IDPS Guide to ensure that you are familiar with these terms and conditions.

Termination of the Guarantee

The North Guarantee Deed Poll (and the Guarantee) terminates immediately in respect of a North IDPS Investor who takes up a Guarantee if:

- The Investor fails to pay any fee for which it is liable to pay NMFM under the PDS as and when they are due and payable for whatever reason
- The Investor fails to pay any fee for which it is liable to pay NMMT in connection with the North IDPS as and when due and payable for whatever reason
- The Investor fails to meet any of their obligations under the PDS (for example, fails to provide complete or adequate personal information or withdrawal requests to NMMT in respect of the Guarantee)
- The Investor fails to comply with the terms and conditions of the PDS (for example, switches to an Investment Strategy or option not permitted under the PDS)
- The investor withdraws their Account Value in full
- The Investor ceases a Guarantee in accordance with the PDS
- The Investor transfers beneficial ownership of its investments made via the North IDPS, or NMFM pays the whole of the Guaranteed amount to the Investor.

Upon termination of a Guarantee prior to the end of an Investor's Term, the Investor will be paid an amount equal to the Account Value (if you have a Protected Investment guarantee) or Available Balance (if you have a Protected Growth guarantee). This will be determined as described on page 20 under 'Ceasing your Guarantee before the end of your Term'.

North Guarantee Deed Poll and NMFM discretions

The North Guarantees are governed by a Deed Poll. The Deed Poll contains obligations for NMFM and for Investors. A summary of the material obligations arising under the Deed Poll and the discretions of NMFM in relation to providing the Guarantee are set out at page 22 of this PDS.

Accessing the Guarantee Deed Poll

Copies of the Guarantee Deed Poll will be provided free of charge on request if you contact us on 1800 667 841 or email us at north@axa.com.au.

Investment Strategies

Your choice of Investment Strategies

Things you need to know

- Under a Guarantee you must select from one of four Investment Strategies.
- Within each of the Investment Strategies you can select from any of the shaded investment options within the investment menu.
- If you do not select any investment options in addition to an Investment Strategy, your investment will remain in the cash account.

For more information on the investment options available please refer to North Investment Options.

Each Investment Strategy allows an overall asset allocation up to the limits reflected in the table below. These asset allocation restrictions will be managed through your North IDPS.

Within your North IDPS you can switch between investment options within your nominated Investment Strategy up to six times per year.

All switches and investment instructions on your North IDPS account must remain within the asset allocation restrictions for the chosen Investment Strategy.

Switching between Investment Strategies during your Term is not permitted.

If you elect to cease a Guarantee and continue to remain in the North IDPS, any asset allocation restrictions that apply as a result of taking up the Guarantee will be removed.

Investment Strategy	Available with	
	Protected Growth guarantee	Protected Investment guarantee
Investment Strategy 35	✓	
Investment Strategy 50	✓	✓
Investment Strategy 70	✓	✓
Investment Strategy 85	✓	✓
Investment Strategy 100		✓

Maximum asset allocations per strategy for a Guarantee

Investment Strategy	Australian Equity	International Equity	Property	Fixed Interest ¹	Cash
Investment Strategy 35	15%	15%	5%	100%	100%
Investment Strategy 50	23%	20%	7%	100%	100%
Investment Strategy 70	33%	30%	7%	100%	100%
Investment Strategy 85	40%	38%	7%	100%	100%
Investment Strategy 100	50%	50%	10%	100%	100%

¹ Fixed interest includes Australian fixed interest and international fixed interest.

AXA reserves the right to review the Investment Strategy limits annually. You will be notified of any changes in advance.

Investment option closures

A fund manager may close an investment option or we may cease to offer the Guarantee in relation to an investment option at any time. We may direct NMMT that an investment option is to be removed as an option available to investors who take up the Guarantee in order to manage the risk of providing the Guarantee. If an investment option is removed, we will endeavour to give you 30 days notice to invest into an alternative North IDPS investment option available with the Guarantee (subject to your Investment Strategy limits). If we are unable to provide this notice or you do not provide alternative instructions, NMMT will treat this as your instruction to transfer any balance in the option to the AXA's Wholesale Cash Management Trust. The PDS for this investment option is available from North Online.

When you are considering altering your investments please refer to the most recent North Investment Options available from your financial adviser or north.axa.com.au/productinfo.

Guarantee fees and other costs

What fees apply?

This section sets out fees and other costs that you may be charged. These fees and costs are deducted from your North IDPS cash account. Taxes are set out on page 21.

You should read all of the information about fees and costs, as it is important to understand their impact on your North IDPS investment. Fees and costs for the North IDPS and investment options are set out in the North IDPS Guide and North Investment Options respectively.

Type of fee or cost	Amount	How and when paid
Guarantee Fee	Protected Investment guarantee: 2% of each investment made during the Initial Investment Period plus 0.80% to 2.65% pa depending upon the Term and Investment Strategy selected. Protected Growth guarantee: 0.50% to 2.10% pa depending upon the Term and Investment Strategy selected.	The initial Guarantee Fee is calculated on investments as they are made to an IDPS account (Protected Investment guarantee only during the Initial Investment Period). The ongoing Guarantee Fee is calculated monthly based on the opening Account Value on the day the fee is applied and deducted monthly from your North IDPS cash account.
Additional Investment Guarantee Fee	Up to 7% of each additional investment made. Calculated at the time of the additional investment depending on the type of Guarantee, Term, Investment Strategy and the number of years of your Term that have elapsed.	This fee is deducted from your additional investments made after the Initial Investment Period at the time the investment is made.
Adviser investment fee, administration fee, investment costs, performance fees and adviser review fee		These costs may apply to your North IDPS account. See the North IDPS Guide for details.

Guarantee fees

The following fees apply when an Investor of the North IDPS takes out a Guarantee:

- Guarantee Fee
- Additional Investment Guarantee Fee

The Guarantee Fee is deducted monthly in arrears commencing one month from the date on which your Guarantee is accepted. It is deducted from your North IDPS cash account and is calculated on the opening Account Value on the day of the fee deduction.

Protected Investment guarantee: The one-off initial Guarantee Fee of 2 per cent will be deducted up-front from investments made via your North IDPS account within the Initial Investment Period. Please see page 14 for further information on the Initial Guarantee Fee.

The Additional Investment Guarantee Fee will be deducted upfront from additional investments made via your North IDPS account after the end of the Initial Investment Period. Please see page 14 for further information on the Additional Investment Guarantee Fee.

We reserve the right to alter the fees in relation to the Guarantees and how they are applied to the Guarantees. You will be informed of any change to the Guarantee Fees at least 30 days before it occurs.

Guarantee Fee

The Guarantee Fee you pay depends on the Term and Investment Strategy you have selected.

	Initial	Ongoing (per annum)				
		Investment Strategy 35	Investment Strategy 50	Investment Strategy 70	Investment Strategy 85	Investment Strategy 100
Protected Investment guarantee						
6 Year Term	2%	-	0.95%	1.45%	2.10%	2.65%
8 Year Term	2%	-	0.80%	1.15%	1.60%	2.00%
Protected Growth guarantee						
10 Year Term	-	0.60%	0.95%	1.35%	2.10%	-
20 Year Term	-	0.50%	0.75%	1.00%	1.40%	-

Guarantee Fee and the Protected Balance

The Guarantee Fee will not reduce your Protected Balance. This fee is deducted from your Account Value.

For example

If you had Account Value of \$50,000 you will be charged a Guarantee Fee of \$500 pa.*

Initial Guarantee Fee and the Protected Balance

If you decide to invest \$20,000 during the Initial Investment Period of a Protected Investment guarantee, the Initial Guarantee Fee would be applicable to the full \$20,000. The Initial Guarantee Fee on the investment would be \$400 and the net amount (\$19,600) would be added to your North IDPS account. The Protected Balance would increase by the full \$20,000 (assuming no other Upfront fee is applied to your investment).

Additional Investment Guarantee Fee

The Additional Investment Guarantee Fee is only applicable if you contribute additional investments to the North IDPS after the Initial Investment Period.

An upfront Additional Investment Guarantee Fee of up to 7 per cent is applicable to these investments. The percentage rate which is applied will differ depending on the Term and Investment Strategy chosen and the number of years of your Term that have elapsed. In general, the closer you are to the start of your Term, the lower the Additional Investment Guarantee Fee. The net investment amount will be applied to your account and form part of your Protected Balance.

The Additional Investment Guarantee Fee applicable to your account may change from time to time. The current Additional Investment Guarantee Fee that will apply can be found on North Online, north.axa.com.au/productinfo. We recommend that you refer to this table whenever you are making an investment via your North IDPS account to ensure that you are aware of the applicable Additional Investment Guarantee Fee for that investment.

For example

If you decide to invest \$20,000 in a given year, the Additional Investment Guarantee Fee would be applicable to the full \$20,000. If the Additional Investment Guarantee Fee is 2.5 per cent at the time of your investment, the Up-front Additional Investment Guarantee Fee on the investment would be \$500 and the net amount added to your North IDPS account. The Protected Balance would then increase by \$19,500 (assuming no other Up-front fee is applied to your investment).

When making an additional investment through the North IDPS via North Online you will be notified that the fee for the Guarantee is to be charged.

When making an additional investment through the North IDPS by direct debit from your bank account we will provide you with notification that an Additional Investment Guarantee Fee has been applied in your deposit confirmation letter.

Additional Investment Guarantee Fee and the Protected Balance

Where an upfront Additional Investment Guarantee Fee has been applied, only the net investment into your North IDPS will be added to your Protected Balance.

Payment of Guarantee fees

NMFM has the power to deduct from any amount payable under the Guarantee any unpaid fees that are due to NMFM.

* Based on a Protected Growth guarantee 20 year Term and Investment Strategy 70 (\$50,000 x 1.00% = \$500).

Other important information

Investments into the North IDPS with a Guarantee

Things you need to know

- Investments made through the North IDPS with a Guarantee, outside the Initial Investment Period, will attract a one-off upfront Additional Investment Guarantee Fee.

Additional investments

You can make additional investments to a North IDPS account with a Guarantee. However, Upfront fees may be charged.

For a Protected Investment guarantee – any investment received within the Initial Investment period will attract an initial Guarantee Fee, and any investment received after your Initial Investment Period will attract an upfront Additional Investment Guarantee Fee.

For a Protected Growth guarantee – any investment received after your Initial Investment Period will attract an upfront Additional Investment Guarantee Fee.

Investments through the North IDPS that exceed \$2 million need to be pre-approved by AXA.

All investments through your North IDPS (net of Upfront fees) received are added to the Account Value and Protected Balance on a dollar for dollar basis. This means that your Account Value and Protected Balance will both increase in accordance with the net amount invested.

Furthermore, the Protected Balance will decrease with any withdrawals, adviser remuneration or taxes paid from your North IDPS account.

For further information on Guarantee fees please refer to pages 13 and 14 of this document.

Initial Investment Period

Your Initial Investment Period is the first 90 days from your Guarantee application being accepted by us. The period begins on the day that the Guarantee application is accepted by us and ceases at close of business on the 90th day thereafter. All investments (less withdrawals, adviser remuneration or taxes) received into the North IDPS account in the Initial Investment Period make up your Initial Investment.

The Initial Investment Period is designed to allow you to invest funds through the North IDPS with a Guarantee over a 90 day period without incurring an Additional Investment Guarantee fee. Protected Investment guarantee investors will however be subject to the Initial Guarantee Fee which is deducted from your Account Value only.

Initial investments greater than \$2 million need to be approved before they will be accepted.

Income distributions

Investment options will generally earn income distributions and may also generate capital gains. Investment earnings are paid in the form of distributions. Distributions received on accounts with a Guarantee are not treated as an additional investment and do not increase your Protected Balance when received. Income distributions are added to your Account Value.

Withdrawals from the North IDPS

Things you need to know

- A Withdrawal threshold applies to your North IDPS.
- Withdrawals in excess of the Withdrawal threshold when your Protected Balance is greater than your Account Value will lead to a greater reduction of your overall Protected Balance than the withdrawn amount.

For the purpose of the Guarantee, withdrawals currently are:

- Any funds you personally withdraw
- Tax payments
- Adviser remuneration payments.

Any withdrawal made from your North IDPS account must be in accordance with the North IDPS Guide and the North IDPS Deed Poll. A copy of this information will be provided free of charge on request. Please contact the North Service Centre on 1800 667 841.

Other important information

The following must be read in conjunction with the North IDPS Guide.

Protected Growth guarantee – Your Available Balance is always adjusted by an amount equal to the amount of your withdrawal (dollar for dollar basis).

At the time of the withdrawal your Account Value and Protected Balance will be adjusted in one of two ways:

- Dollar for dollar basis, which means that they both reduce exactly by the amount withdrawn
- Proportionate basis, which means that
 - If you have a Protected Investment guarantee, the Protected Balance is reduced by the same proportion as the Account Value, or
 - If you have a Protected Growth guarantee the Protected Balance and the Account Value are reduced by the same proportion as the Available Balance.

The proportionate adjustment basis will be less favourable, as your Protected Balance will be reduced by more than the amount withdrawn.

The treatment of withdrawals on your Account Value and Protected Balance may differ depending on:

- the amount you are withdrawing
- when you make the withdrawal, and
- the value of your Protected Balance in relation to your Account Value.

Withdrawal threshold

Protected Investment guarantee – Each year you can withdraw from your North IDPS account an amount up to 15 per cent of the Account Value on your most recent Guarantee anniversary date on a dollar for dollar basis.

Protected Growth guarantee – Each year you can withdraw from your North IDPS account an amount up to 15 per cent of the Available Balance on your most recent Guarantee anniversary date on a dollar for dollar basis.

This limit is known as your Withdrawal threshold. The Withdrawal threshold is only applicable when your Account Value is less than your Protected Balance. When your Account Value is greater than your Protected Balance, all withdrawals are made on a dollar for dollar basis.

The Withdrawal threshold is recalculated on each Guarantee anniversary date based on your Account Value (for a Protected Investment guarantee) or Available Balance (for a Protected Growth guarantee) on that date. All withdrawals between one Guarantee anniversary date and the next Guarantee anniversary date are added and assessed against the most recently calculated withdrawal threshold.

The Withdrawal threshold¹

What counts towards your Withdrawal threshold?	<ul style="list-style-type: none">▪ Adviser remuneration including adviser trail commission and adviser review fees▪ Withdrawals, including regular withdrawals and lump sum payments▪ Taxation payments
What does not count towards your Withdrawal threshold?	<ul style="list-style-type: none">▪ Administration fee (less any adviser trail)▪ Investment management fee▪ Buy/sell costs▪ Guarantee Fee

1 These transactions are in relation to your North IDPS account.

Withdrawals when your Account Value is greater than your Protected Balance

While your Account Value is greater than your Protected Balance any withdrawals from your North IDPS will reduce on a dollar for dollar basis the:

- Account Value and
- Protected Balance.

If you withdraw an amount greater than the Protected Balance, your Protected Balance will have no value until the date the Guarantee next locks in the Protected Balance to the Account Value. This date will be annually on the Guarantee anniversary date for the Protected Growth guarantee and every two years on the Guarantee anniversary date for the Protected Investment guarantee.

Refer to Case study 2, Step 1 for a worked example of dollar for dollar withdrawals.

Case study 2*

Withdrawing funds from a Protected Growth guarantee

Bob takes out a Guarantee on his North IDPS account with a 10 year Term. After 5 years, the account has the following balances:

Account Value	\$80,000
Protected Balance	\$180,000
Available Balance	\$130,000

In the sixth year (Bob's account has been operating for a full five years and several months), Bob needs to withdraw \$60,000 for some unforeseen expenses. Bob's financial adviser tells him that his Withdrawal threshold is \$19,500. The first \$19,500 withdrawn will therefore reduce his Account Value and Protected Balance on a dollar for dollar basis, and the remaining withdrawal amount (\$40,500) would affect his Protected Balance and Account Value on a proportionate basis.

The calculation his financial adviser completed was:

Step 1 Dollar for dollar basis

$\$130,000 \times 15\% = \$19,500$ Withdrawal threshold.

Account Value	$\$80,000 - \$19,500 =$	$\$60,500$
Protected Balance	$\$180,000 - \$19,500 =$	$\$160,500$
Available Balance	$\$130,000 - \$19,500 =$	$\$110,500$

Step 2 Proportionate basis

The withdrawal amount in excess of the 15 per cent threshold is \$40,500 ($\$60,000 - \$19,500$).

\$40,500 is 36.65 per cent reduction of the new Available Balance ($\$40,500 \div \$110,500 = 0.3665$).

The Available Balance is reduced dollar for dollar.

The Account Value and Protected Balance are reduced proportionately by 36.65 per cent.

Account Value	$(\$60,500 - [\$60,500 \times 0.3665]) =$	$\$38,327$
Protected Balance	$(\$160,500 - [\$160,500 \times 0.3665]) =$	$\$101,677$
Available Balance	$(\$110,500 - \$40,500) =$	$\$70,000$

Each balance is affected differently as summarised below:

	Available Balance	Account Value	Protected Balance
Starting balance	\$130,000	\$80,000	\$180,000
End balance	\$70,000	\$38,327	\$101,677
Reduction	\$60,000	\$41,673	\$78,323

Even though Bob has withdrawn \$60,000, his Account Value only reduces by \$41,673. In this case a partial payment of the Guarantee has been made.

Withdrawing funds from a Protected Investment guarantee

Bob has the following balances:

Account Value	\$80,000
Protected Balance	\$100,000

Bob needs to withdraw \$20,000 to fund an unforeseen expense. Bob's financial adviser tells him that his Withdrawal threshold is \$12,000. The first \$12,000 will therefore reduce the Protected Balance on a dollar for dollar basis and the remaining \$8,000 on a proportionate basis.

Step 1 Dollar for dollar basis

$\$80,000 \times 15\% = \$12,000$ Withdrawal threshold.

Account Value	$\$80,000 - \$12,000 =$	$\$68,000$
Protected Balance	$\$100,000 - \$12,000 =$	$\$88,000$

Step 2 Proportionate basis

The withdrawal amount in excess of the 15 per cent threshold is \$8,000 ($\$20,000 - \$12,000$).

\$8,000 is an 11.76 per cent reduction of the new Account Value ($\$8,000 \div \$68,000 = 0.1176$). The Account Value is reduced dollar for dollar. The Protected Balance is reduced proportionally by 11.76 per cent.

Account Value	$\$68,000 - \$8,000 =$	$\$60,000$
Protected Balance	$\$88,000 - (\$88,000 \times 0.1176) =$	$\$77,651$

Each balance is affected differently as summarised below:

	Account Value	Protected Balance
Starting balance	\$80,000	\$100,000
End balance	\$60,000	\$77,651
Reduction	\$20,000	\$22,349

* The figures used are hypothetical and are for illustrative purposes only. They should not be regarded as a forecast of how your investment through the North IDPS may perform.

Withdrawals when your Account Value is less than your Protected Balance

If you make a partial withdrawal from your North IDPS account and your Account Value is less than the Protected Balance, withdrawals reduce the Protected Balance on a dollar for dollar basis up to the 15 per cent Withdrawal threshold.

Any withdrawal in excess of the applicable Withdrawal threshold will reduce the Protected Balance on a proportionate basis. If you have a Protected Growth guarantee, the Account Value will also reduce on a proportionate basis.

If you make a full withdrawal from your North IDPS account or cease your Guarantee while your Account Value is less than the Protected Balance, the Guarantee will cease and you are entitled to an amount equal to either:

- your Account Value if you have a Protected Investment guarantee, or
- your Available Balance if you have a Protected Growth guarantee.

Refer to Case study 2 for a worked example of dollar for dollar and proportionate withdrawals.

Withdrawals and the Initial Investment Period

The Initial Investment Period is the first 90 days from the day the Guarantee application is accepted by us. The Withdrawal threshold during this period is calculated on the cumulative investments received within the Initial Investment Period. During the Initial Investment Period you are able to make withdrawals from your North IDPS account. Any withdrawal within the Initial Investment Period and up to the cumulative 15 per cent Withdrawal threshold, when the Account Value is less than the Protected Balance, will reduce the Protected Balance on a dollar for dollar basis. Any withdrawals above the cumulative 15 per cent threshold will reduce the Protected Balance on a proportionate basis.

The Protected Balance is reduced dollar for dollar when the Account Value is greater than the Protected Balance.

The Protected Balance is reduced proportionately if the Account Value is less than the Protected Balance and cumulative withdrawals exceed the cumulative 15 per cent Withdrawal.

The calculation of the Withdrawal threshold at the completion of the Initial Investment Period for the following nine months is:

- Total of all investments through your North IDPS (net of Upfront fees, but before other fees and charges are deducted) within the 90 day Initial Investment Period x 15 per cent.
- Any withdrawals made from your North IDPS account during the Initial Investment Period will count towards the Withdrawal threshold for the remaining nine months.

Case study 3*

Your Withdrawal threshold during the Initial Investment Period

Day 1	Day 5	Day 25	Day 37	Day 45	Day 62	Day 68	End of 90 days
						Adviser Remuneration	Account Value and Protected Balance (based on 0% market performance) [†]
Start plan	Investment	Investment	Withdrawal	Investment	Withdrawal		
\$0	\$100,000	\$50,000	\$10,000	\$60,000	\$2,000	\$1,000	\$197,000
Cumulative investments	\$100,000	\$150,000	\$150,000	\$210,000	\$210,000	\$210,000	\$210,000
Withdrawal threshold (15% of cumulative investments)	\$15,000	\$22,500	\$22,500	\$31,500	\$31,500	\$31,500	\$31,500
Remaining withdrawals on a dollar for dollar basis	\$15,000	\$22,500	\$12,500	\$21,500	\$19,500	\$18,500	\$18,500

* The figures used are hypothetical and are for illustrative purposes only. They should not be regarded as a forecast of how your investment through the North IDPS may perform.

† Any positive market performance would result in the Account Value being higher than the Protected Balance by the amount of the increase.

Withdrawals throughout the year

If the Account Value is greater than the Protected Balance and you make a withdrawal from your North IDPS account it will be applied on a dollar for dollar basis. Subsequently, if (prior to the next Guarantee anniversary date) the Account Value becomes less than the Protected Balance, then the funds already withdrawn will be taken into account when calculating whether the 15 per cent Withdrawal threshold has been reached. This means that if the withdrawals totalled more than the Withdrawal threshold then any further withdrawals prior to the next Guarantee anniversary date will be applied on a proportionate basis, if the Account Value remains less than the Protected Balance.

Refer to case study 4 below for a worked example.

Case study 4*

Withdrawing funds when the Account Value and Protected Balance 'swap places' during the Guarantee anniversary period

Mary has a North IDPS account with a Guarantee. At her Guarantee anniversary date in June 2009 her Account Value, Protected Balance and Available Balance all total \$90,000, therefore her Withdrawal threshold for the next 12 months is \$13,500 (\$90,000 x 15%).

By September 2009 her Account Value has risen to \$100,000, therefore her Available Balance is also \$100,000 at this time.

Later that month Mary withdraws \$20,000 from her North IDPS account. This amount is more than the 15 per cent Withdrawal threshold. Due to the fact that her Account Value is higher than her Protected Balance, the withdrawal reduces all balances on a dollar for dollar basis.

Mary's financial adviser makes her aware that should her Account Value fall below her Protected Balance before her next anniversary date in June 2010, any withdrawals would subsequently reduce her Account Value and her Protected Balance on a proportionate basis.

In February 2010 Mary needs to withdraw another \$10,000. By this time her Account Value of \$60,000 has fallen below her Protected Balance of \$70,000 due to negative market performance, and because her original withdrawal of \$20,000 is greater than her Withdrawal threshold of \$13,500, her current withdrawal reduces the Account Value and Protected Balance on a proportionate basis.

This is reflected in the table below.

	Withdrawals	Account Value	Available Balance	Protected Balance
Guarantee anniversary date June 2009 (Year 5 of 10 year plan)		\$90,000	\$90,000	\$90,000
September 2009		\$100,000	\$100,000	\$90,000
September 2009	\$20,000 dollar for dollar basis	\$80,000	\$80,000	\$70,000
February 2010		\$60,000	\$65,000	\$70,000
March 2010	\$10,000 Proportionate basis (15.4% of Available Balance)	\$50,760	\$55,000	\$59,220

* The figures used are hypothetical and are for illustrative purposes only. They should not be regarded as a forecast of how your investment may perform.

Investment instructions

Things you need to know

- If you choose a Guarantee, your selected investment profile in your North IDPS cannot exceed the asset allocation threshold for your chosen Investment Strategy.
- You can switch between investment options up to six times per year.
- Investment options selected in your North IDPS will be sold proportionally to your Account Value.

When opening a North account, you need to provide investment instructions. If you do not provide investment instructions, your funds will remain invested in the North cash account until you provide us with investment instructions. Your investment instructions must specify the percentage of your investment that you want invested in each investment option that you select. Overall, the proportion of your investment allocated to equity and property must be permitted by your Investment Strategy limits.

You can only have a proportionate sell instruction. Please refer to the North IDPS Guide for further information.

You are able to alter your investment instructions at any time via North Online provided your selected investment options remain within the limits set by your Investment Strategy.

For more information on investment instructions please refer to the North IDPS Guide.

Automatic rebalancing

Things you need to know

- Your IDPS account will be rebalanced annually on your Guarantee anniversary date if asset allocation limits in your Investment Strategy have been exceeded.

Automatic rebalancing of your North IDPS account will be performed annually on the Guarantee anniversary date. You can elect to have additional rebalancing occur quarterly or half-yearly on a selected date. Rebalancing does not count towards the switch limit that applies to your North IDPS account.

Automatic rebalancing ensures that the asset allocation limits in relation to your IDPS account and your chosen Investment Strategy are maintained. You must nominate a rebalance profile upon application for a Guarantee. The rebalancing will occur if any of your Investment Strategy limits are exceeded by at least \$1,000 in your North IDPS account. The rebalance will ensure that your asset class allocations in your North IDPS account are returned to the nominated rebalancing profile. Any pending transaction in relation to your North IDPS account at the time a rebalance is due to occur will delay the process until the transaction has been completed.

Ceasing your Guarantee before the end of your Term

Things you need to know

- You can cease your Guarantee at any time and remain a North Investor.
- For the Protected Growth guarantee – the difference between your Available Balance and Account Value, if any, will be paid into your North IDPS cash account.
- You can not apply for a Guarantee if you have ceased a Guarantee in the previous 90 days.

You may elect to cease your Guarantee at any time. If you do you can:

- remain invested through the North IDPS without the Guarantee, or
- make a full withdrawal from your North IDPS account.

When you cease your Guarantee or make a full withdrawal from your North IDPS account, the total amount you are entitled to receive from North is equal to your Account Value. Plus, if you have a Protected Growth guarantee, the difference between the Available Balance and the Account Value will be added to your cash account.

All Guarantee fees will cease to be charged on the date we receive notification that you wish to cease your Guarantee. The Protected Balance is determined on this date.

It may take us up to 90 days to calculate your final Account Value (and if applicable Available Balance) as it will include any distributions receivable from investment options, which can take up to 90 days to be received in your North account.

If you elect to cease the Guarantee and remain invested through the North IDPS:

- the Guarantee fee will no longer be charged.
- you will have access to the entire North investment menu.
- you will no longer have a Protected Balance or if applicable an Available Balance.
- the asset allocation, contribution, withdrawal or switching restrictions applicable to the Guarantee will no longer apply.

Plus, if you have a Protected Growth guarantee, we establish your Account Value and Protected Balance at the time you cease the Guarantee. Any distributions owing at the date you cease your Guarantee are added to this Account Value. Once these amounts have been paid into your North IDPS account, an amount equal to the Available Balance less your Account Value will be paid into your cash account.

You cannot apply for a Guarantee if you have ceased a Guarantee in the previous 90 days. This restriction does not apply if the Guarantee ceases as a result of you reaching the end of your Term.

We reserve the right to terminate a Guarantee where we believe a Guarantee is applied to a new account funded in whole or part by a transfer from a previous North account to which a Guarantee had applied in the previous 90 days.

Guarantee taxation information

Things you need to know

- Tax payments made on behalf of a non-Australian resident investor or an investor who has not provided their tax file number are considered a standard withdrawal for the purpose of calculating the basis by which your Protected Balance will reduce (ie either dollar for dollar basis or proportionate basis).

Guarantee fees that you have paid represent the cost base of your asset. A capital gain may arise if Guarantee payments received exceed Guarantee fees you have paid. Conversely, a capital loss may arise if Guarantee fees you have paid exceed Guarantee payments you have received.

A tax deduction cannot be claimed for the Guarantee fee. The Guarantee is an asset for Capital Gains Tax (CGT) purposes. A disposal of this asset may arise when one or more of the following occurs:

- you receive a payment under the Guarantee
- your Guarantee ceases, or
- you withdraw some or all of your Account Balance.

A disposal of this asset may cause a capital gain or loss to arise.

Any payments that you receive in relation to a Guarantee are considered to be sales proceeds in relation to your asset.

Some investors may be entitled to a CGT discount.

You should seek professional advice before making an investment decision.

Payments made upon death

The Guarantee will continue as usual under the direction of the estate's executor. Beneficial ownership of the Guarantee can not be transferred. Proceeds from the portfolio will only be released to the estate.

North IDPS, Guaranteed Deed Poll and NMFM discretions

Summary of material terms and conditions of the North IDPS

A summary of the material terms and conditions of the North IDPS are as follows:

- Minimum initial investment of \$20,000 and minimum total portfolio balance of \$2,000
- Investment options when a Guarantee is selected are restricted to those indicated in the latest North Investment Options document
- Investment switching when a Guarantee is selected is restricted to the investment switching described in this PDS
- Investors will be charged the fees disclosed in the North IDPS Guide.

Fees and other costs will be deducted from your North IDPS account and include an Administration fee, Investment costs and any Adviser remuneration agreed between you and your financial adviser. Refer to 'Fees and other costs' in the North IDPS Guide for more detailed information in relation to fees on your North IDPS.

- Instructions provided for withdrawals and investments must be readable and capable of being understood by NMMT
- NMMT may vary the terms of the North IDPS Deed Poll at any time without prior notice to Investors, if NMMT considers the amendment is not adverse to Investor interests
- If an Investor does not transact online, specific banking facilities must be used to transact
- You must have a cash account
- NMMT may add or remove investment options at any time. If an investment option is no longer available, your interests will be sold down and invested in AXA's Wholesale Cash Management Trust until your instructions are received, (see page 12 for more information)
- Distributions will be paid into your cash account and invested according to your investment profile or can be paid as a regular withdrawal
- The provision of the North IDPS is dependent on NMMT's systems and procedures operating efficiently and accurately
- Through the North IDPS, you will not be investing as a direct Investor. You are not able to participate in corporate actions as you would be able to do so if you invested directly
- An investment through the North IDPS is subject to the risks described in this Guarantee PDS and the North IDPS Guide
- NMMT reserves the right to change the terms and conditions in the North IDPS Guide subject to regulatory requirements
- NMMT reserves the right to accept or refuse (without reason) any application made to invest through the North IDPS
- The North IDPS is governed by the North IDPS Deed Poll. The North IDPS Deed Poll contains obligations for NMMT and for Investors. You should also read the North IDPS Guide to ensure you are familiar with the terms of the North IDPS.

North Guarantee Deed Poll and NMFM discretions

A summary of the material obligations arising under the North Guarantee Deed Poll and the discretions NMFM has in relation to its provision of the Guarantee, are set out below:

- NMFM guarantees to pay, by cheque or deposits to an Investor's bank or North IDPS account, to each Investor who has selected a Guarantee, the difference between the Protected Balance and the Account Value as it is described in this PDS within 90 days of the end of the Term or a payment obligation otherwise arising under the PDS, subject to the terms and conditions in this PDS
- Deductions for tax, including GST, will be made by NMFM without prior notification to you, except as required by law and this will reduce the Protected Balance
- NMFM is entitled to rely on the information provided by you to NMMT in relation to you, without making further enquiries
- NMFM may charge the fees set out in the PDS, vary those fees in accordance with the law and deduct any outstanding fees from the Protected Balance
- NMFM may waive, discount or defer any fee to which it is entitled
- NMFM may amend any of the provisions of the North Guarantee Deed Poll. If NMFM considers the amendment would have a materially adverse effect on the interests of an Investor, NMFM must give the Investor reasonable prior written notice of the amendment
- NMFM may cease to offer a Guarantee to new Investors in the North IDPS at any time in its absolute discretion
- NMFM may cease to offer the Guarantees over an investment option at any time
- NMFM may terminate the Guarantee in circumstances as described at page 11 under the heading 'Termination of the Guarantee'
- NMFM may refuse to accept an application without explanation
- NMFM may direct NMMT that an investment option be removed with 30 days notice where possible
- NMFM may delay or refuse a transaction if anti-money laundering/counter-terrorism financing information requirements are not met
- NMFM may review investment strategies annually and notify Investors of any changes to the availability of those investment strategies, and
- NMFM has a discretion to limit investments of over \$2 million.

Privacy: Use and disclosure of personal information

The privacy of your personal information is important to you and also to us. The purpose of collecting your information is to assess your application and manage your investment in North.

In assessing your application for a Guarantee and managing your investment in North, we may need to disclose your personal information to other parties, such as other providers of investment and savings products, a financial adviser, the Australian Taxation Office and other AXA Australia companies.

We will not give your personal details to any external parties for their marketing purposes. In the future we may contact you about new products or special offers. If, at any time, you do not want to receive this information you can let us know by calling us on 1800 667 841 and quoting your investor number.

You are entitled to request reasonable access to information we have about you.

Our policy on privacy is available from www.axa.com.au or by calling us on 1800 667 841. If you have any complaints or questions about the privacy of your personal information, please contact our Privacy Officer by writing to:

Group Privacy Officer
AXA Australia
PO Box 14330
MELBOURNE VIC 8001

If your complaint is not resolved by us to your satisfaction, you may write to the Privacy Commissioner at:

Office of the Federal Privacy Commissioner
GPO Box 5128
SYDNEY NSW 2001

Complaints

If you have a complaint regarding the administration of your Guarantee, you should call North on 1800 667 841 or write to:

The Administration Manager
North Service Centre
GPO Box 2915
MELBOURNE VIC 3001

Complaints that cannot be resolved during the initial discussion, or complaints made in writing, will be acknowledged within 14 days. We will then give proper consideration to the complaint in a timely manner and advise you of the outcome of any decision we make within 45 days of receipt of the complaint.

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

Other information you should be aware of

Role of NMFM

The Issuer of this PDS and of the Guarantee is NMFM.

The Issuer is responsible for the Guarantee provided to North Investors who apply for and are issued the Guarantees in accordance with the terms of the North Guarantee Deed Poll and this PDS.

NMFM employs a range of risk management techniques to manage the liabilities arising from the Guarantees.

Dynamic hedging is the principal risk management technique currently used by NMFM. Dynamic hedging involves managing market risks through the regular (dynamic) rebalancing of a portfolio of derivative instruments such as futures and interest rate swaps. These derivatives are exchange traded and over-the-counter instruments and are managed by NMFM. It is important to note that this risk management technique may be supplemented, or replaced entirely, with other techniques such as (but not limited to) reinsurance, as required from time to time and depending on market conditions and portfolio volume.

These risk management techniques are not a feature of the product and any changes to these techniques do not impact on the Guarantee being offered to you by NMFM. You will not be notified if changes or alterations are made to the risk management techniques used by NMFM.

Up-to-date information

Information in this North Guarantee PDS that is not materially adverse may change from time to time. This information will be updated on north.axa.com.au and a paper copy of any updated information will be supplied to you free of charge if you contact us on 1800 667 841. If we make an increase to fees we will give you 30 days prior written notice. For any other material change, we will inform you as soon as practicable, but no later than three months after the day the change takes effect.

No cooling off rights apply

You should note that there is no cooling off period in respect of the Guarantees. In most circumstances, this means you cannot withdraw your application once it has been accepted.

Transfer of ownership

You cannot transfer beneficial ownership of your interest in the North IDPS to any person if you have selected a Guarantee.

Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Act

AXA is required to comply with the Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Act 2006. This means before we can accept your application for a Guarantee you need to provide certain identification information and verification documentation. We may also need additional customer identification information and verification from you as you undertake further transactions in relation to your investment.

We will need to identify and verify:

- you as the applicant(s) prior to accepting your application. We cannot process requests on your behalf until all relevant information has been received and your identity(ies) has been satisfactorily verified.
- your estate. In the event of your death while holding a Guarantee, we will need to identify and verify your legal personal representative.
- anyone acting on your behalf. If you nominate a representative to act on your behalf, we will need to identify and verify the nominated representative prior to authorising them as an added signatory to your account.

The customer identification requirements form part of your application. You will need to ensure you provide any necessary supporting documentation to the application to your financial adviser.

In some circumstances, in accordance with the AML/CTF Act, we may need to re-verify information or require additional information from you.

By applying for a Guarantee, you acknowledge that we may decide to delay or refuse any request or transaction at our discretion. This could include delaying the issue of the Guarantee or payments to you if we deem that the request or transaction may breach our obligations, or cause us to commit or participate in an offence, under the AML/CTF Act, and we will incur no liability to you if we do so.

Important information

This PDS is issued by National Mutual Funds Management Limited ABN 32 006 787 720 AFS Licence No 234652. NMFM is the legal entity issuing the Guarantees.

This North Guarantee PDS is an important document as it explains how the Guarantees work. Any investor considering applying for a Guarantee will also be given a copy of the North IDPS Guide, and North Investment Options and should consider all documents in deciding whether to acquire, or to continue to hold, this product. The latest versions are available free of charge from north.axa.com.au or by contacting the North Service Centre on 1800 667 841.

An investment in the investment options offered through North Investment is subject to investment risk, including possible delays in repayment and loss of income and capital invested. Apart from a benefit arising out of the Guarantee issued by NMFM and supported by an undertaking from AXA APH, no member of the Global AXA Group or the investment managers, guarantee the repayment of capital, payment of income or the performance of the investment options.

The information contained in this North Guarantee PDS is general information only and does not take into account your individual objectives, financial situation or needs. Before acting on the information in this North Guarantee PDS, you should consider the appropriateness of this information and consult a financial adviser.

We reserve the right to change the terms and conditions in this North Guarantee PDS subject to regulatory requirements. We may accept or refuse (without reason) any application.

AXA APH has given its consent to the inclusion of statements about it in this PDS in the form and the context in which those statements are included. AXA APH has not withdrawn its consent prior to the date of issue of the PDS.

Directory

Issuer

National Mutual Funds Management Limited
ABN 32 006 787 720
AFS Licence No. 234652

Registered office

750 Collins Street
Docklands VIC 3008

Postal address

North Service Centre
GPO Box 2915
Melbourne VIC 3001

Enquiries

Telephone: 1800 667 841 (1800 NORTH 1)

Email address

north@axa.com.au

Website

north.axa.com.au

north.axa.com.au

0790904105

North Service Centre GPO Box 2915 Melbourne Victoria 3001
Telephone: 1800 667 841



redefining / investments