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December 2011

Future Directions International Share Fund - Wholesale

Investment objective

To provide a total return (income and capital growth) after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis.

Minimum suggested time frame

5 to 7 years

Fund description

The Fund is normally invested in international shares.

Performance benchmark

MSCI World (ex Australia) Accumulation Index

Inception date

09 Oct 2002

Fund size

\$374.36 million

Management costs

0.9% plus possible performance fees

Distribution frequency

Half Yearly

Buy/sell spread

+0.30/-0.30

Investment approach

The Fund is designed to blend specialist investment managers from around the world, with the aim of maximising returns and managing levels of risk. In structuring the Fund, we take a four-stage investment approach - setting objectives, targeted manager selection, portfolio construction and implementation, and ongoing portfolio and manager review.

Performance – as at 31 December 2011

Inception Date – 09 Oct 2002

%	1 mth	3 mth	1 yr	3 yr	5 yr	incept
Before tax and fees	-0.06	1.56	-7.02	-0.60	-7.45	1.98
Benchmark	0.21	2.00	-5.34	-2.58	-7.52	0.61
Distribution	0.00	0.00	0.19	0.39	1.71	2.99
Growth	-0.13	1.33	-8.01	-1.87	-10.09	-1.97
Total return - after fees	-0.13	1.33	-7.82	-1.48	-8.37	1.02

Past performance is not a reliable indicator of future performance. Performance is annualised for periods greater than one year.

Total returns are calculated using the unit price which uses the net asset values for the relevant month end. This price may differ from the actual unit price for an investor applying for or redeeming an investment. Actual unit prices will be confirmed following any transaction by an investor. Returns quoted are before tax, after Class 'O' fees and costs, assume all distributions are reinvested and are annualised for periods greater than one year.

Performance and Activity

The Fund is allocated to the Future Directions Core International Share Fund (57.5%), the Future Directions Enhanced Index International Share Fund (27.5%), the Future Directions Extended Markets International Share Fund (10%) and the Future Directions Asia ex-Japan Fund (5%). The performance of each of the underlying funds during the December quarter is provided below.

- The Future Directions Core International Share Fund returned 1.06% and underperformed the benchmark return by 94 basis points (bps).
- The Future Directions Enhanced Index International Share Fund returned 2.49% and outperformed the benchmark by 49 bps.
- The Future Directions Emerging Markets Share Fund returned 0.67% and outperformed the benchmark by 167 bps
- The Future Directions International Small Companies Fund returned 1.86% and underperformed the benchmark by 28 bps.
- The Future Directions Asia ex-Japan Fund returned -1.54% and outperformed its benchmark by 54 bps.

Market commentary

Global share markets continued to experience significant volatility over the December quarter, although within the same range since early August. Shares rebounded in October, lifted by indications that European authorities were moving to recapitalise the region's banking sector and by US economic data and profit results which confirmed that the US economy was still growing. Markets then fell back due to the lack of action from the G20 to address the European sovereign debt crisis and the failure of the US budget committee. In early December, shares surged on central bank action and hopes that a fiscal union in Europe would occur, but then fell back on worries leading up to the European leaders' summit. Late in the month, share markets rebounded helped by better news out of Europe and the US. The leading measure of global share market performance, the MSCI World (ex-Australia) Accumulation Index, returned 8.0% in local currencies (or 2.0% in unhedged Australian dollar terms). The US S&P 500 Accumulation Index returned 11.8% in local currency terms. In the European region, the Eurostoxx Accumulation Index returned 5.6% and the UK FTSE 100 Accumulation Index returned 9.4%, both in local currency terms. Shares in Asia fell back, with Japan's Topix Accumulation Index returning -4.2% and China's S&P/CITIC 300 Total Return Index returning -8.8%.0

Outlook

The economic outlook for North America continues to advance with improving consumer confidence, housing and jobs data. The region has benefitted from the 'risk-off' trade in recent months and is therefore valued on a more relative basis than Europe and the Asia Pacific regions. Conversely, the selloff that occurred in 2011 has created attractive entry points throughout Europe and the underlying managers are strategically monitoring opportunities to capitalise on deep discounts throughout the region in high quality companies.

We acknowledge that the threat of recession remains greatest in the European region and as such a quality bias is important. However, we believe the regulatory environment in many European countries provides greater certainty than many emerging market economies.

Volatility remains at historically high levels, and markets continue to rise and fall significantly based on the latest news headlines, however, we believe we are beginning to see light at the end of the tunnel.

Manager focus

Baillie Gifford (Concentrated growth)

The Baillie Gifford portfolio underperformed its benchmark for the December quarter.

The manager is focussed on identifying companies that grow their earnings faster than the market's performance over the long term. In line with this approach, the portfolio currently holds considerable exposure to the Consumer Discretionary, Information Technology and Industrials sectors and has a minimal exposure to Financials.

Notable changes to the portfolio over the quarter were complete sales of several well-known holdings including Vestas Windsystems, Teva Pharmaceutical and Banco Santander, which were undertaken after conviction in the investment thesis for these companies diminished.

Regional allocation

%	Current
North America	48.85
Europe ex UK	16.53
Emerging Markets	10.83
UK	8.93
Japan	7.29
Cash	4.47
Pacific ex Japan	2.38
Others	0.74

Investors should consider the current product disclosure statement (PDS) available from AMP Capital Investors Limited (ABN 59001 777 591) (AFSL 232497) (AMP Capital) for the Future Directions International Share Fund - Wholesale (Fund) unit class before making any decision regarding the Fund. The PDS contains important information about investing in the Fund and it's important investors read the PDS before making a decision about whether to acquire, continue to hold or dispose of units in the Fund. Neither AMP Capital, nor any other company in the AMP Group, guarantees the repayment of capital or the performance of the product or any particular rate of return. Past performance is not a reliable indicator of future performance. AMP Capital makes no representation or warranty as to the accuracy or completeness of any statement in this fact sheet including any forecasts. This fact sheet has been prepared for the purpose of providing general information, without taking account of any particular investor's objectives, financial situation, or needs. An investor should, before making any investment decisions, consider the appropriateness of the information in this fact sheet, and seek professional advice, having regard to the investor's objectives, financial situation, and needs.