



Future Directions Hedged Core International Share Fund

Product Disclosure Statement

Platform (Class A units)

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AMPCAPITAL 

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About this Product Disclosure Statement (PDS)

This PDS contains important information about investing in the Future Directions Hedged Core International Share Fund (the Fund) and may be used by master trusts or platform operators referred to in this PDS as 'platform operators', to:

- apply for units in the Fund, and
- give to their customers (indirect investors) to provide them with Fund information they may use in making a decision about instructing the platform operator to invest in the Fund on their behalf and to compare to other funds they may be considering.*

It is important that all investors read this PDS and obtain appropriate financial advice before investing in the Fund.

* See 'Our legal relationship with you' on page 21 for information about how the rights of platform operators (unitholders in the Fund) differ from the rights of indirect investors, who are not unitholders.

Future Directions Hedged Core International Share Fund

ARSN 107 655 854

APIR code AMP0825AU

Unit class On-platform Class A

Important information

AMP Capital Investors Limited, referred to in this Product Disclosure Statement (PDS) as 'AMP Capital', 'we' or 'us', is the responsible entity of the Future Directions Hedged Core International Share Fund (the Fund) and issuer of this PDS. No other company in the AMP Group is responsible for any statements or representations made in this PDS.

The Fund is a managed investment scheme structured as a unit trust and registered under the Corporations Act 2001 (Cwlth), referred to in this PDS as 'the Corporations Act'.

The Fund is subject to investment risks, which could include delays in repayment, and loss of income and capital invested. No company in the AMP Group or any investment manager assumes any liability to investors in connection with investment in the Fund or guarantees the performance of our obligations to investors, the performance of the Fund or any particular rate of return. The repayment of capital is not guaranteed. Investments in the Fund are not deposits or liabilities of any company in the AMP Group or of any investment manager.

Where the Fund has more than 100 unitholders it is subject to regular reporting and disclosure obligations under the Corporations Act. Copies of documents lodged with the Australian Securities and Investments Commission (ASIC) in relation to the Fund may be obtained from, or inspected at, an ASIC office or can be obtained by contacting us on 1800 658 404. These documents may include:

- the Fund's annual financial report most recently lodged with ASIC, and
- the Fund's half year financial report lodged with ASIC (after the lodgment of the annual financial report and before the date of this PDS).

Where the Fund has continuous disclosure obligations, we will meet those obligations by publishing material information online at www.ampcapital.com.au.

The offer in this PDS is available only to eligible persons as set out in this PDS, who receive the PDS (including electronically) within Australia. We can only accept applications signed and delivered from within Australia. We cannot accept cash.

This offer is subject to the terms and conditions described in this PDS. We reserve the right to change these terms and conditions (see 'Changes to the information in this PDS' on page 18) and to refuse or reject an application.

Unless otherwise specified, all dollar amounts in this PDS are Australian dollars.

The information in this PDS is of a general nature only and does not take into account your personal objectives, financial situation or needs. Consequently, you are encouraged to obtain appropriate financial advice before investing, and to consider how appropriate the Fund is to your objectives, financial situation and needs.

About AMP Capital

AMP Capital is a specialist investment manager with over \$93 billion in funds under management*.

As a wholly owned subsidiary of AMP Limited, we operate with a pure investment focus, while benefiting from the resources of our parent. With over 250 in-house investment professionals* and a carefully selected global network of investment partners, we offer significant depth and breadth of investment expertise.

Increasingly, delivering superior returns to our clients involves looking beyond traditional techniques, to a new generation of investment portfolios. This involves the blending of any number of inputs such as securities, asset classes, geographic regions, styles and even managers to seek to obtain the optimal risk and return outcomes. To do this well requires real depth of in-house investment expertise, a business philosophy open to partnering, and specialist capabilities designed to integrate and maximise the two.

At AMP Capital we have specialist investment teams across a diverse range of disciplines. Each team focuses on searching out and creating the best investment outcomes for our clients. We also collaborate with like-minded investment specialists around the world, leveraging our joint expertise to create new investment opportunities.

Our investment approach is characterised by three distinctive capabilities:

- **Great investment research** Our specialist investment teams interact, sharing knowledge and insights to gain multiple perspectives. This diversity of thought allows us to see things differently and discover new ways to capitalise on the inefficiencies in the market. Most importantly, we make use of our research findings to add value to our clients' portfolios.
- **Deal sourcing** Our scale, brand and relationships give us a competitive edge in deal sourcing and origination. Strong networks and industry contacts, combined with our reputation and experience, provide access to scarce assets. This opens up new and different investment opportunities for our clients.
- **Portfolio construction and packaging** The new generation of investment portfolios demand increasingly complex portfolio construction decisions. With this in mind, we have developed proprietary skills and processes that allow us to select and blend a wide range of investment inputs, from individual securities to the right investment partner. We use these skills to meet the diverse risk return objectives of our clients.

Underpinning these capabilities are our people. We seek to attract the best people, invest in their ongoing professional development, and ensure their interests are clearly aligned with those of our clients.

The combination of our scale, breadth and capability provides access to superior investment opportunity. Reliably, consistently, repeatedly.

* As at 30 September 2011

About the Future Directions Hedged Core International Share Fund

Overview

The Future Directions Hedged Core International Share Fund (the Fund) provides investors with access to international shares and exposure to a range of international share managers. This is provided through the Fund's direct investment into the Future Directions Core International Share Fund (the Underlying Fund), with the aim of principally hedging the investment back to Australian dollars.

The Underlying Fund takes a multi manager approach, blending specialist investment managers from around the world who demonstrate competitive advantages in their fields of investment.

In selecting managers for the Underlying Fund we aim for diversification of managers across:

- types of managers, from boutique investment managers to large multi-asset class managers, and
- investment style and approach.

'Our investment approach' on page 4 provides more detailed information about our investment manager selection and portfolio construction processes.

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At a glance

Investment objective	To provide total returns (income and capital growth) after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis. The Fund aims to achieve this investment objective by adopting the investment approach set out on page 4.	
Performance benchmark	MSCI World (ex-Australia) Index (Net Dividends Reinvested) hedged to Australian dollars.	
Suggested minimum investment timeframe	7 years	
Who can invest?	<ul style="list-style-type: none"> • Platform operators, investing directly into the Fund • Indirect investors, investing in the Fund through a master trust or wrap platform 	
Minimum investment amounts	Platform operators Initial – \$500,000 Additional – \$5,000	Indirect investors Minimum investment amounts, fees and costs are subject to the arrangements between indirect investors and their platform operators.
Management costs	Platform operators <ul style="list-style-type: none"> • Management fee – 1.0738% pa • Performance fees may apply – up to 25% of an underlying investment manager's outperformance above their benchmark index (see 'Performance fee' on page 13) 	
	See the 'Fees and other costs' section of this PDS for other fees and costs that may apply and a worked example of management costs that may be payable in a year. The total amount of fees you will pay will vary depending on the total value of your investment.	
Distribution frequency	The Fund aims to pay distributions half yearly (see 'Distributions' on page 8).	

See the 'Fund profile' section of this PDS for more detailed information about the Fund.

Benefits of investing in the Fund

For investors seeking to invest in an international share fund, the Fund aims to provide:

- exposure to a range of international share managers with demonstrated competitive advantages in their fields of investment
- exposure to diversified investment styles and approaches, and
- access to the investment expertise of AMP Capital's Multi-Manager investment team, which is supported by input from research partners and AMP Capital's broader investment management resources and capabilities.

Investment risks

All investing involves risk, and you should consider investment risks before making an investment decision. The key risks of investing in the Fund include or are associated with:

- share market investments – the value of the Fund's listed securities may decrease as a result of adverse share market movements, and
- international investments – which the Fund aims to principally hedge back to Australian dollars, however the Fund could incur losses related to exchange rate movements or hedging.

Risks of investing specific to the Fund may also include or be associated with:

- derivatives
- gearing
- short selling, and
- liquidity.

The 'Risks of investing' section of this PDS provides further information about the risks noted above, as well as information about other investment risks of which you should be aware.

Further information

For platform operators, if you have questions about investing in the Future Directions Hedged Core International Share Fund or require further information, please contact our Client Services team on 1800 658 404 between 8.30am and 5.30pm Sydney time, Monday to Friday. Indirect investors should contact their financial adviser or platform operator.

Further information about the Fund is also available online at www.ampcapital.com.au. This information includes performance reports. When reading Fund performance information, please note that past performance is not a reliable indicator of future performance and should not be relied on when making a decision about investing in the Fund.

Our investment approach

The Fund accesses international shares through investment in the Future Directions Core International Share Fund (the Underlying Fund).

The Underlying Fund blends specialist investment managers from around the world with the aim of maximising returns and managing levels of risk.

In structuring the Underlying Fund, we take a four-stage investment approach – strategy formulation, targeted manager selection, portfolio construction and implementation, and ongoing portfolio and manager review.

Strategy formulation

We consider the risk and return parameters within which we intend the Fund to operate and formulate a specific strategy designed to support the Fund in achieving its investment objectives.

Targeted manager selection

We expect that most of a portfolio's excess performance will come from manager skill. Consequently, we seek out a range of investment managers. These managers must have clearly identifiable competitive advantages, and be able to achieve returns above relevant targets. Working with our global research partners, we identify a preferred list of managers.

Our Multi-Manager investment team then conducts its own research and quantitative assessment. The team (or our advisers) also carries out formal site visits with managers to gain insight into the organisation's culture, structure, people, processes and track record.

When selecting a manager from the preferred list we look for:

- sustainable and exploitable ideas – managers who demonstrate insights into the market and whose ideas have the potential to work consistently over time
- low correlations between managers – we aim for complementary skills with low duplication, and
- outperformance proportional to the level of risk at both manager and portfolio levels.

We also consider other factors, including the quality of investment personnel, investment philosophy, process integrity, sustainability of competitive advantage, level of conviction in stock selection and assets under management.

Portfolio construction and implementation

Our portfolio construction methodology blends investment managers, with the objective of managing risk and maximising returns and diversification. This takes into account our understanding and analysis of market cycles, behaviours, correlations and themes.

However, the value of obtaining market insights and manager skill can be lost through inefficient implementation and transition management. Consequently, where possible, we will use investment mandates with underlying equity managers to enable us to cross a portion of the positions held with the exiting manager into the hands of the new manager, with a flow-on reduction in the associated transaction costs. We can also use cash flow to rebalance exposures, and leverage AMP Capital's scale and expertise to minimise costs.

Ongoing portfolio and manager review

Our Multi-Manager investment team regularly reviews managers, risk and market trends, refining the portfolio where necessary to maintain the blend of managers that will support the Underlying Fund's investment objectives.

Managers

We (or our advisers) regularly meet with each manager's investment team, and carry out formal on-site reviews.

Risk

We monitor risk at both manager and fund levels to maintain diversification and appropriate risk levels across the portfolio.

Market trends

As markets are constantly evolving, we regularly review portfolio design in light of changing market conditions, refining the portfolio as needed to maintain an efficient structure that supports the Fund and the Underlying Fund in achieving their objectives.

Our Multi-Manager investment team

The Fund and the Underlying Fund are managed by a team of investment professionals with extensive experience in manager research, portfolio construction and risk management.

The team takes an active role in selecting and monitoring managers with input from our research partners, while benefiting from access to AMP Capital's broader investment management resources and capabilities.

Information about the team can be obtained by contacting us.

Fund profile

The Fund's investments

The Fund invests directly into the Future Directions Core International Share Fund (the Underlying Fund), with the aim of principally hedging the investment back to Australian dollars.

The Underlying Fund invests primarily in a portfolio of international shares and may also invest up to 10% in cash. However, in certain market conditions the Underlying Fund may hold higher levels of cash.

Currency management

Under normal circumstances the Fund's international investment is principally hedged back to Australian dollars.

The Fund uses a passive hedging strategy to minimise the effects of foreign currency exchange fluctuations on capital within the Fund.

This strategy aims to hedge to the benchmark currency weights. However, the weight of each currency in the benchmark may differ from the weight of each currency in the Underlying Fund.

Investment managers

To assist in reducing portfolio risk and to enable the Fund to meet its investment objectives, the Underlying Fund blends specialist investment managers from around the world that are diversified in terms of investment style and approach (see 'Targeted manager selection' on page 4).

Adding, replacing and removing managers

Investment managers can be added, replaced or removed without prior notice to investors. AMP Capital may be selected as an investment manager and will be reviewed, replaced and added in accordance with the criteria used for other investment managers. A list of current investment managers can be obtained online at www.ampcapital.com.au or by contacting us.

Advisers appointed

Advisers are appointed by us to provide advice and research on investment manager selection and to provide monitoring services for the Fund. Except in limited circumstances, we pay the advisers for these services and they are not a cost to the Fund. We, or any of the appointed advisers, may terminate a current consulting arrangement, and aspects of an arrangement may change. If a material change occurs, we will lodge a PDS update notice online at www.ampcapital.com.au.

Derivatives

The Fund, or underlying managers, may use derivatives such as options, futures and swaps with the aim of:

- protecting against risks such as unfavourable changes in an investment's price brought about by, for example, changes in interest rates, credit risk, equity prices, currencies or other factors
- enhancing returns by taking advantage of favourable mispricings within a market, as a cost-effective alternative to purchasing physical assets, and
- supporting the Fund's investment objective.

We impose restrictions on the use of derivatives within the Fund and monitor the implementation of these restrictions in accordance with the AMP Capital Derivative Risk Statement, which can be obtained by contacting us.

Borrowing

The Fund is not restricted in the amount that it can borrow and may borrow to meet its short term liquidity needs.

Gearing

It is not our intention to gear the Fund through the use of borrowing or derivatives. However, if unrealised losses occur as a result of implementing the hedging strategy, the Fund may have a geared exposure to the Underlying Fund.

Additionally, it is not our intention to gear the Underlying Fund. However, funds and securities in which the Underlying Fund invests may be geared through the use of derivatives or borrowing.

The Fund will be managed such that its risk characteristics are consistent with its investment objective.

Short selling

The Fund, or underlying managers, may use short selling. Short selling involves the sale of an asset not owned by the seller at the time they agree to sell. The aim of short selling is to sell at a high price and buy the asset at a later time, at a lower price. In order to short sell, the seller will typically borrow the asset from another party or use derivatives such as swaps.

Ethical policy

Selecting investment managers

We do not take labour standards or environmental, social or ethical considerations into account, as part of an ethical policy, when selecting underlying investment managers.

Decisions made by us about whether to appoint or remove underlying investment managers are based primarily on economic and investment factors, with environmental, social and ethical considerations and labour standards taken into account only where they may be seen to have a material impact on the value or risk of an investment.

Selecting, retaining and realising investments

The underlying managers do not take into account labour standards or environmental, social or ethical considerations, as part of an ethical policy, when selecting, retaining or realising investments.

Decisions made by us and the Fund's current managers about whether to buy, hold or sell investments are based primarily on economic and investment factors, with environmental, social and ethical considerations and labour standards taken into account only where they may be seen to have a material impact on the value or risk of an investment. Any additional or replacement investment manager appointed may take these matters into account.

Distributions

The Fund aims to pay distributions half yearly.

You should be aware that although the Fund's objective is to pay distributions half yearly, the amount of each distribution may vary or no distribution may be payable in a six month period.

Unit prices will normally fall after the end of each distribution period. Consequently, if you invest just before the end of a distribution period, some of your capital may be returned to you as income in the form of a distribution.

Distributions paid are based on the income earned by the Fund and the number of units you hold at the end of the distribution period. For example, if you held 500,000 units in the Fund, and the Fund paid a distribution of \$0.02 per unit for a six month period, you would receive \$10,000 (that is, 500,000 units x \$0.02 per unit). Please note that the distribution rate will vary for each distribution.

Payment of distributions

Platform operators

You can choose to have distributions:

- paid directly into your current nominated account, or
- reinvested in the Fund

by indicating your selection on your application form. If no selection is made, distributions will be reinvested.

Indirect investors

Distributions are paid directly to platform operators. Payment of distributions to you is subject to the arrangement between you and the platform operator. Your financial adviser or platform operator can provide you with information about:

- how often distributions are paid, and
- the distribution payment method (eg paid directly into a nominated bank account or reinvested in the Fund).

Reinvestment

The issue price for reinvested distributions is determined by the net asset value (adjusted by any distribution payable) and the number of units on issue in the unit class as at the last day of the distribution period. No buy spread is applied to reinvested distributions (see 'Buy and sell spreads' in the 'Fees and other costs' section of this PDS).

Risks of investing

All investing involves risk

Generally, the higher the expected return, the higher the risk.

Whilst the Fund is managed with the aim of providing competitive investment returns against the Fund's performance benchmark and protecting against risk, you should be aware that the Fund is subject to investment risks, which could include delays in repayment, the non-payment of distributions and loss of capital invested.

Investment risks can affect your financial circumstances in a number of ways, including:

- Your investment in the Fund may not keep pace with inflation, which would reduce the future purchasing power of your money.
- We may not be able to achieve the stated aims and objectives of the Fund.
- The amount of any distribution you receive from the Fund may vary or be irregular, which could have an adverse impact if you depend on regular and consistent distributions to meet your financial commitments.
- Your investment in the Fund may decrease in value, which means you may get back less than you invested.

The value of your investment in the Fund may be affected by the risks listed in this section and by other risks or external factors such as the state of the Australian and world economies, consumer confidence and changes in government policy, taxation and other laws.

As the risks noted in this section do not take into account your personal circumstances, you should consider the information provided in 'Making an investment decision' at the end of this section, before making a decision about investing or reinvesting in the Fund.

Risks specific to the Fund

Share market investments

Share market investments have historically produced higher returns than cash or fixed income investments over the long term. However, the risk of capital loss exists, especially over the shorter term. You should be aware that past share market investment performance is not an indicator of future performance.

Specific risks may include a slowdown in economic growth, individual companies reporting disappointing profits and dividends or management changes. Where a fund is invested in listed securities the value of these securities may decrease as a result of these and other events.

International investments

- Currency hedging – Whilst the Fund aims to principally hedge its investment in the Underlying Fund back to Australian dollars, the Fund could incur losses related to exchange rate movements or hedging. Risks such as illiquidity or default by the other party to the transaction may also apply. In certain circumstances the use of hedging may affect the amount of any distribution payable.
- Less protection under laws outside of Australia – The laws under which assets located outside of Australia operate may not provide equivalent protection to that of Australian laws, which may mean that the Fund is unable to recover the full or part value of an offshore investment.
- Emerging markets – Securities markets in emerging markets are smaller and have been more volatile than the major securities markets in more developed countries. Clearance and settlement procedures may be less developed, which could lead to delays in settling trades and registering transfers of securities.

Derivatives

There are risks of losses to the Fund through the use of derivatives, and where derivatives are used by underlying managers. These risks include the risks that:

- the value of a derivative may not move in line with the value of the underlying asset
- a derivative position cannot be reversed
- losses may be magnified, and
- the party on the other side of a derivative contract delays or defaults on payments.

Gearing

Gearing has the effect of magnifying the Fund's returns, both positive and negative, which means that the risk of loss of capital may be greater than if gearing did not take place. Additionally, increases in interest rates may affect the cost of the Fund's borrowings and so reduce the Fund's returns.

Short selling

The aim of short selling is to sell at a high price and buy the asset at a later time, at a lower price. Consequently, the potential amount of loss to the Fund may be greater than for traditional purchase and sale transactions, as the potential increase in the price of the asset sold (and hence the potential loss) is unlimited.

Liquidity

Liquidity refers to the ease with which an asset can be traded (bought and sold) in the marketplace at its current value. An asset subject to liquidity risk may be more difficult to trade and it may take longer for its full value to be realised.

Other risks

Other risks of investing may apply and you should seek appropriate advice before investing.

Making an investment decision

As the risks noted in this section do not take into account your personal circumstances, you should consider the following before making a decision about investing or reinvesting in the Fund:

- **Obtain professional advice** to determine if the Fund suits your investment objectives, financial situation and particular needs.
- **Read a current Future Directions Hedged Core International Share Fund PDS.**
- **Consider the minimum investment timeframe** for the Fund.
- **Regularly review** your investments in light of your investment objectives, financial situation and particular needs.

Fees and other costs

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 fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your investment account, from the returns on your investment or from the Fund assets as a whole.

Taxes are set out on page 16 of this PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fee amounts in this PDS

Please note that fee amounts shown in this PDS are the fees we charge platform operators investing through this PDS. If you are an indirect investor (that is, you are investing in the Fund through a master trust or wrap platform), please contact your financial adviser or platform operator for details of the fee amounts relating to your investment in the Fund.

Table 1

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 costs		
The fees and costs for managing your investment.	Management fee 1.0738% pa	Calculated daily on the gross assets of the Fund. Paid to us monthly out of the Fund's assets and reflected in the unit price. The amount of this fee may be negotiable (see 'Differential fees' in this section).
	Performance fee This fee is up to 25% of a manager's outperformance above their benchmark index (exclusive of GST).	Paid to certain underlying investment managers when they meet specific investment performance targets (see 'Performance fee' in this section). Payable out of the assets of the Fund and reflected in the unit price.
Service fees		
Investment switching fee		
The fee for changing funds.	Nil	Not applicable

'Additional explanation of fees and costs' in this section provides information about other fees such as buy and sell spreads that may also apply to your investment in the Fund.

Additional explanation of fees and costs

Management costs

Management costs are made up of a management fee and a performance fee. Any management fees and performance fees charged by underlying funds, including funds managed by us or our associates, are included in the management costs in Table 1; they are not an additional cost to you.

Management fee

The management fee is charged on the value of the gross assets of the Fund. When calculating the value of the gross assets of the Fund for this purpose, we may value any units held by the Fund in underlying funds by reference to the gross assets of the underlying funds (that is, disregarding the value of any borrowings, other liabilities or provisions in those underlying funds) rather than the net asset value.

Performance fee

Performance fees are only payable when certain underlying investment managers meet specific performance targets.

Performance fees reward investment managers if they meet specific investment performance targets, which means an underlying investment manager may earn a performance fee irrespective of the Fund's overall performance.

Each performance fee is up to 25% of a manager's outperformance above their benchmark index. Benchmark indices upon which performance is measured currently include the MSCI World (ex-Australia) Index (Net Dividends Reinvested) and the MSCI All Country World Index. These benchmark indices may change from time to time.

Performance fee example

If you invested \$550,000 in the Fund and the underlying managers outperform their performance benchmark index by 1% in a year, the cost to you would be \$1,409.38. This is an example only; it is not an estimate or forecast. The fee may be higher, lower or not payable at all.

Maximum fees

The maximum fees that can be charged under the Fund's constitution are:

- Contribution fee – 5% of the application amount. We currently do not charge a contribution fee.
- Withdrawal fee – 5% of the withdrawal amount. We currently do not charge a withdrawal fee.
- Management fee – 3% per annum of the value of the assets of the Fund. We currently charge a management fee of 1.0738% per annum.

Buy and sell spreads

Investments and withdrawals may incur buy and sell spreads, which are designed to ensure, as far as practicable, that any transaction costs incurred as a result of an investor entering or leaving the Fund are borne by that investor, and not other investors.

Buy and sell spreads are calculated based on the actual or estimated costs the Fund may incur when buying or selling assets. They will be influenced by our experience of the costs involved in trading these assets or the costs that the Fund has actually paid, and will be reviewed whenever necessary to ensure they remain appropriate.

When you enter or leave the Fund, any buy or sell spread applicable at that time is a cost to you, additional to the fees noted in Table 1, and is reflected in the unit price. The buy and sell spreads are retained within the Fund; they are not fees paid to us or any investment manager.

The buy spread is taken out of application amounts. The sell spread is taken out of withdrawal amounts. As at the date of this PDS, a buy spread of 0.3% and a sell spread of 0.3% apply to the Fund. Current buy and sell spreads can be obtained online at www.ampcapital.com.au/spreads or by contacting us.

Based on a buy spread of 0.3% and a sell spread of 0.3%, an investment of \$550,000 would incur a buy spread of \$1,650, and a withdrawal of \$550,000 would incur a sell spread of \$1,650. This is an example only; it is not an estimate or forecast. The actual buy and/or sell spreads may be higher or lower.

Other costs

Transactional and operational costs

Transactional and operational costs associated with dealing with the Fund's assets may be recovered from the Fund in addition to the fees noted in Table 1. Transactional and operational costs may include transactional brokerage, stamp duty, international sub-custody fees and the buy and sell spreads of any underlying fund. These costs will differ according to the type of assets in the Fund, and will be paid out of the Fund.

Costs related to a specific asset or activity to produce income

The Fund may also incur costs (related to a specific asset or activity to produce income) that an investor would incur if they invested directly in a similar portfolio of assets, for example manager transition costs. These costs will be paid out of the Fund and are additional to the fees noted in Table 1.

Liabilities properly incurred

The Fund's constitution entitles us to be indemnified from the Fund for any liability properly incurred

Changes to fees and costs

Any of the existing fees can be changed without the consent of platform operators or indirect investors. However, we will give platform operators 30 days written notice of any intention to:

- increase the existing fees or expenses, or
- introduce contribution or withdrawal fees.

We may change the fees noted in this PDS at our discretion. For example, we may increase fees where increased charges are incurred due to government changes to legislation, where we incur increased costs, if there are significant changes to economic conditions, or if third parties impose or increase processing charges. However, we currently do not foresee any reason why the fees noted in Table 1 would be increased.

Tax

Unless otherwise stated, the fees shown in Table 1 are inclusive of Goods and Services Tax (GST) and any applicable stamp duty, less reduced input tax credits or other input tax credits claimable. For information about the tax implications of investing in the Fund, see the 'Tax and social security' section of this PDS.

Differential fees

We may negotiate a rebate of part of the management fee or charge a lower management fee with investors who are wholesale clients for the purposes of Section 761G and Section 761GA of the Corporations Act or with AMP staff. Further information can be obtained by contacting us.

Alternative forms of remuneration

We comply with the Financial Services Council (FSC) standard relating to alternative forms of remuneration. This standard requires fund managers, platform providers, representatives and licensees who are members of the FSC or Financial Planning Association to maintain a register to record any material forms of alternative remuneration they may pay or receive. We will provide you with a copy of our register free of charge, on request.

Payments to your financial adviser

Although we do not make any payments to financial advisers whose clients invest in the Fund through this PDS, your financial adviser may receive payments and/or other benefits from the dealer group or organisation under which they operate. These payments and benefits are not a cost to the Fund.

Other payments

We may make payments to entities such as dealer groups, platform operators, master trusts and investment administration services in relation to the Fund. These payments are paid by us and are not a cost to you. We may make two types of payments to such entities:

- product access payments (as a flat dollar per annum) for administration and related services, which may be an amount of up to \$15,000 per annum (GST inclusive) per platform, and/or
- fund manager payments (based on volumes of business generated) which may be an amount of up to 0.3% of amounts invested.

The amount of these payments may change during the life of this PDS. For further information, please refer to the offer document issued by the relevant entity.

Example of annual fees and costs

This table gives an example of how the fees and costs in the Fund can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

The fees shown in this table are an example only and are not additional to the fees described in Table 1.

Table 2

Example		Balance of \$550,000 with a contribution of \$5,000 during the year
Future Directions Hedged Core International Share Fund		
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
Plus		
Management costs ¹	1.1508%	And , for every \$550,000 you have in the Fund you will be charged \$6,329.40 ² each year.
Equals		
Cost of the Fund		If you had an investment of \$550,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged a fee of \$6,329.40 What it costs you will depend on the fund you choose and the fees you negotiate with your fund or financial adviser.

1. The management costs of 1.1508% are made up of a management fee of 1.0738% and an estimated performance fee of 0.077% (see 'Performance fee estimate' below).
2. The \$6,329.40 shown in the table above does not include the management costs charged on the additional \$5,000 investment. The additional management costs would be \$57.54 if you had invested the \$5,000 for a full 12 months.

Performance fee estimate

The performance fee estimate of 0.077% noted above was calculated inclusive of GST (less reduced input tax credits), using the following assumptions:

- For underlying managers that had performance based incentives in 2010, we have used the actual performance fees payable for the year ended 31 December 2010.
- For existing underlying investment managers that moved to a performance-based incentive after 1 January 2011, we have used the performance fee that would have been payable for the year ended 31 December 2010, had these performance fee arrangements existed.
- For new underlying investment managers, we have assumed that the investment managers will achieve performance in line with the relevant benchmark index and therefore no performance fee will be payable.

This is an estimate only and is not a forecast. The performance fee may be higher, lower or not payable at all. Further information about performance fees is provided under 'Performance fee' in this section.

Tax and social security

Taxation treatment of your investment

It is important that you seek professional taxation advice before you invest or deal with your investment, as the taxation system is complex, and the taxation treatment of your investment will be specific to your circumstances and to the nature of your investment.

Generally, however, you are liable to pay tax at marginal rates each year on any distributions from the Fund (with the exception of a return of capital), even if the distributions are reinvested, although you may be entitled to tax credits or concessional income such as capital gains.

Please note that at the time of your initial or additional investment there may be unrealised capital gains or accrued income in the Fund. If these amounts are subsequently realised, they may be returned to you as part of a distribution from the Fund.

In addition, there may be realised but undistributed capital gains or income in the Fund. These amounts may be returned to you as part of the next distribution from the Fund.

You may also be liable to pay capital gains tax on any capital gains received from disposing of your investment.

If the Fund holds investments which are located outside of Australia, the Fund's income may include non-Australian sourced income. You may be entitled to foreign tax credits for foreign tax already paid.

Other tax information is provided in the 'Fees and other costs' section of this PDS.

Social security

Investing may affect any social security benefits to which you are or may be entitled, and you should consider discussing this with your financial adviser, Centrelink or the Department of Veterans' Affairs before investing.

Investment in the Fund

Who can invest?

Applications to invest in the Fund through this PDS can only be made by:

- platform operators, investing directly in the Fund, and
- indirect investors, investing in the Fund through a master trust or wrap platform.

If you are an indirect investor, the platform operator is investing on your behalf (see 'Our legal relationship with you' on page 21 for more details).

Please note that we can only accept applications signed and delivered from within Australia.

How to invest

Initial investment

To invest in the Fund you will need to complete an application form (see the 'Applying for an investment' section of this PDS).

Additional investments

You will need to complete an application form each time you make an additional investment. Additional investments are made on the basis of the PDS current at the time of the additional investment.

More detailed information about how to invest is provided in the 'Applying for an investment' section of this PDS.

Processing applications

We generally process applications each business day, using the close of business issue price for that day. A business day for us is any day other than Saturday, Sunday or a bank or public holiday in Sydney, NSW.

If we receive an application after 2.00pm or on a non-business day for us, we treat it as having been received before 2.00pm the next business day.

We normally determine the market value and net asset value of the Fund at least each business day, using the market prices and unit prices of the assets in which the Fund is invested.

The issue price is determined under the Fund's constitution by reference to the net asset value and transaction costs pertaining to the relevant class of units, and the number of units on issue in that unit class.

Cooling off rights

Platform operators

Platform operators do not have cooling off rights in relation to an investment in the Fund.

Indirect investors

Indirect investors have no cooling off rights under this PDS. Your financial adviser or platform operator can provide you with the conditions, if any, that apply to returning your investment within the cooling off period set by the platform operator.

The value of your investment

The Fund has a number of classes of units, each with its own unit price. Investments made through this PDS relate to On-platform Class A units.

Unit prices can rise and fall on a daily basis. Consequently, the value of your investment will vary from time to time.

Platform operators

The value of your investment at any point in time is calculated by multiplying the number of units you hold, by the On-platform Class A unit price current at that time. Unit prices are updated regularly online at www.ampcapital.com.au and can also be obtained by contacting us.

Indirect investors

When you invest through this PDS, the platform operator holds units on your behalf. The value of your investment at any point in time is calculated by multiplying the number of units held for you, by the unit price set by the platform operator. Your financial adviser or platform operator can provide you with the current unit price relevant to your investment in the Fund.

Risk

The Fund is not capital guaranteed and the value of an investment in the Fund can rise and fall. You should consider the risks of investing before making a decision about investing in the Fund (see the 'Risks of investing' section of this PDS).

Retaining this PDS

You should keep this PDS and any replacement or supplementary PDS, as you may need to refer to information about the Fund for ongoing investing. We will send you a current PDS and any replacement or supplementary PDS free of charge, on request.

Changes to the information in this PDS

Before making a decision to invest or reinvest in the Fund, it is important to obtain a current PDS, as information provided in a PDS may change from time to time.

If changes to the information in this PDS are not materially adverse to investors, we will update the relevant information online at www.ampcapital.com.au. However, if a change is considered materially adverse to investors, we will issue a replacement or supplementary PDS which will be available online. You can obtain a copy of the updated information and any replacement or supplementary PDS free of charge, by contacting us.

If we intend to change the Fund's investment objective or investment approach, we will advise platform operators in writing, before making the change. See 'Changes to fees and costs' on page 14 for details about other times when we will write to platform operators before changing information in this PDS.

Questions about your investment

Platform operators

Please contact our Client Services team on 1800 658 404 if you have questions relating to your investment.

Indirect investors

You will need to contact your financial adviser or platform operator for information about your investment.

Accessing your money

Requesting a withdrawal

Platform operators

Contact us in writing, telling us how much you wish to withdraw and giving your account details. Withdrawal requests can be submitted by fax* to 1800 630 066 or by mail to AMP Capital Investors Limited, GPO Box 5445, Sydney NSW 2001. Withdrawal amounts will be paid to your nominated account.

*Please refer to 'Communication by fax' in the 'Additional information' section of this PDS.

Minimum account balance

We generally require a balance of \$500,000 to keep your investment open. If your investment falls below this level, we may redeem your investment and pay the proceeds to you. We reserve the right, however, to accept lower account balances.

Indirect investors

Contact your financial adviser or platform operator for details about:

- how to withdraw money
- how your withdrawal will be paid, and
- the minimum withdrawal amount and account balance set by the platform operator.

Processing withdrawal requests

Withdrawal requests are generally processed each business day. A business day for us is any day other than Saturday, Sunday or a bank or public holiday in Sydney, NSW.

If we receive a withdrawal request before 2.00pm on a business day, we will process the request using the close of business withdrawal price for that day. Withdrawal requests received after 2.00pm or on a non-business day for us are treated as having been received before 2.00pm the next business day.

We aim to process each withdrawal request within 10 business days of receiving the request (see 'Payment times' in this section).

Total withdrawals

Where the total withdrawals exceed 5% of the net assets of the Fund on any one day, we may determine that part of the withdrawal amount payable consists of income.

Withdrawal prices

We normally determine the market value and net asset value of the Fund at least each business day, using the market prices and unit prices of the assets in which the Fund is invested.

The withdrawal price is determined under the Fund's constitution by reference to the net asset value and transaction costs pertaining to the relevant class of units, and the number of units on issue in that unit class.

Payment times

Although we aim to process withdrawal requests within 10 business days of receipt, you should be aware that:

- payment and processing of withdrawal requests is dependent on the Fund's cash position, and
- the Fund's constitution allows up to 30 days, or longer in some circumstances, to process withdrawal requests. These circumstances include
 - where we are unable to realise sufficient assets due to circumstances beyond our control, such as restricted or suspended trading in the market for an asset, or
 - if we do not consider it is in the best interests of investors to realise sufficient assets to satisfy a withdrawal request.

Transfer of units

Stamp duty will generally need to be paid on the transfer of units.

Platform operators

Please contact us for all transfer requests.

Indirect investors

You will need to contact your financial adviser or platform operator for information about the transfer of units.

Keeping you informed

Investment information

We will send platform operators confirmation of each transaction.

Online access

Online access allows platform operators to view investment information and statements at any time. To register for online access, please contact us.

Fund information

We will provide platform operators with the following information free of charge, on request:

- the Fund's annual financial reports
- a paper copy of any updated information, and
- any replacement or supplementary PDS.

Platform operators are responsible for forwarding the above investment and Fund information to indirect investors (investors who have invested in the Fund through a master trust or wrap platform).

Additional information

Rights attaching to each class of units

The Fund has a number of classes of units. This PDS relates to On-platform Class A units.

Under the Fund's constitution, the different unit classes have different management costs, expenses and distributions, but otherwise all classes of units have similar rights.

Our legal relationship with you

The Fund is a managed investment scheme, structured as a unit trust and registered under the Corporations Act. The Fund's constitution provides the framework for the operation of the Fund and with this PDS, the Corporations Act and other relevant laws, sets out the relationship between us and unitholders. We will send you a copy of the Fund's constitution free of charge, on request.

Indirect investors

If you access the Fund through a master trust or wrap platform, you become an 'indirect investor', as the operator of your master trust or wrap platform (the platform operator) is investing on your behalf. Consequently the platform operator (or the custodian of the platform), and not you, holds the units in the Fund and has the rights of an investor (unitholder) in the Fund. For example, indirect investors do not have rights to attend and vote at unitholder meetings, to redeem units or receive distributions. Instead, the platform operator exercises those rights on your behalf in accordance with the arrangements they have with you.

For information about your investment, you will need to contact your financial adviser or the operator of the platform through which you have invested.

The Fund's constitution

The following overview of the Fund's constitution is mainly relevant to platform operators, as they are unitholders under the constitution. Indirect investors are not unitholders.

Some of the provisions of the Fund's constitution, such as maximum fees, are discussed in this PDS. Further provisions relate to:

- the rights and liabilities of unitholders
- the times when processing of withdrawal requests can be extended, such as if the Fund is illiquid or it is not in the best interests of unitholders
- where taxes or other amounts can be deducted from payments to unitholders
- where transfers and applications may be refused
- our liability to unitholders in relation to the Fund, which is limited to any liability imposed by the Corporations Act, so long as we act in good faith and without gross negligence
- our powers, rights and liabilities as responsible entity of the Fund, including our power to invest the assets of the Fund, to deal with ourselves and our associates, to be paid fees and to be reimbursed or indemnified out of the assets of the Fund
- our right to be reimbursed by a unitholder or former unitholder for tax or expenses we incur as a result of their request, action or inaction, or to redeem units to satisfy amounts due to us from a unitholder
- changing the Fund's constitution, including in some cases without unitholder approval, such as to meet regulatory changes
- our ability to terminate the Fund at any time
- when we can terminate the Fund or retire, and what happens if this occurs, and
- voting rights.

Although the Fund's constitution limits a unitholder's liability to the value of their units, the courts have yet to determine the effectiveness of provisions like this.

Related party transactions

A related party transaction is a transaction involving parties that have a close relationship with us, for example, where a fund managed by us invests in other funds where we are the responsible entity, trustee or investment manager.

Where we enter into transactions with related parties, we operate in accordance with related party protocols and AMP Capital policies and procedures which require us to transact on terms that would be reasonable if the parties were dealing at arm's length. These policies and procedures, including related party policies, are governed as at the date of this PDS by the 'AMP Capital Conflicts of Interest Guidelines'. These guidelines provide that where related party transactions exist, we must ensure legislative requirements are met and investors' interests are protected. The guidelines will be reviewed on a regular basis and may change from time to time.

Under the Fund's constitution, AMP Capital may:

- deal with itself, an associate, investor or any other person
- be interested in and receive a benefit under any contract or transaction with itself, an associate, investor or any other person, or
- act in the same or similar capacity in relation to any other fund.

Complaints procedure

Platform operators

We have an established procedure to deal with any complaints. When we receive a complaint from you by telephone on 1800 658 404 or in writing to AMP Capital Investors Limited, GPO Box 5445, Sydney NSW 2001, we ensure an appropriate person properly considers the complaint, and we give you information about any further action available to you.

If we are unable to resolve your complaint within 24 hours, we will keep you informed, giving the time frame in which we expect to resolve the matter and the name of the representative managing the resolution of your complaint. We may also require additional information from you.

Indirect investors

You should contact your financial adviser or platform operator if you have a complaint related to your investment in the Fund. If your issue remains unresolved, you can contact the external dispute resolution scheme of which the platform operator is a member.

Your privacy

Platform operators

Our main purpose in collecting personal information is so that we can establish your investment account and appropriately carry out administration associated with your account. If you choose not to provide the information requested in the application form, we may not be able to process your application.

The information collected may also be used for providing you with ongoing information about a range of financial services. Please let us know if you prefer not to receive this information.

We usually disclose information to other members of the AMP Group, financial advisers where applicable, and to external service suppliers who supply administrative, financial or other services that assist us in providing services to you.

The AMP Privacy Policy Statement sets out the AMP Group's policies on management of personal information. The policy can be obtained online at www.ampcapital.com.au or by contacting us.

Under the Privacy Act 1988 (Cwlth), you may access personal information we hold about you, although the Act does set out some exemptions to this. If you believe information we hold about you is inaccurate, incomplete or out of date, please contact us.

Indirect investors

Your financial adviser or platform operator will collect personal information from you so that they can establish your investment account and appropriately carry out administration associated with your investments. Your financial adviser or platform operator can provide you with information about how they use and disclose this information.

Unit Pricing Discretions Policy

We may exercise certain discretions in determining the unit price of units on application and withdrawal in the Fund. Our Unit Pricing Discretions Policy, which can be obtained online at www.ampcapital.com.au or by contacting us, sets out the types of discretions that we may exercise and in what circumstances, our policies on how we exercise the discretions and the reasons why we consider our policies are reasonable. We are required to keep a record of any instance where we exercise a discretion in a way that departs from these policies.

Communication by fax

When you communicate with us by fax, it is your responsibility to obtain confirmation from us that we have received your fax. We are not responsible for any loss or processing delay that occurs as a result of us not receiving a faxed communication. Please note that we do not accept a sender's fax transmission record as evidence that a communication has been received by us. You also indemnify us against any loss or liability arising from us acting on any fraudulent communication received by fax.

Anti-money laundering (AML), counter-terrorism financing (CTF) and sanctions

Indirect investors

The following information is mainly relevant to platform operators. For indirect investors, your financial adviser or platform operator will be able to provide you with information about how AML and CTF legislation may affect you in relation to an investment in the Fund.

Platform operators

To comply with our obligations under AML and CTF legislation, we must collect certain information about each investor, supported by relevant identification documents. Examples of identification documents include passports and driver's licences for individuals, and evidence of registration for entities such as companies. The documents you will need to provide are listed in the form you complete at the time of applying for an investment in the Fund.

By applying to invest in the Fund you warrant that:

- you comply and will continue to comply with all applicable AML, CTF and sanctions laws and regulations, including but not limited to the laws and regulations of Australia in force from time to time (AML/CTF and Sanctions Law)
- you are not aware and have no reason to suspect that:
 - the moneys used to fund your investment in the Fund have been or will be derived from or related to any money laundering, terrorism financing or similar activities that would be illegal under applicable laws or regulations or otherwise prohibited under any international convention or agreement ('illegal activity'), or
 - the proceeds of your investment in the Fund will be used to finance any illegal or sanctioned activities
- you, your agent or your nominated representative will provide us with all additional information and assistance that we may request in order for us to comply with any AML/CTF and Sanctions Law, and

- you will notify us if you are or become:
 - a 'politically exposed' person or organisation for the purposes of any AML/CTF Law,
 - a 'proscribed person or entity' for the purposes of Sanctions Law, or
 - commonly known by a name other than the name provided in the form you complete at the time of applying for an investment in the Fund.

By applying to invest in the Fund, you also acknowledge that we may:

- decide to delay or refuse any request or transaction, including by suspending the issue or redemption of units in the Fund, if we are concerned that the request or transaction may breach any obligation of, or cause us to commit or participate in an offence under any AML/CTF and Sanctions Law, and we will incur no liability to you if we do so
- take other action we reasonably believe is necessary to comply with AML/CTF and Sanctions Law, including disclosing any information that we hold about you to any of our related bodies corporate or service providers whether in Australia or outside Australia, or to any relevant Australian or foreign AML or CTF regulator, and
- collect additional information about you from time to time, from you or from third parties, for the purposes of satisfying our AML/CTF and Sanctions Law obligations, and that we may use and disclose any such information as described under 'Your privacy' in this section.

Applying for an investment

Indirect investors

How to apply

Your financial adviser or platform operator will provide you with information about how to apply, including:

- the form you will need to complete
- minimum initial and additional investment amounts, and
- the method of paying your investment amount.

All investments are made on the basis of the PDS current at the time of contributing your investment amount. You can obtain a current PDS from your financial adviser or platform operator.

Platform operators

How to apply

Please contact our Client Services team on 1800 658 404 to obtain an application form.

All investments are made on the basis of the PDS current at the time of contributing your investment amount. You can obtain a current PDS online at www.ampcapital.com.au or by contacting us.

Minimum investment amounts

- Initial investment – \$500,000
- Additional investment – \$5,000

We reserve the right to accept lower investment amounts.

Providing a Tax File Number (TFN)

You do not have to provide a TFN, exemption code or Australian Business Number (ABN). However, if you do not provide any of these, we are required to deduct tax from most distributions, including where those distributions are reinvested, at the highest marginal tax rate (including the Medicare levy).

Signing the application form

The application form should only be completed and signed by:

- the person who is, or will become, the unitholder
- an authorised signatory if the application is on behalf of a company, trust or superannuation fund, or
- an agent for the investor, acting under power of attorney or as a legal or nominated representative.

Submitting the application form

Application forms should be mailed to:

Client Services
AMP Capital Investors Limited
GPO Box 5445
SYDNEY NSW 2001

Please include all required identification documentation when submitting your application.

Contacting AMP Capital

For information about investing with AMP Capital, please contact us.

Sydney office

AMP Capital Investors Limited
50 Bridge Street
SYDNEY NSW 2000

Mailing address

AMP Capital Investors Limited
GPO Box 5445
SYDNEY NSW 2001

Telephone

Client Services
1800 658 404
8.30am – 5.30pm Sydney time, Monday to Friday

Fax

1800 630 066

Email

clientservices@ampcapital.com

Website

ampcapital.com.au