

For more information

T: 1800 658 404
F: 1800 630 066
E: clientservices@ampcapital.com
W: www.ampcapital.com.au
Or your business development manager

AMP Capital Investors Limited
ABN 59 001 777 591, AFSL 232497



December 2011

Balanced Growth Option

Investment objective

To provide moderate to high returns over the medium to long term.

Minimum suggested time frame

5 years

Performance benchmark

The average weighted return of the market indices used to measure the performance of the asset classes in which the fund invests.

Inception date

30 Sep 1985

Fund size

\$7,666.74 million

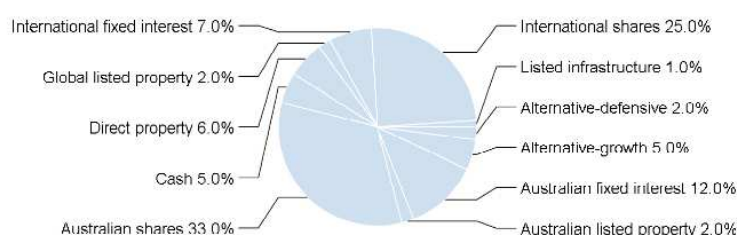
Management costs

0.662%

Buy/sell spread

Weighted average of underlying buy/sell spreads

Target asset allocation



Performance – as at 31 December 2011

Inception Date – 30 Sep 1985

%	1 mth	3 mth	1 yr	3 yr	5 yr	incept
After tax and before fees	-0.06	1.96	-2.50	5.09	-0.49	8.79
Before tax and fees	-0.12	2.16	-2.96	5.45	-0.65	9.33
Benchmark	0.02	2.91	-1.72	7.01	1.05	n/a

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 after tax, before fees, and assume all distributions are reinvested and are annualised for periods greater than one year. After fee performance figures are not applicable for this unit class of the Fund. You should note, however, fees will be charged to you by your platform operator.

Attribution analysis

%	Quarter	One Year	Three Years
Value Added	-0.78	-1.35	-1.56
Due to -			
Asset Allocation	-0.71	-1.33	-0.99
Security Selection	-0.07	-0.02	-0.56

Before tax and fees. Due to different calculation methodologies, attributed fund performance may not equal the unit price performance resulting in an unexplained variance. Fund attribution takes into account returns at the fund's asset level whereas unit price performance includes returns at both the fund and the fund's asset level, as some investor transactions impact on one and not the other.

Performance and Activity

The Option underperformed the benchmark during the December quarter, with Asset allocation detracting from performance. Within the Option's sector portfolios Australian bonds, Cash, Global REITs, Australian shares and direct property added the Option's overall performance by outperforming the benchmark during the quarter. Conversely international bonds, alternative assets, Australian REITs, international shares and direct assets underperformed their respective benchmarks, detracting from the Option's overall performance (on a pre-tax, pre-fee basis).

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%. Australian shares experienced ongoing volatility during the quarter as global share markets fluctuated in response to the ongoing sovereign debt issues in Europe. Australian shares rebounded early in the quarter with hope of a plan to address the European crisis, and were given an additional lift by heightened expectations for an interest rate cut. Australian shares fell back in November in line with the global trend. The best performing sectors were Utilities (+8.1%), Telecommunication Services (+6.9%) and Industrials (+6.9%). The star performers of the Utilities sector were Hastings Diversified (+34.3%), Energy World Corporation (+33.0%), and APA Group (+15.1%), while the better performers of the Telecommunication Services sector were Telstra (+7.4%), Singapore Telecommunications (-3.1%) and Telecom Corporation of New Zealand (-3.6%). The worst performing sectors were Materials (-3.1%) and Consumer Staples (-2.9%). White Energy (-74.3%) and OneSteel (-43.5%) detracted the most from the Materials sector while the Consumer Staples sector was dragged lower by Goodman Fielder (-9.4%) and Wesfarmers (-6.6%).

International bond markets were volatile over the December quarter. Bonds rallied in October on positive US economic data releases and in anticipation of a comprehensive proposal from the European Union Summit. Bond markets then fell back in early December on news that central banks worldwide had implemented measures to boost liquidity, before moving

higher again towards quarter-end on concerns about Europe's ability to implement tighter fiscal controls. The US ten-year bond yield rose by 12 basis points (bps) to 1.88%, while Japan's ten-year bond yield fell by 4 bps to close at 0.99%. In Europe, the UK ten-year bond yield fell 37 bps to close the quarter at 1.98% while Germany's ten-year bond yield rose by 1 bp to 1.83%. Australian bond markets rallied in the December quarter due to the ongoing sovereign debt issues in Europe and erosion of risk sentiment. In mid-December, Australian 10-year bond yields fell to their lowest level since 1951 as global investors pushed their yields further towards those prevailing for US and German bonds. The Reserve Bank of Australia cut official interest rates in November and December by 25 basis points (bps) at both meetings, taking the cash rate to 4.25% by quarter-end. The Board cited Europe's debt crisis generating financial turmoil, Australia's moderating growth and a milder inflation outlook as reasons for the cuts. Three-year Australian government bonds opened the quarter at a yield of 3.54% and closed 41 bps lower at 3.13%. Ten-year bond yields also fell, opening the quarter at 4.10% and closing 43 bps lower at 3.67%.

The Australian real estate investment trust (A-REIT) sector returned 3.7% for the December quarter outperforming the broader Australian equities market which returned 2.1% (as measured by the S&P/ASX 200 Accumulation Index). October saw a large shift in sentiment as confidence improved on the back of a proposed solution to the sovereign debt crisis in Europe. The more active A-REITs outperformed. Charter Hall Group was a good example of this trend, as it was the worst-performing REIT in September as the group's active earnings are highly leveraged to a strong economy, but delivered the highest return in October as investor confidence returned. There was also a mid-quarter improvement in the trend of the large cap stocks within the property sector. Westfield Group delivered a strong return of 6.5% after providing a September quarter operational update in November. The market responded positively as guidance around the US asset sales became clearer.

Outlook

International shares are likely to remain volatile in the early months of 2012 as European problems could get worse before they get better. However, shares are now very cheap particularly against bonds, monetary policy is likely to ease further particularly in Europe and everyone is bearish. So while shares may have a rough start to the year in the first few months, there is good reason to expect them to be higher by year-end. The fact that a lot of bad news is factored into share markets is indicated by forward price to earnings (P/E) multiples which are now 10.2 times for global shares compared to 12.4 times a year ago. In Australia, the forward P/E is now 10.6 times compared to 13 times a year ago. In the emerging world and Europe, the forward P/E is now just 8.5 to 9 times.

The outlook for Australian shares is relatively more favourable than their global counterparts thanks to a combination of better fundamentals in Australia and the likelihood of further interest rate cuts following the Reserve Bank of Australia's rate cut in December. We expect the Australian ASX 200 to rise to around 4800 by the end of 2012.

Very low starting point bond yields suggest low returns from sovereign bonds, unless of course global recession looms. Bond yields in Australia are likely to trend higher on the back

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 Balanced Growth Option (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.

of resilient domestic data releases as the economic outlook improves and the benefits of the strength in the mining sector filter through to the broader economy. Corporate debt is a better bet, but favour investment grade if you are worried about equities.

Global listed property markets performed well in December as global economic growth data held up well and a positive seasonal bias influenced markets. Australian listed property markets however were more muted. Attractive yields in listed property that are well above cash rates should provide investors with a buffer to further weakness. The longer-term outlook remains positive with improving attractive property yields and falling vacancy rates.

Asset Allocation

%	Current
Australian Equities	33.89
International Equities	16.48
Australian Fixed Interest	14.57
Direct Property	6.40
Hedged International Equities	5.38
Cash	4.25
Direct Investments	3.84
International Fixed Interest	3.06
Listed Property	2.82
Direct Property - ex GIO	2.34
Global Property Securities	2.15
International Shares Asia Ex Japan	1.81
Alternative Assets Defensive	1.54
Other	1.49

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 Balanced Growth Option (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.