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AMP CAPITAL

December 2011

Responsible Investment Leaders Balanced Fund - On-platform Class A

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 5 year basis.

Minimum suggested time frame

5 years

Fund description

The Fund invests in a portfolio diversified across all asset types, but with an emphasis on growth assets (shares and property).

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

23 Sep 2005

Fund size

$509.55 million

Management costs

1.025% plus possible performance fees

Distribution frequency

Half Yearly

Buy/sell spread

+0.22/-0.22

Investment approach

Our responsible investment approach follows five key steps: 1. Setting the investment objectives and considerations, 2. Identifying the manager universe, 3. Selecting the managers, 4. Determining the optimal manager mix, 5. Monitoring of the Fund and operational governance. This process combines a stringent financial assessment with a responsible investing focus, both of which are critical in meeting the Fund's objective of producing competitive returns within a sustainable and responsible framework.

Asset allocation

%	Current
Australian Equities	34.21
International Shares	25.31
Australian Fixed Interest	24.86
Direct Property	6.78
Australian Listed Property	3.26
International Listed Property	2.58
Cash	2.52
Alternative Assets Growth	0.47
Currency Overlay	0.03

* The Responsible Investment Leaders Balanced Fund obtains its exposure to Fixed Income through the Responsible Investment Leaders Diversified Fixed Income Fund. This Diversified Fixed Income Fund has a benchmark weighting of 50% Australian Fixed Interest, 25% Global Government Bonds and 25% Global Credit Securities.

Performance – as at 31 December 2011

Inception Date – 23 Sep 2005

%	1 mth	3 mth	1 yr	3 yr	5 yr	incept
Benchmark	0.01	2.73	-2.26	5.86	-0.55	2.87
Distribution	1.36	1.39	7.45	4.72	4.77	6.26
Growth	-1.59	0.90	-11.19	-0.15	-5.94	-3.62
Total return - after fees	-0.24	2.29	-3.75	4.57	-1.17	2.63

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 'A' fees and costs, assume all distributions are reinvested and are annualised for periods greater than one year. Prior to 23 Sept 2005, the AMP Capital Responsible Investment Leaders Balanced Fund was solely managed by AMP Capital Investors and Henderson Global Investors and named the Sustainable Future Balanced Fund. It has since been renamed and is managed in a SRI multi manager format to a different asset allocation benchmark.

Performance and Activity

The Fund underperformed its benchmark in the December quarter. The major detractor from relative returns this quarter was manager underperformance in international shares. The Fund's underweight to Australian shares and, to a lesser extent, international shares also detracted marginally from relative returns. This was partly offset by manager outperformance in Australian shares.

The international shares component of the Fund underperformed its benchmark during the quarter as Global Currents outperformed while Henderson, Lazard and Colonial First State underperformed their respective benchmarks. Global Currents outperformed mainly due to its stock selection within Financials and Materials. Its underweight positioning to the Financials sector also aided performance. Meanwhile, Henderson's underperformance was predominately attributable to its stock selection within the Consumer Staples and Information Technology sectors. Further, Henderson's underperformance was partially offset by an underweight exposure to the Financials sector. Lazard's stock selection in Utilities, Energy and Consumer Staples impacted performance over the quarter. This was partially offset by success in Financials, Telecommunications and Health Care sectors. In terms of the Fund's emerging market exposure, Colonial First State underperformed its benchmark during the quarter despite the fund being defensively positioned and invested in businesses with quality franchises. Stock selection within Consumer Staples and Information Technology were the main detractors to performance.

During November, the Responsible Investment Leaders (RIL) funds team added a new emerging markets manager to the RIL manager panel, Investec Asset Management (IAM). Specifically, RIL will now obtain its emerging markets exposure via a blend (initially targeted at 50/50) between Investec Asset Management and Colonial First State (CFS) Global Asset Management (with CFS being the incumbent manager).

The Australian shares component of the Fund outperformed over the December quarter mainly due to positive stock selection and sector allocation. Stock selection within Materials and Energy were notable contributors to performance. In relation to sector allocation, the Fund's overweights to Industrials and Health Care were the main drivers of performance. In terms of managers, Ausbil and Bennelong outperformed while AMP Capital underperformed.

AMP Capital's underperformance was predominately due to negative stock selection within the Consumer Discretionary and Consumer Staples sectors. Meanwhile, Ausbil's outperformance was mainly due to their stock selection within Energy, Materials and Financials. Finally, Bennelong's outperformance was due to positive stock selection within Materials and Industrials. Bennelong's overweight to Industrials and Healthcare also aided performance.

Market commentary

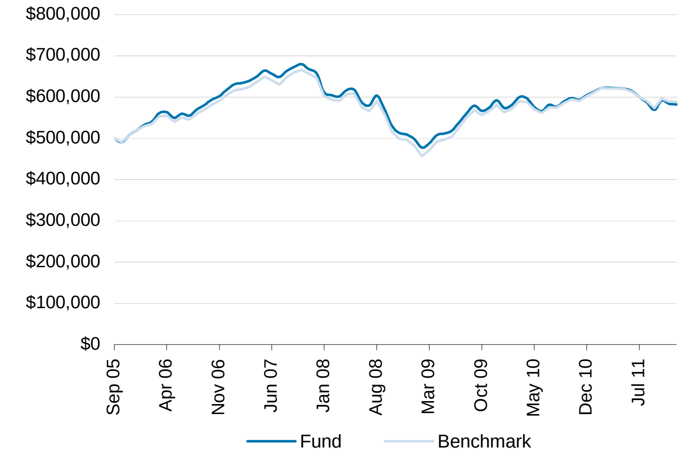
Global share markets continued to experience significant volatility over the December quarter, although within the same range since early August. Shares rebounded in October, lifted by indications that European authorities were moving to recapitalise the region's banking sector, and by US economic data 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 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 heighted 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%). 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%).

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.

$500,000 invested since inception



CERTIFIED BY RIAA

The Responsible Investment Leaders Range has been certified by the Ethical Investment Association (EIA) according to the disclosure practices required under the SRI Symbol Certification Program. See www.eia.com.au for details.

The SRI Symbol is a Certification Program Which signifies that an investment product or service takes environmental, social, ethical and governance considerations into account along with financial returns.