FUTURE DIRECTIONS INTERNATIONAL SHARE FUND - WHOLESALE

Seeks to generate income and capital growth on a rolling 3 year basis by investing in international shares through a strategic blend of specialist international share managers.

Performance summary

- The Fund produced a strong positive return over the quarter as international share markets rose on the back of aggressive policies from central banks attempting to underpin economic growth.
- The Fund marginally underperformed as our strategic allocations to emerging markets and Asia ex-Japan detracted as they underperformed the broader market.
- From a stock picking perspective all of the underlying components performed strongly and outperformed their benchmarks over the quarter.

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.

For more information visit ampcapital.com.au/funds

Performance – as at 31 March 2013

Inception Date: 09 Oct 2002

Performance benchmark: MSCI World (ex Australia) Accumulation Index

Management costs: 0.9% plus possible performance fees

<table>
<thead>
<tr>
<th></th>
<th>%</th>
<th>1 mth</th>
<th>3 mth</th>
<th>1 yr</th>
<th>3 yr</th>
<th>5 yr</th>
<th>incept</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before tax and fees</td>
<td>0.55</td>
<td>7.17</td>
<td>11.82</td>
<td>4.10</td>
<td>-0.47</td>
<td>3.82</td>
<td></td>
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<tr>
<td>Benchmark</td>
<td>0.61</td>
<td>7.23</td>
<td>10.76</td>
<td>3.92</td>
<td>-0.60</td>
<td>2.50</td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td>0.00</td>
<td>-0.01</td>
<td>0.66</td>
<td>0.61</td>
<td>0.65</td>
<td>2.74</td>
<td></td>
</tr>
<tr>
<td>Growth</td>
<td>0.47</td>
<td>6.93</td>
<td>10.14</td>
<td>2.44</td>
<td>-2.13</td>
<td>0.06</td>
<td></td>
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<tr>
<td>Total return - after fees</td>
<td>0.47</td>
<td>6.92</td>
<td>10.79</td>
<td>3.05</td>
<td>-1.48</td>
<td>2.80</td>
<td></td>
</tr>
</tbody>
</table>

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, and assume all distributions are reinvested.

Regional allocation

Orbis Style/focus – Value

Orbis is a contrarian value manager that believes behavioural biases drive investors to focus on short-term news rather than the long-term fundamentals of companies. Orbis applies a disciplined, bottom-up approach to exploit pricing opportunities driven by deviations from long-term intrinsic values. The Multi-Manager team was attracted to the manager’s high-quality investment team and strong investment philosophy. In the March quarter, Orbis significantly outperformed the benchmark and was the strongest performer in the portfolio. Performance was driven by their contrarian value approach in particular from their stock selection within the information technology and telecommunication sectors such as holdings in Hewlett Packard, Ericsson and Micron Technology.

Sector allocation
**Performance and activity**

The Fund is allocated to a diversified range of Future Directions international equity strategies to provide a broad exposure to global share markets. The Fund produced a strong positive return over the quarter as international share markets rose on the back of aggressive policies from central banks attempting to underpin economic growth. The core component of the Fund added value over the quarter, as it outperformed its benchmark following particularly strong results achieved by the managers with a significant value bias to those that favour stocks that appear undervalued, namely Orbis and Arrowstreet. Our allocation towards small caps was beneficial as smaller companies outperformed the broader market. In addition, the international small cap portfolio outperformed its benchmark over the quarter driven by stock selection in, and an underweight position to, the materials sector where declining commodity prices led to negative returns for the sector this quarter. Stock selection in financials also added value. Over the March quarter, the emerging markets underperformed the developed markets and hence our allocation to this sector detracted from overall returns. Despite the falling market, the emerging markets portfolio outperformed, managing to produce a positive return over the March quarter against very tough market conditions. The emerging markets were hit by stalling investor confidence off the back of weaker-than-expected economic growth from the regions. Stock selection within the emerging market portfolio was the key driver of the portfolio’s outperformance in particular within the materials, information technology and consumer discretionary sectors. The Asian market underperformed the broader market, a result of the slowing Chinese economy and the weakness of the Japanese yen. The Asia ex-Japan portfolio performed well however and delivered a positive return and outperformed its benchmark. Stock selection was the main driver of the portfolio’s outperformance with the main contributions coming from selection within the financials and materials sectors.

**Market commentary**

While it was a bumpy ride in March quarter, international share markets rose. While the quarter saw the commencement of the US Federal Budget cuts, efforts by Chinese authorities to cool down China’s property market and bail out of the Cyprus banking system overall investor sentiment improved on the back of aggressive Central Bank policy aimed at underpinning economic growth. The S&P 500 index hit a record high in March on strong US economic data, and the Japanese share market rose strongly on the back of expected stimulus measures and a weaker yen. The MSCI World (ex-Australia) Accumulation Index, rose +3.8% in local currencies and 6.6% unhedged Australian dollar terms. The US S&P 500 Accumulation Index returned 10.6% in local currency terms. In the European region, the UK FTSE 100 Accumulation Index returned +9.8% in local currency terms. Japan’s Topix Accumulation Index rallied +21.5% given expected stimulus measures, which underpinned improved sentiment surrounding the outlook for companies in Japan.

**Outlook**

Share markets continue to be volatile following the banking crisis in Cyprus and the unresolved Italian election situation. While many share markets have entered corrections, shares remain vulnerable to a further correction in the short term as overbought conditions are worked off and nervousness regarding Europe, and to a less degree China, remains. However, the setback in shares is likely to remain mild and the broad trend is likely to remain up. However, equity valuations remain reasonable, the strengthening growth outlook points to stronger profits ahead and investors are likely to increasingly switch from low yielding cash and bonds into shares as confidence continues to build. A pick up in merger and acquisition activity is also likely to be positive for shares. So notwithstanding the usual bumps along the way, such as the one we are going through now, this all adds up to a positive backdrop for share markets.

**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.

**Facts**

<table>
<thead>
<tr>
<th>Fund size</th>
<th>$415.15 million</th>
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<tbody>
<tr>
<td>Minimum suggested time frame</td>
<td>5 to 7 years</td>
</tr>
<tr>
<td>Minimum initial investment</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Buy/sell spread</td>
<td>+0.30/-0.30</td>
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**Distribution frequency**

<table>
<thead>
<tr>
<th>Distribution frequency</th>
<th>Half Yearly</th>
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<tbody>
<tr>
<td>Date of last distribution</td>
<td>Dec 2012</td>
</tr>
<tr>
<td>Distribution cents per unit</td>
<td>0.41</td>
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Investors should consider the Product Disclosure Statement (PDS) available from AMP Capital Investors Limited (ABN 59 001 777 591) (AFSL 232497) (AMP Capital) for the FUTURE DIRECTIONS INTERNATIONAL SHARE FUND - WHOLESALE (Fund) before making any decision regarding the Fund. AMP Capital Funds Management Limited (ABN 15 159 557 721, AFSL 426 455) is the responsible entity of the Fund and the issuer of units in the Fund. The PDS contains important information about investing in the Fund and it is 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 any product or any particular rate of return referred to in this document. Past performance is not a reliable indicator of future performance. While every care has been taken in the preparation of this document, AMP Capital makes no representation or warranty as to the accuracy or completeness of any statement in it including without limitation, 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. Investors should, before making any investment decisions, consider the appropriateness of the information in this fact sheet, and seek professional advice, having regard to their objectives, financial situation and needs.

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