



# AMP Capital Asian Equity Growth Fund

# Why Asia?

Asia offers a broad range of investment opportunities for investors seeking growth and diversity in their investment portfolios.

An active allocation to Asia (ex Japan\*) provides investors with exposure to some of the region's fastest growing industries with the opportunity to diversify into the information technology and machinery manufacturing sectors. It also opens up a world of growing global giants, including well established global brands and fast growing local companies responding to the rising demand of Asia's expanding middle class.

There are three key reasons to allocate to Asia:

- Allocating to Asia gives investors more diversified exposure to the region's potential.
- Over the previous decade Asian markets have demonstrated stronger returns than world markets (refer Chart 3).
- The higher than average growth for the region is expected to continue for the coming years (refer Table 1).

## Growing market strength

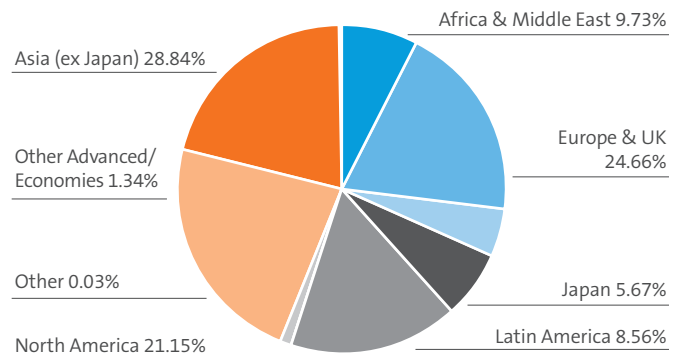
Factors such as changing household savings patterns, supported by governments providing more funding for education and aged care (areas that traditionally came out of household savings), have left a greater proportion of household income for spending on discretionary items. This has created greater local demand which supports the region and its growing companies.

## More opportunity for investors in Asia

Asia (ex Japan) now represents nearly 30% of world GDP (refer Chart 2). However, for many investors, allocation to Asia is covered through their international equity allocations. For funds benchmarked on the MSCI All Countries World Index, exposure to Asia will be less than 10% of a portfolio, essentially leaving investors underexposed to the opportunities in the region.

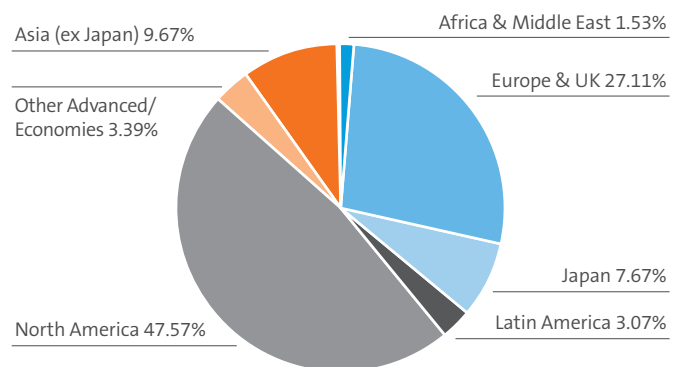
\* References to Asia in this document refer to countries represented in the MSCI Asia (ex Japan) Index.

Chart 1: Percentage of MSCI AC World Index



Source: MSCI. As at 31 May 2011.

Chart 2: Percentage of World GDP



Source: IMF based on 2011 IMF estimates of Aggregate World GDP based Purchasing Power Parity of member countries. As at 30 April 2011. NB: Composition of groups is based on IMF World Economic Outlook classification. 'Other Advanced Economies' does not include the 'Newly Industrialised Asian Economies' subgroup.

# Why now?

## It's time to allocate to Asia

Forecasted growth rates for the Asian region are well above growth projections for developed economies (refer Table 1). Investors with the appropriate risk appetite, can access this potential growth through an increased allocation to the region.

Changes within the region include the development of a regional Asian economy, which has reduced each country's reliance on Western economies for their growth. Asian countries are developing high-end manufacturing and service industries which improve the quality of their growth and the profitability of their output. This shift includes the emergence of local companies with the potential to be global leaders, with a range of companies from the science and technology sectors leading the way.

**Table 1: Annual GDP growth projections**

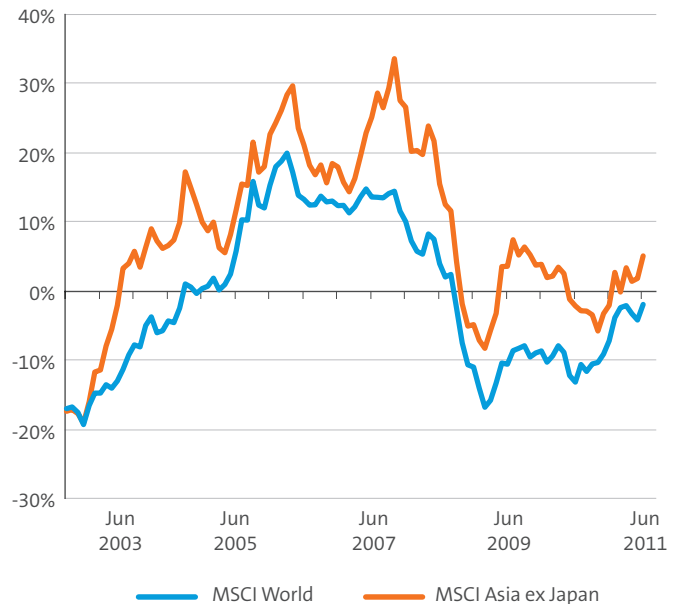
	2012 (%)	2013 (%)	2014 (%)
China	9.52	9.48	9.52
India	7.82	8.17	8.14
Indonesia	6.50	6.70	7.00
Malaysia	5.20	5.10	5.10
Taiwan	5.17	5.09	4.99
Australia	3.48	3.54	3.26
United States	2.87	2.72	2.73
United Kingdom	2.33	2.50	2.49

Source: International Monetary Fund as at April 2011.

## Asia outperforms world market

Although past performance does not guarantee future performance, return profiles for Asia (ex Japan), show the returns of investing in Asia have consistently outperformed the world index over the past 10 years. Active allocation to the region through the AMP Capital Asian Equity Growth Fund gives investors direct access to the region's growth opportunities and opens up a larger opportunity set for investors seeking greater diversity for their portfolios.

**Chart 3: Performance of MSCI World vs MSCI Asia Pacific (ex Japan) in AUD – Rolling 3 year annualised returns**



Source: The above chart illustrates the consistent extra return Asia ex Japan offers compared to the MSCI World Index over the past 10 years. The chart consists of rolling three year return periods annualised in AUD up to the 3 year period to 30 June 2011. The first period is from (Dec 1999 to Dec 2002)



Active allocation to the region offers investors greater growth and diversity.



# AMP Capital Asian Equity Growth Fund

The AMP Capital Asian Equity Growth Fund ('the Fund') targets listed investment opportunities across Asia (ex-Japan) in the Greater China, Indian Sub-continent, East and South-East Asian regions. This includes markets such as Hong Kong, South Korea, Singapore and Taiwan, while having significant exposure to companies operating in China and India.

Our investment philosophy is built upon the idea that companies that deliver superior returns on capital have greater flexibility to grow their businesses and leverage market opportunities. In targeting these businesses we actively seek stocks with the following characteristics:

- sustainable competitive advantage
- effective management strategy and
- access to capital to enable the effective execution of strategy.

# AMP Capital's Asian expertise

We have been investing in Asia since 1994 and opened our first office in the region in 1997. We now have offices in Beijing, Singapore, Hong Kong and Mumbai. We have an established network of locally based specialists who enhance our understanding of the way businesses operate in the region, corporate governance procedures and how changes to local regulations may impact on a particular sector. All of which ultimately affect the quality of our clients' investments in the region.

The Asian Equities team brings together a diverse group of investment professionals with extensive regional expertise and experience across a wide range of markets and cycles. Investors benefit from this diversity through the strength and insight it brings to the construction and management of the portfolio.

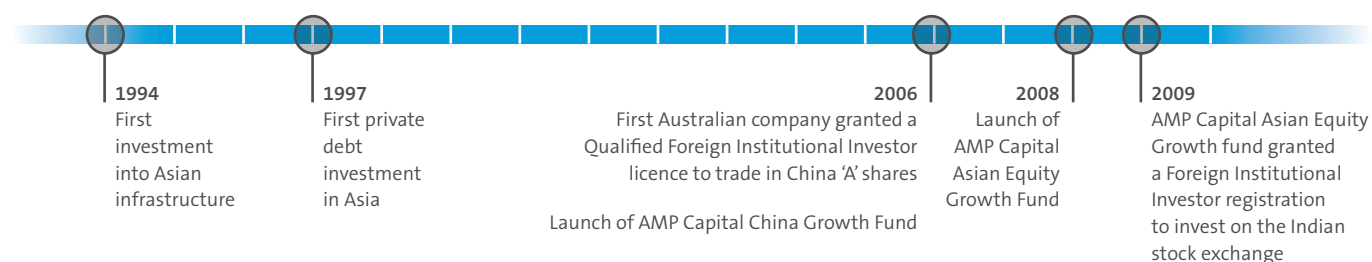
Our Asian equities team works with other specialists within AMP Capital to analyse market intelligence, gathered through our local networks, within a broader investment context.

Our investment decisions combine our regional knowledge and expertise with an integrated investment process allowing us to bring our investors exposure to the companies best positioned to benefit from the growing Asian markets.

To ensure the strength of our investment decisions we use sophisticated portfolio construction and risk management systems to identify risks and opportunities in stock selection and portfolio construction.

We are a leading provider of private debt in the region. This position gives us the opportunity to work closely with a range of local companies and deepen our ties within Asia and further enhance our understanding of the complexity of developing a business in an emerging market.

## AMP Capital key milestones in Asia include:



## Why AMP Capital?

AMP Capital is one of Australia's largest investment houses, managing over A\$39 billion\* in equity investments on behalf of our clients.

Our scale and unified approach across our business allows us to deliver the best possible opportunities for our clients. The depth and strength of investment decisions made by specialists in the Asian equities team is enhanced by insights learned from other AMP Capital specialists in the areas of infrastructure, property, credit markets and strategy.

Our expertise has been developed over several decades and across challenging market cycles. As part of the AMP Group we have been investing in equities for more than 70 years.

We offer investors the benefit of our home market strength as well as knowledge and expertise delivered through our extensive networks and long term presence in the Asian region.

\* As at 31 March 2011.

## The offer at a glance

### Investment objectives

The investment objective of the Fund is to offer investors access to a range of potentially high growth Asian (ex Japan) equity opportunities diversified by sector and geography. The goal of the Fund is to provide solid risk adjusted returns (capital growth and income), out-performing the benchmark over the long term.

### Benchmark

MSCI All Country Asia ex Japan Net Index (AUD)

### Alpha target

On a rolling 3 year basis, our average out-performance target is 3%

### Suggested minimum investment time frame

3 years

### Ex-ante tracking error

3% – 8%

### Approximate stock holdings

30 – 80

### Minimum contribution

Off-platform: A\$30,000

On-platform: Check with your platform provider for further details or speak with your adviser

### Management fee

Off-platform: 1.4% pa (GST inclusive)

On-platform: Check with your platform provider for further details

### Performance fee

A performance fee may be payable. This fee is 10% (exclusive of GST) of the Fund's outperformance above the Fund's benchmark.



### Important note

AMP Capital Investors Limited (AMP Capital), [ABN 59 001 777 591] [AFSL 232497] is the responsible entity of the AMP Capital Asian Equity Growth Fund (Fund) and issuer of the Product Disclosure Statement (PDS) for the Fund. To invest in the Fund, investors will need to obtain the current PDS from AMP Capital before making a decision to acquire, continue to hold or dispose of units in the Fund. The PDS contains important information about investing in the Fund and it is important that investors read the PDS. 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 Investors makes no representation or warranty as to the accuracy or completeness of any statement in it. This document 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 document, and seek professional advice, having regard to the investor's objectives, financial situation and needs.

The Lonsec Limited ("Lonsec") ABN 56 061 751 102 rating (assigned May 2011) presented in this document is limited to "General Advice" and based solely on consideration of the investment merits of the financial product(s). It is not a recommendation to purchase, sell or hold the relevant product(s), and you should seek independent financial advice before investing in this product(s). The rating is subject to change without notice and Lonsec assumes no obligation to update this document following publication. Lonsec receives a fee from the fund manager for rating the product(s) using comprehensive and objective criteria.

To the extent that any ratings, opinions or other information of Standard & Poor's Information Services (Australia) Pty Ltd (ABN: 17 096 167 556, Australian Financial Services Licence Number: 258896) ("Standard & Poor's") constitutes general advice, this advice has been prepared by Standard & Poor's without taking into account any particular person's financial or investment objectives, financial situation or needs. Before acting on any advice, any person using the advice should consider its appropriateness having regard to their own or their clients' objectives, financial situation and needs. You should obtain a Product Disclosure Statement relating to the product and consider the statement before making any decision or recommendation about whether to acquire the product. Past performance is not a reliable indicator of future performance. Ratings can change or cease at any time and should not be relied upon without referring to the meaning of the rating. For more information regarding ratings please call S&P Customer Service on 1300 792 553 and also refer to Standard & Poor's Financial Services Guide at [www.fundsinsights.com](http://www.fundsinsights.com). Each analytic product or service of Standard & Poor's is based on information received by the analytic group responsible for such product or service. "S&P" and "Standard & Poor's" are trademarks of The McGraw-Hill Companies, Inc. © 2009 Standard & Poor's Information Services (Australia) Pty Limited.

^van Eyk Research Pty Ltd (ABN 99 010 664 632 AFSL 237917) (van Eyk) rates investment management capabilities rather than individual products. This rating is valid as at June 2010 but can change or cease at anytime and should not be relied upon without referring to the meaning of the rating, as well as the full manager report, available to subscribers at [www.iRate.vaneyk.com.au](http://www.iRate.vaneyk.com.au). Past performance information given in this document is given for illustrative purposes only and should not be relied upon as it is not an indication of future performance. van Eyk has not directed the publication of AMP Capital Investors' rating. The rating is not intended to influence you and your client's investment decision in relation to any products managed by AMP Capital Investors and does not take into account your client's individual financial situation, needs or objectives. We recommend that you and your client do not rely on this rating in making an investment decision and instead you seek advice from an appropriate investment adviser and read the product disclosure statement before making such a decision.

### Fund ratings

**STANDARD  
& POOR'S**



## Contact us

### Advisers

To find out more about the AMP Capital Asian Equity Growth Fund, or how your clients can access this investment opportunity, please contact your AMP Capital Key Account Manager or call our Adviser Services team on 1300 139 267.

### Personal Investors

To find out more about the AMP Capital Asian Equity Growth Fund, please talk to your adviser or call us on 1800 188 013.

Or visit our website  
[www.ampcapital.com.au](http://www.ampcapital.com.au)