

AMP Capital NZ Short Duration Fund

MARCH 2012

The NZ Short Duration Fund (formerly known as the “AMP Capital NZ Enhanced Yield Fund”) aims to deliver a consistently good income using a combination of interest rate and investment grade credit strategies. It targets a shorter average duration (and maturity) than traditional fixed income funds and its risk/return profile should place it between a cash portfolio and a standard fixed income portfolio.

Fund specifications as at 31 March 2012	
Established	29 June 2007
Fund type	Unit Trust The Fund is a Portfolio Investment Entity
Net fund size	\$43.7 million

Key features

- > The use of fixed interest risk management tools means the Fund’s capital value is not as sensitive to changes in market interest rates as traditional longer term fixed income portfolios.
- > The Fund specifically targets credit risk and interest rate risk as a source of return.

Performance objective

The objective of the NZ Short Duration Fund is to provide a gross return of 1% above the return of the ANZ Short End Swap Index on a rolling three year basis.

Fund performance as at 31 March 2012

Period	Gross return (%)*	Benchmark (%)**
1 year	5.20	2.45
2 years	5.42	2.78
3 years	6.59	2.83
5 years	NA	NA

* The performance information set out in the table above shows the performance of the Fund before the investment guidelines were changed with effect from 1 December 2011. Under the new investment guidelines, the Fund targets a shorter average duration (and maturity) than traditional fixed income funds. Past performance is not necessarily indicative of future returns.

** Our fund performance figures are shown before tax, before fees and assume income is reinvested.

Investment guidelines

The NZ Short Duration Fund aims to give investors exposure to fixed interest securities, including corporate debt, mortgage and asset-backed securities, infrastructure debt, government bonds, credit default swaps, interest rate swaps, cash and cash-like securities. The investment guidelines are as follows:

	Range (%)
New Zealand issued securities, including corporate bonds, SOE, local authority and government bonds	0-100
Mortgage and other asset backed bonds	0-25
Foreign currency issues of New Zealand entities	0-30
Credit default swaps (by notional face value)	0-30
Interest rate swaps (by notional face value)	0-100
Cross currency swaps (by notional face value)	0-30
On call NZ cash, short term securities and term deposits	0-100
Local Government Funding Authority	0-50

The investment guidelines for this Fund were changed with effect from 1 December 2011. Under the new investment guidelines, the Fund targets a shorter average duration (and maturity) than traditional fixed income funds.

Top 10 holdings*

As at 31 March 2012	Percentage of total portfolio (%)
Morgan Stanley	4.6
Kiwibank	4.6
ANZ	4.6
Westpac	4.6
Christchurch City Holdings	4.5
Telecom	4.5
ASB	4.3
Watercare Services	3.7
BNZ	3.5
ANZ	3.4

Sector breakdown

As at 31 March 2012	Percentage of total portfolio (%)
Government	0.0
SOE's	2.9
Corporate debt	52.8
Local Authority	22.1
Cash / short term	22.2
Total	100

Credit ratings

As at 31 March 2012	Percentage of total portfolio (%)
AAA	7.1
AA	48.6
A	23.7
BBB	7.1
BB	0.0
Below BB	0.0
NR / Local Authorities	14.2
Total	100

More information

Before you decide to invest, please read the Investment Statement. Complete the application form at the back of the Investment Statement.

A copy of the Investment Statement can be obtained from the AMP Capital Investors (New Zealand) Limited website www.ampcapital.co.nz or by contacting Client Service Centre on 0800 400 499. The Manager and the Issuer of the Fund is AMP Investment Management (NZ) Limited, Ground Floor, 113 - 119 The Terrace, Wellington.

Disclaimer: There is no guarantee given for the return of capital or future performance. Investment decisions are very important. They have long-term consequences. Please refer to the investment statement before investing. While every care has been taken in the preparation of this fund fact sheet, AMP Capital Investors (New Zealand) Limited makes no representations as to the accuracy or completeness of any statement in it.