

The Responsible Investment Leaders Global Shares Fund



The AMP Capital Responsible Investment Leaders Global Shares Fund provides access to shares listed on international share markets within a socially responsible investment (SRI) framework. By seeking out the world's leading SRI fund managers, we aim to provide investors with competitive returns.

What is socially responsible investing?

Also known as sustainable responsible investment and ethical investment, SRI is an investment approach that focuses on investing in companies that contribute to a socially and environmentally sustainable world. SRI managers typically integrate environmental, social and ethical considerations, labour standards and corporate governance factors into investment analysis and decisions.

This consideration can occur within an industry by a comparison of companies, based on relevant factors such as environmental practices, treatment of staff, community relations and corporate governance. It can also involve seeking out industries considered to be the most socially and environmentally sustainable, such as healthcare and waste management, or avoid those industries considered the least sustainable such as tobacco and gambling.

The AMP Capital Responsible Investment Leaders Global Shares Fund

The AMP Capital Responsible Investment Leaders Global Shares Fund (the Fund) is one of a small number of SRI funds available to New Zealand investors. Using a multi-manager approach, the Fund offers access to shares listed on international share markets within an SRI framework. The Fund's innovative investment approach has already proven a success in Australia with the Fund outperforming its benchmark for the one and two years ending 30 September 2007 by 1.35% and 1.95% (NZD) respectively on a gross basis.*

Can you create wealth and invest with a sustainable focus?

There has been a tendency for investors to believe that they will not get competitive returns if they invest with a sustainable focus. However, there is a growing body of research evidence that points towards the robustness of the investment case for addressing social and environmental issues.

The ability for companies who address these issues to perform well financially is backed by research. A study by AMP Capital Investors shows that in Australia the median Australian socially responsible investment manager outperformed the S&P/ASX 200 Index over one, two, three and five years to 30 June 2007¹. Recently, a report released by Mercer and the United Nations Environment Programme Finance Initiative also looked at the relationship between environmental, social and governance factors and portfolio performance. The majority of the academic studies that the report reviewed showed that the correlation was either positive or that there was no performance penalty from taking these factors into account². Global studies also show that better employers have higher revenue, higher profit growth and higher investment returns³.

The Fund's ability to generate strong returns is apparent when looking at its returns relative to the MSCI Index (see below) and the March 2007 Chant West Multi-Manager Survey which compares the broader multi-manager universe. The underlying unit trust, which the Fund invests in, was ranked fourth out of 28 funds for the 12 months to 31 March 2007 and second over the three months for the same period.

Gross returns in New Zealand Dollars to 30 September 2007*

| | Fund | MSCI Index |
|---------|--------|------------|
| 1 year | 6.21% | 4.86% |
| 2 years | 14.62% | 12.67% |

* Past performance is not a guarantee of future returns. The performance in this table has been calculated using the historical returns of our Australian domiciled AMP Capital Investors Responsible Investment Leaders International Share Fund.

1 AMP Capital Investors SRI Research update June 2007.

2 The Asset Management Working Group of the United Nations Environment Programme Finance Initiative and Mercer. (2007). *Demystifying Responsible Investment Performance*.

3 2005 Summary of Findings Report, Hewitt Best Employers in Australia and New Zealand Study, 2005 Hewitt Associates.

Profit or principle?

Excerpt from "Responsible investing: Make money and make a difference" by Dr Rodger Spiller.

"...The idea that you can have profit OR principle, make money or make a difference, or that there needs to be a trade-off between doing well and doing good, is a fallacy. The tyranny of 'or' needs to be replaced with the wisdom of 'and'. We need to move from focusing only on making money or, alternatively, only on making a difference. This can provide a better environment, greater wellbeing and happiness for the individual investor, better businesses, and a better quality of life for the community as a whole."

"The bottom line is highlighted by academic research. In 2003*, there was an award winning analysis of 52 studies (involving 33,000 observations) of the relationship between corporate environmental and social performance and corporate financial performance. The analysis concluded that there has been sufficient research to prove a positive association between the two. This demonstrates that responsible businesses do in fact usually make money from their initiatives that make a difference. In turn responsible investors do indeed do well by doing good." (Spiller, 2007)**



Dr Rodger Spiller

Rodger has researched in the responsible investment field for over 20 years, and holds a PhD in business ethics, socially responsible investment and responsible business. He is Managing Director of Money Matters (NZ) Ltd and provides responsible investment

advice for individuals and organisations. His consultancy business, Rodger Spiller & Associates, undertakes research and training guiding companies to improve their environmental, social and economic performance. He is New Zealand Director of the Responsible Investment Association Australasia and a Director of Transparency International (NZ). Rodger is a former Member of the Securities Commission, a former Chairman of the Association of Investment Advisers and Financial Planners and was the inaugural Good Returns Financial Planner of the Year.

* Orlitzky, M., Schmidt, F., and Rynes, S. 2003. *Corporate, Social and Financial Performance: A meta-analysis*, London: Sage Publications.

** Spiller, R. (2007). Responsible Investing: Make money and make a difference. In Q. Atkinson & N Harre (Eds). *Carbon Neutral by 2020: How New Zealanders can respond to Climate Change*. Nelson: Craig Potton Publishing.

Why invest in the Fund?

Benefits of using AMP Capital Investors' socially responsible investment approach:

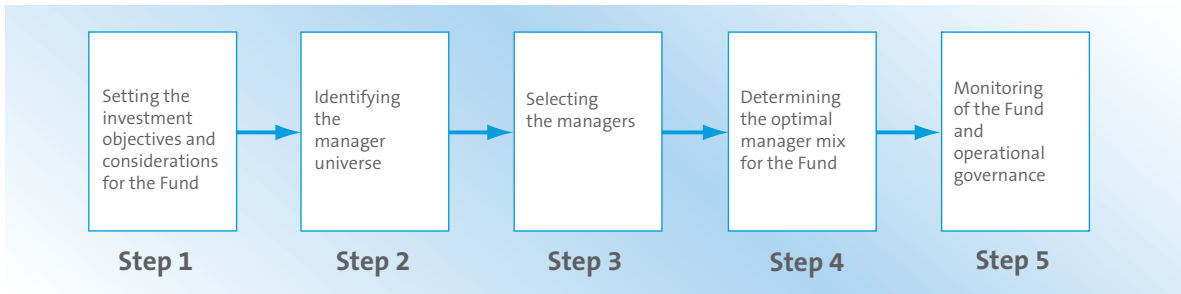
- **A proven track record with competitive returns:** The underlying unit trust which the Fund invests in has been in operation for six years. For the one and three years ending 30 September 2007 it generated a gross return (NZD) of 6.21% and 14.62%, outperforming the benchmark by 1.35% and 1.95% respectively.
- **One of the few SRI funds available to New Zealand investors:** AMP Capital is the first fund manager in New Zealand to receive the Certification Symbol from the Responsible Investment Association Australasia (RIAA) and is one of a small number of SRI funds available in New Zealand.
- **Tax efficient:** The Fund is a portfolio investment entity (PIE) which for many investors provides significant tax benefits. The investor has their share of the taxable investment income taxed at their prescribed investor rate (PIR) which is either 0%, 19.5% or 33% (the maximum rate will drop to 30% from 1 April 2008).
- **A multi-manager strategy with SRI focus:** With the present range of SRI choices, New Zealand investors can have difficulty obtaining the style diversification and international exposure that a multi-manager approach offers investors. The Fund aims to generate a style neutral outcome by blending managers with a range of styles (core, value and growth) and approaches. The targeted outcome is a blend that most effectively provides stable returns across fluctuating market cycles while seeking to minimise market capitalisation bias.
- **A robust investment process:** Our robust investment process combines an SRI focus with stringent financial analysis.
- **Leading SRI manager with dedicated investment specialists:** AMP Capital in Australia has been managing funds with a social, environmental and corporate governance purpose since 2001. We have four dedicated SRI portfolio managers and two in-house environmental and social researchers, together with an investment specialist focused in the area.
- **Leveraging expertise:** In managing the Fund, AMP Capital draws on Mercer, one of the world's largest asset consultants and its eight-member Global Responsible Investment Team which specialises in SRI investment.
- **Access to leading managers:** The Fund's three current underlying managers, Henderson Global Investors, Ausbil Dexia Limited and Boston Common Asset Management LLC/ Brandywine Asset Management have combined experience of over 50 years in specialist SRI investment.
- **One of the largest sustainable portfolios with significant capability:** With over AU\$3.2 billion¹ in SRI funds managed by AMP Capital in Australia, we manage one of the largest portfolio of investments with a sustainable focus in Australia. At the same time AMP Capital offers depth of multi-manager expertise through its Future Directions Funds capability. Within this capability AMP Capital manages some AU\$20 billion as at 31 October 2007, invested by a team of nine investment professionals.

¹ As at 30 September 2007.

Our investment approach

In managing the Fund, AMP Capital combines stringent financial analysis with an SRI focus, both of which are critical in meeting our objective of producing competitive returns within a sustainable and responsible framework.

Our SRI investment approach is a disciplined one and follows five key steps:



Step 1: Setting the investment objectives and considerations for the Fund

The Fund operates under distinct objectives from a financial, social and environmental perspective.

Step 2: Identifying the manager universe

We search the international SRI manager universe for leaders that can meet these objectives.

Step 3: Selecting the managers

In selecting the managers, consideration and assessment is made from a financial, social and environmental perspective. Financial analysis, which is conducted in partnership with independent consultants, includes detailed analytics together with a review of each manager's investment process, team and style. From a social and environmental perspective, we seek out managers that are identifying leaders across industries in their responsible approach to the following SRI issues:

- **Environmental considerations** – including energy and resource use and product stewardship (for example, where a company takes into account the life cycle of the product, from manufacture to the extent to which the product can be recycled).
- **Social considerations** – including indigenous relations and community involvement.
- **Ethical considerations** – including meeting fundamental human rights and articulating and implementing a code of conduct.
- **Labour standards** – including occupational health and safety, International Labour Organization standards, working conditions and the exclusion of child labour.
- **Governance considerations** – including meeting corporate governance guidelines on board structures and remuneration. Additionally, investment managers and funds will also be well regarded if they actively participate in corporate engagement and governance initiatives.

Managers are also required to avoid companies that derive more than 10% of their total revenue from sectors with recognised high negative social impact. This includes the production of alcohol, gambling, pornography, tobacco and uranium.

Step 4: Determining the optimal manager mix for the Fund

When determining the optimal manager mix, consideration is given to the investment style and risk diversification of the managers with the aim of generating a style neutral blend that most effectively provides stable returns across fluctuating market cycles.

Step 5: Monitoring the Fund and operational governance

Two specialist committees – the Investment Committee and the Ethics Committee – monitor the managers, the portfolio structure of the Fund and maintain the Fund's SRI integrity. Specific tasks include analysing the ongoing performance and style of the underlying managers (from a financial perspective), as well as the stock listings and governance and engagement initiatives (from a SRI perspective).

A multi-manager approach to enhance diversification

We use a multi-manager strategy in managing the Fund with the objective of achieving significant diversification by blending specialist managers with different styles. The Fund is constructed and managed by AMP Capital's specialist multi-manager investment team in partnership with one of the world's leading investment consultants, Mercer.

Managing the managers

AMP Capital Investors

AMP Capital is a leading provider of socially responsible investments. In Australia, AMP Capital has been managing both single sector and diversified funds with a social, environmental and corporate governance purpose since 2001 and now has over AU\$3.2 billion¹ of SRI assets under management. AMP Capital's SRI capability includes four dedicated SRI portfolio managers and two in-house environmental and social researchers.

Our multi-manager approach to SRI partners our portfolio construction expertise with some of the world's highly experienced investment managers and consultants, embodying the latest thinking on investments and SRI issues.

Mercer

Founded more than 30 years ago, Mercer provides specialist advice and input into the global investment manager research selection and monitoring services to assist in selecting the best managers and constructing robust multi-manager portfolios.

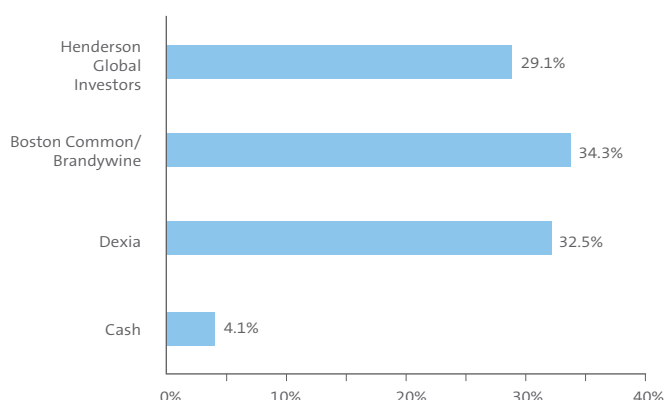
The managers

Skilful investment managers with clear competitive advantages relative to peers and complementary investment styles are sought to provide diversification and the desired market return.

Selected managers have distinct 'style biases' to achieve an optimal blend of managers that will allow the Fund to perform across a range of economic conditions.

| Manager | Style/focus |
|--|-------------|
| Ausbil Dexia Limited | Core |
| Boston Common Asset Management LLC/Brandywine Asset Management LLC | Value |
| Henderson Global Investors | Growth |

The manager weightings as at 30 September 2007 are as follows:



Boston Common Asset Management/Brandywine Asset Management (value manager)

Boston Common/Brandywine is a partnership between two US asset management firms. A dedicated value manager, Brandywine is committed to adding value through rigorous fundamental equity management, quantitative analysis and bottom-up SRI research. Boston Common is a specialist SRI firm, both screening and managing portfolios and is actively involved with corporate engagement. In the case of the Fund, Boston Common screens securities and Brandywine manages the portfolio.

Henderson Global Investors (growth manager)

Henderson is a leading SRI investment manager providing a wide range of investment products and services to institutions and individuals in Asia, Europe and North America. Widely regarded as an industry leader in SRI investment, Henderson engages in original SRI research and applies a robust investment methodology. By combining top-down analysis with rigorous fundamental research, Henderson aims to produce a growth style portfolio. The selection process targets companies within sustainable industry sectors (for example, clean energy, resource efficiency, health, education, water management) and with the most potential for long term growth, earnings momentum and valuation staying power.

Ausbil Dexia (core manager)

Dexia Asset Management, the global funds management arm of Ausbil Dexia, is one of Europe's largest financial institutions and is recognised globally for its expertise and leadership in public finance and investment services. Dexia has 11 years of SRI experience and a strong commitment to ecological, social and environmental principles. It aims to produce a core style portfolio by employing in-house quantitative stock selection models and strict portfolio construction controls. Companies are rated with regard to their environmental, social, governance and ethical policies. Individual companies are then ranked within their respective sectors, the final selection consisting of the top companies within each sector.

¹ As at 30 September 2007.

The Certification Symbol



CERTIFIED BY RIAA

The Certification Symbol signifies that a product or service offers an investment style that takes into account environmental, social, ethical or labour standard considerations. The Symbol also signifies that the AMP Capital Responsible Investment Leaders Global Shares Fund has adopted strict disclosure practices required under the Responsible Investment Certification Program for the category of Fund Manager. The Certification Symbol is a Registered Trade Mark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol and AMP Capital's methodology, performance and stock holdings can be found at www.responsibleinvestment.org, together with details about other responsible investment products certified by RIAA¹.

¹ The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that this financial product is a suitable investment or that returns are guaranteed. RIAA is not a financial services business and does not hold an Australian Financial Services Licence.

How we deliver effective social and environmental outcomes

In addition to generating good returns, the Fund is focused on delivering effective social and environmental outcomes for investors. The key ways we achieve this include:

High conviction SRI strategies: With the benefits of risk diversification via a multi-manager strategy, the Fund is able to access some high conviction SRI strategies. For example, Henderson Global Investors are solely focused on targeting industries of the future which are providing solutions to sustainability challenges (such as clean energy, resource efficiency, health, education and water management).

In-house SRI research: Having in-house SRI research expertise represented on the Responsible Investment Leaders Ethics Committee contributes towards informing engagement priorities and helps the Fund remain true to label.

Responsible Investment Leaders Charter and consistent SRI focus: The Fund operates under a charter which requires share managers to make a positive assessment of companies as well have some minimum standards via Fund exclusions. Positive factors (as highlighted in our process) include looking for corporate leaders on the environment, labour and governance considerations. Fund exclusions require each manager to consistently exclude companies with a material exposure to the production or manufacture of armaments, alcohol, tobacco, gambling, uranium and pornography.

Targeting climate change: AMP Capital was a founding institution of Australian Investors' Group on Climate Change (IGCC). Additionally our entire share manager panel are signatories to the Carbon Disclosure Project and participate in industry-wide initiatives.

The importance of corporate engagement

AMP Capital is committed to corporate engagement to ensure companies in our Fund portfolio maintain and enhance their social and environmental practices.

The importance of improving standards of corporate responsibility is aligned with the Responsible Investment Leaders Charter and our clients' expectations. Our approach of engaging with companies within the Fund's portfolio is backed by research that shows a direct link between company performance and commitment to sustainable and socially responsible practices. We have found that companies that are proactive in taking environmental, social and governance responsibilities into account are generally more successful and subsequently have the potential to add greater investment value.

International studies have also found links between long lasting companies and superior employee relations and diversity as well as between high levels of corporate social responsibility and profitability¹.

AMP Capital's Ethics Committee is responsible for SRI integrity and corporate governance and engagement, and oversees the Fund's investments to ensure they reflect its SRI objectives. The Ethics Committee includes SRI research and investment professionals from within AMP Capital and client representatives.

Our corporate engagement process involves dialogue with companies, including meetings, correspondence and telephone conversations. By targeting companies within the Fund's portfolio through our corporate engagement process, we aim to enhance the performance of the Fund over the longer term.

Examples of socially responsible companies we invest in

We invest in over 250 socially responsible companies globally. Here are just three examples of companies who are helping to create a more sustainable economy, environment and society.

Combating conflict diamonds

Signet Group PLC (United Kingdom) (Consumer Discretionary/Retail)

Signet Group PLC is the world's largest specialty retail jeweller. According to the 2007 diamond sourcing report by Amnesty International and Global Witness, Signet is one of only two jewellers adequately addressing the issue of 'conflict diamonds' — supplying capital to conflict areas of Angola, the Democratic Republic of the Congo, Liberia, Sierra Leone and Cote d'Ivoire through diamond purchases. Unlike the 37 US retail jewellers surveyed in the report, Signet has implemented a comprehensive policy to combat conflict diamonds, including internal and third party auditing for rough and polished stones.

Reducing carbon emissions

Central Japan Railway (Japan) (Industrials/Road & Rail)

The Central Japan Railway Company provides passenger transportation through a network of over 1,200 miles of track throughout Japan and is responsible for over 70% of passenger traffic between Tokyo and Osaka. Bullet trains have an environmental advantage over other modes of transportation in terms of passenger volume and energy use. According to the Earth

¹ Waddock & Graves from Boston College; CalPERS Corporate Governance Focus List; UNEP FI — "Show Me the Money: Linking Environmental, Social and Governance Issues to Corporate Value", July 2006.

Policy Institute, the transportation sector is the second-largest source worldwide of carbon emissions, responsible for 20 percent of the total. In general, rail travel consumes three to five times less energy than air travel and up to four times less than bus travel.

Creating equal opportunities

Oracle Corporation (United States) (Technology/Software)

Oracle is the largest enterprise software company in the world and currently operates in more than 145 countries. Accessibility of Oracle based products by visually and physically impaired users is an integral part of the company's product development process. The Oracle Accessibility Program creates tools and guidance for web site operators to help them design web pages accessible to the elderly or those with difficulty viewing and navigating the web. Each product management team includes staff trained in accessible web design.

AMP Capital Investors

AMP Capital Investors is New Zealand's leading specialist investment manager, managing over \$12 billion¹ for New Zealand investors.

As a wholly owned subsidiary of AMP, we operate independently with a pure investment focus, but benefit from the resources of our parent. With almost 200 in-house investment professionals in Australia and New Zealand and a carefully selected global network of investment partners, we offer significant depth and breadth of investment expertise.

Increasingly, delivering superior returns to our clients involves looking beyond traditional techniques, to a new generation of investment portfolios. These require the blending of any number of inputs such as securities, asset classes, countries, styles and even managers to obtain the optimal risk and return outcome. To do this well requires real depth of in-house investment expertise, a business philosophy open to partnering and specialist capabilities designed to integrate and maximise the two. At AMP Capital, we have specialist investment teams across a diverse range of disciplines. Each team focuses on searching out and creating the best investment outcomes for our clients.

1. As at 30 September 2007.

We also collaborate with like-minded investment specialists around the world, leveraging our joint expertise to create new investment opportunities.

Our investment approach capitalises on the strength and breadth of our investment expertise and is characterised by three distinctive capabilities:

- **Multiple perspectives:** research drives every investment decision. Our specialist investment teams interact, sharing knowledge and insights to gain multiple perspectives. This diversity of thought allows us to see things differently, often producing unique insights that create new ways to add value to our clients' portfolios.
- **Access to rare investment opportunities:** our scale, brand and relationships give us a competitive edge in deal sourcing and origination. This access to scarce assets opens up new and different investment opportunities for our clients.
- **Progressive portfolio construction:** the new generation of investment portfolios demand increasingly complex portfolio construction decisions. With this in mind, we have developed proprietary skills and processes that allow us to select and blend a wide range of investment inputs, from individual securities to the right investment partner. We use these skills to meet the diverse risk return objectives of our clients.

Underpinning these capabilities are our people. We seek to attract the best people, invest in their ongoing professional development, and ensure their interests are clearly aligned with those of our clients.

The combination of our scale, breadth and capability provides access to superior investment opportunity.

Reliably, consistently, repeatedly.

Investing. It's what we do.

Contact us

If you would like to know more about the AMP Capital Responsible Investment Leaders Global Shares Fund, please contact one of the following:

| | |
|--------------------------------|---|
| Individuals | Please contact your adviser or financial planner |
| Institutional Investors | Please call Anthony Edmonds 04 494 2220 or email anthony.edmonds@ampcapital.co.nz |
| Advisers | Please call Anthony Sowerby 09 969 6203 or email anthony.sowerby@ampcapital.co.nz |
| Platforms | AMP Premium Investments Wrap, OneAnswer, FNZ |

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 the Client Service Centre on 0800 400 499. The Manager and the Issuer of the Fund is AMP Investment Management (NZ) Limited, 14th Floor, HP Tower, 171 Featherston Street, 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.