

10 October 2008



## AMP Capital Enhanced High Yield Fund – extended withdrawal period

Dear Investor

AMP Capital Investors has extended paying withdrawal requests for a period within 12 months for the AMP Capital Enhanced Yield Fund (the Fund) as a prudent response to the extraordinary current market conditions. In these market conditions the Fund is receiving higher than usual requests for withdrawals, not matched by fresh investment.

AMP Capital has extended the withdrawal period to ensure investors continue to maintain an exposure broadly consistent with the Fund's target asset allocation which is 50% traded high yield securities and 50% private debt investments (through the AMP Capital Structured High Yield Fund). These changes are consistent with the extension permitted by the Fund's constitution.

The investment strategy and objective of the Fund remain unchanged with the exception of liquidity. Over the recommended 3 to 5 year investment period the Fund continues to provide investors access to high income investments while maintaining capital stability. The portfolio is well diversified across industry and geography with in excess of 90 securities. The Fund's performance remains solid continuing to outperform the performance benchmark over a 3 year period.

### **What does this change mean for investors?**

Any withdrawal request received on or after 10 October 2008 will not be paid within 10 business days and will be paid within 12 months.

Withdrawals will be paid using the unit price at the time of the payment of the withdrawal request. We understand the inconvenience this may place on some investors and it is AMP Capital's intention to pay investors who have submitted withdrawal requests in full when we are able to do so. We will keep all investors informed when we are able to pay withdrawals.

AMP Capital has issued a supplementary PDS for the Fund to update the PDS to reflect that we may take more than 30 days to process withdrawal requests. The supplementary PDS is available at [www.ampcapital.com.au](http://www.ampcapital.com.au)

AMP Capital expects to revert to the Fund's general practice to pay withdrawals within 10 business days as soon as conditions allow.

The Fund remains open to new applications after reading the updated PDS.

### **Why have AMP Capital taken this action?**

To meet the current number of withdrawal requests, investments in both the traded high yield securities and the private debt (via the AMP Capital Structured High Yield Fund) must be realised. The AMP Capital Structured High Yield Fund earlier today announced that it will move from paying withdrawal requests daily to using its reasonable endeavours to pay within 12 months of receiving the request.

As a result of this, as permitted by the Fund's constitution we have extended paying withdrawal requests to within 12 months in order to match the expected time it will take to realise investments in the underlying AMP Capital Structured High Yield Fund. This will ensure that investors in the Fund continue to maintain an exposure broadly consistent with the Fund's targeted asset allocation.

### **How is the investment strategy and Fund performance impacted?**

The investment strategy and objective of the Fund remain unchanged, with the exception of liquidity. AMP Capital believes the Fund, over a 3 to 5 year period, continues to offer investors access to high income investments while seeking to maintain capital stability. The portfolio is well diversified across industry and geography with in excess of 90 securities.

In terms of performance, the Fund continues to outperform its benchmark. The before tax & after Class A fees performance to 30 September 2008 is outlined below:

**Performance returns for the period ending 30 September 2008. (Class A)**

Time Period (As at 30/09/08)	AMP Capital Enhanced Yield Fund *	RBA cash rate (Benchmark)
3 Months	2.07%	1.76%
6 Months	4.82%	3.55%
1 Year	6.93%	7.03%
3 Years (p.a)	7.53%	6.31%

**Past performance is not a reliable indicator of future performance**

\*Returns are calculated using the unit price which uses the net asset values for the relevant month. This price may differ from the actual unit price for an investor applying for or redeeming an investment. 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. Also, the returns shown do not include franking credits received from some hybrid stocks. The Fund's benchmark is the RBA cash rate.

The AMP Capital Enhanced Yield Fund changed its asset allocation on 1 June 2004, moving from listed property trusts in favour of increased exposure to structured high yield debt and corporate bonds, which represented a significant change in the investment approach for the Fund. For this reason, although the Fund's inception date is 12 May 2003, performance figures since inception are not shown.

AMP Capital is one of Australasia's largest fixed interest managers managing over \$30b of global fixed interest assets on behalf of investors. We are committed to managing money in the traded high yield and private debt markets and I am confident in the depth of skill and experience we have managing your investments.

I thank you for your on-going support in this challenging investment market environment. If you have any questions about the Fund please contact your Business Development Manager or Client Services on 1800 658 404. AMP Capital will continue to monitor the Fund's position and keep investors updated.

Yours sincerely,



Stephen Dunne

Managing Director, AMP Capital Investors

**Important note:** Investors should consider the Product Disclosure Statement available from AMP Capital Investors Limited [ABN 59 001 777 591] [AFSL 232497][AMP Capital] for the AMP Capital Enhanced Yield Fund before making any decision regarding these funds. The PDS contains important information about investing in the Fund and its important investors read the PDS before making any decision whether to acquire, or continue to hold, or dispose of units in the funds. 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 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 decision, consider the appropriateness of the information in this document, and seek professional advice having regard to the investor's objectives, financial situation and needs. AMP Capital is the responsible entity of the funds and the issuer of the PDS for the funds. This document is solely for the use of the person to whom it is provided.