

# RESPONSIBLE INVESTMENT LEADERS FUNDS

Information Memorandum



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### About this Information Memorandum

This Information Memorandum contains important information about investing in the Responsible Investment Leaders Funds (the Funds). This information is of a general nature only and does not take into account your individual investment objectives, financial situation or needs.

Before making a decision about investing or reinvesting in the Funds you are encouraged to:

- read this Information Memorandum and associated documents such as the relevant Fund's constitution
- conduct your own independent investigations and analysis of the relevant Fund, and
- obtain appropriate financial, legal and tax advice.

### Important information

AMP Capital Funds Management Limited is the Responsible Entity of the Responsible Investment Leaders Funds (the Funds) and issuer of this Information Memorandum. AMP Capital has been appointed by the Responsible Entity to provide investment management and associated services in respect of the Funds. No company in the AMP Group other than the Responsible Entity is responsible for the preparation and issue of this Information Memorandum or for any statements or representations made in this Information Memorandum.

Each of the Funds offered for investment through this Information Memorandum is a managed investment scheme structured as a unit trust and registered under the Corporations Act 2001 (Cth), referred to in this Information Memorandum as 'the Corporations Act'. The Funds are subject to investment risks, which could include delays in repayment, and loss of income and capital invested. No company in the AMP Group or any investment manager assumes any liability to investors in connection with investment in the Funds or guarantees the performance of our obligations to investors or that of the Responsible Entity, the performance of the Funds or any particular rate of return. The repayment of capital is not guaranteed. Investments in the Funds are not deposits or liabilities of any company in the AMP Group or of any investment manager.

This Information Memorandum is not a Prospectus or Product Disclosure Statement for the purposes of the Corporations Act and has not been lodged with the Australian Securities and Investments Commission.

The offer in this Information Memorandum is available only to eligible persons as set out in this Information Memorandum, who receive the Information Memorandum (including electronically) within Australia. We can only accept applications signed and submitted from within Australia. We cannot accept cash. Unless otherwise specified, all dollar amounts in this Information Memorandum are Australian dollars.

No representation or warranty, express or implied, is made in relation to the accuracy or completeness of the information provided in this Information Memorandum or any other information concerning AMP Capital otherwise provided to recipients. By accepting a copy of this Information Memorandum, you agree to be bound by the limitations set out in this disclaimer.

### Jurisdictions outside Australia

This Information Memorandum is not intended to constitute an offer in any jurisdiction outside of Australia where, or to any person to whom, it would not be lawful to make such an offer.

No action has been taken to register or qualify the units in the Funds or the offer of units in the Funds, or otherwise to permit an offering of the units in any jurisdiction outside Australia. The distribution of this Information Memorandum (electronically or otherwise) in jurisdictions outside Australia is limited and may be restricted by law. Anyone coming into possession of this Information Memorandum should seek advice on its provision and distribution, and observe any relevant legal restrictions on using, providing or distributing it. Failure to comply with such restrictions may constitute a violation of applicable securities law. It is your responsibility to comply with any laws of any country relevant to your subscription for units in the Funds.

## RESPONSIBLE INVESTMENT LEADERS FUNDS

<b>Issued</b>	27 November 2017
<b>Issuer and responsible entity</b>	AMP Capital Funds Management Limited – referred to in this Information Memorandum as 'the Responsible Entity'.
<b>Investment manager</b>	AMP Capital Investors Limited (ABN 59 001 777 591, AFSL 232497) – referred to in this Information Memorandum as 'AMP Capital', 'we', 'our' or 'us'.
<b>Unit class</b>	Wholesale
<b>Funds</b>	Responsible Investment Leaders Balanced Fund (ARSN 095 787 723)
	Responsible Investment Leaders Australian Share Fund (ARSN 112 835 631)
	Responsible Investment Leaders International Share Fund (ARSN 095 791 325)

## ABOUT AMP CAPITAL

AMP Capital, the Investment Manager for the Funds, is a global investment manager with a large presence in Australia.

AMP Capital is 85% owned (indirectly) by AMP Limited. As part of the AMP Group, we share a heritage that spans over 160 years.

Our home strength in Australia and New Zealand has enabled us to grow internationally, and today we have operations established in China, Hong Kong, Dubai, India, Ireland, Japan, Luxembourg, the United Kingdom and the United States. We also collaborate with a network of global investment partners, leveraging our shared capabilities to provide greater access to new investment opportunities.

Our asset class specialists, investment strategists and economists work together with the aim of delivering strong investment outcomes for clients. That is why our clients trust us to invest over A\$178.9 billion (as at 30 June 2017) on their behalf, across a range of single sector and diversified funds.

AMP Capital has been appointed by the Responsible Entity to provide investment management and associated services in respect of the Funds. This includes being responsible for selecting and managing the Funds' investments.

AMP Capital has also been appointed by the Responsible Entity, under an agreement, to provide other fund related services, including responding to investor enquiries and the preparation of this Information Memorandum on behalf of the Responsible Entity.

More information about AMP Capital is available online at [www.ampcapital.com.au/about-us](http://www.ampcapital.com.au/about-us).

## RESPONSIBLE INVESTING

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

Managers taking a responsible investing approach systematically consider social and environmental factors when making investments. 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 most socially and environmentally sustainable, such as health care and waste management, and avoiding industries considered to be the least socially and environmentally sustainable, such as tobacco and gambling.



CERTIFIED BY RIAA

### The Responsible Investment Association certification symbol

The Responsible Investment Leaders Funds have been certified by the Responsible Investment Association Australasia (RIAA). The Responsible Investment Certification Program helps investors by providing standardised and consistent information about certified responsible investment products, services and policies<sup>(1)</sup>

The Certification Symbol signifies that a product or service offers an investment style that takes into account environmental, social, governance or ethical considerations along with financial returns. The Symbol also signifies that AMP Capital has adopted strict disclosure practices for the Fund offered in this Information Memorandum, as required under RIAA's Responsible Investment Certification Program for the category of Fund Manager.

The Certification Symbol is a Registered Trade Mark of RIAA and detailed information about RIAA, the Symbol and the AMP Capital Sustainable Share Fund's methodology, performance and stock holdings can be found at [www.responsibleinvestment.org](http://www.responsibleinvestment.org), together with details about other responsible investment products certified by RIAA.

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.

## ABOUT THE RESPONSIBLE INVESTMENT LEADERS FUNDS

### Overview

The Responsible Investment Leaders Funds offered in this Information Memorandum give investors access to responsible investing opportunities across a wide range of asset classes, including shares, property and fixed income.

The Funds takes a multi-manager approach, where specialist investment managers, who demonstrate competitive advantages in their fields of investment, source investments for the Funds. In constructing the Funds we aim for diversification across:

- asset classes (in the case of the Responsible Investment Leaders Balanced Fund)
- investment managers, and
- investment styles and approaches.

The Funds are managed within a responsible investment framework. This means that the underlying investment managers combine traditional investment metrics with environmental, social and governance criteria to identify investments that meet acceptable standards, in areas such as environmental performance, social impact, ethics, labour standards and corporate governance.

Two specialist committees – the Investment Committee and the Ethics Committee – maintain the investment focus and the Funds’ responsible investing integrity. More information on our responsible investing approach and the two specialist committees is in the ‘Our investment approach’ section of this Information Memorandum.

### At a glance

	Responsible Investment Leaders Balanced Fund	Responsible Investment Leaders Australian Share Fund	Responsible Investment Leaders International Share Fund
<b>Asset class</b>	Diversified	Australian shares	International shares
<b>Summary of Investment objective</b>	Moderate capital growth and some income over the long term Each Fund aims to achieve its investment objective by adopting the investment approach set out in the ‘Our investment approach’ section of this Information Memorandum.	High returns over the long term	High returns over the long term
<b>Suggested minimum investment timeframe</b>	5 years	5 years	5 years
<b>Management fee</b>	0.82% pa	0.871% pa	0.974% pa
<b>Recoverable expenses</b>	0.01% pa	0.00% pa	0.04% pa
<b>Performance fee</b>	May be payable (see ‘Performance-related fee’ in the ‘Fees and costs’ section of this Information Memorandum)	Not applicable	Not applicable
<b>Other fees and costs</b>	See the ‘Fees and other costs’ section of this Information Memorandum for details of the management and performance fees noted above and other fees and costs that may apply. The total amount of fees you will pay will vary depending on the total value of your investment.		
<b>Who can invest?</b>	Wholesale clients as defined in Section 761G of the Corporations Act and persons to whom units may be issued without a Product Disclosure Statement in accordance with Section 761GA of the Corporations Act.		
<b>Minimum investment amounts</b>	Initial – \$10,000,000 Additional – \$100,000		
<b>Distribution frequency</b>	Each of the Funds aims to pay distributions half-yearly (see the ‘Distributions’ section of this Information Memorandum)		

See the ‘Fund profiles’ section of this Information Memorandum for more detailed information about the Funds, including the benefits and risks of investing relevant to each Fund.

### Further information

If you have questions about investing in the Funds or require further information, please contact our Client Services team on 1800 658 404 between 8.30am and 5.30pm Sydney time, Monday to Friday.

Further information about the Funds is also available online at [www.ampcapital.com.au](http://www.ampcapital.com.au). This information may include performance reports. When reading Fund performance information, please note that past performance is not a reliable indicator of future performance and should not be relied on when making a decision about investing in the Funds.

## OUR INVESTMENT APPROACH

### Overview

The Funds offered in this Information Memorandum have exposure to a wide range of asset classes. Our responsible investing approach, which addresses environmental, social and governance (ESG) factors, applies to the Australian and international share components of the Funds, together with direct property investments, corporate and government bonds, and alternative investments.

Currently, we do not take environmental, social and ethical considerations, labour standards and corporate governance factors into account in respect of cash.

### Our process

Our responsible investing approach follows five key steps:

1. Setting the investment objectives and considerations for each Fund.
2. Identifying the manager universe.
3. Selecting the managers.
4. Determining the optimal manager mix for each Fund.
5. Monitoring of the Funds and operational governance.

This process combines a stringent investment assessment with a responsible and ethical overlay; both of which are critical in meeting the Funds' objectives of producing competitive returns within a sustainable and responsible framework.

#### Step 1 – Setting the investment objectives and considerations for each Fund

Each Fund operates under distinct investment objectives. Investment objectives relate to the targeted financial return relative to a specific benchmark and respective asset allocations. Social and environmental considerations, as outlined in Step 3, are consistent across the Funds.

#### Step 2 – Identifying the manager universe

We search the responsible investing manager universe in Australia and overseas for the leading managers that can meet our requirements, both from investment and ethical perspectives. This search includes seeking out managers across all asset classes.

#### Step 3 – Selecting the managers

Managers are assessed from both an investment and ESG perspective.

In evaluating managers from an investment perspective, we seek the following characteristics:

- a robust business model that demonstrates proper governance and alignment structures, with a high quality parent organisation
- appropriate scale or funds under management
- talented, experienced and sufficiently resourced investment teams
- clearly defined and consistently applied investment philosophy – the manager's investment philosophy and approach must be consistent with the investment strategy for the asset class
- a sound and disciplined investment process, and
- track record (both risk and return metrics).

In addition to assessing a manager's investment capability, consideration is also given to a manager's ability to substantially meet the responsible investment criteria outlined in the Responsible Investment Leaders Charter of Operation (Charter). At a minimum, a manager must also be able to meet the negative screening criteria listed in the Charter. Managers will also be well-regarded if they can pro-actively apply supply sustainable and responsible investment criteria to their security selection approach, above and beyond these exclusions, on behalf of the Funds.

The Funds are governed by an ethical charter which prohibits investments in companies operating within sectors recognised to have a high negative social impact. This means that the Funds will avoid exposure (either directly or indirectly through underlying managers and funds) to companies with a material exposure to the production or manufacture of:

- tobacco
- nuclear power (including uranium)
- armaments
- gambling
- alcohol, and
- pornography.

A company deriving more than 10% of its total revenue from these industries constitutes material exposure. In addition, with the combustion of fossil-fuels being the main source of global greenhouse gas emissions, the Responsible Investment Leaders range seeks to limit exposure to companies which have a material exposure to the most carbon intensive fossil fuels by excluding any company that has more than a 20% exposure (as measured by percentage of market capitalisation, or other appropriate financial metric) to one, or a combination of, the following:

- mining thermal coal
- exploration and development of oil sands
- brown-coal (or lignite) coal-fired power generation
- transportation of oil from oil sands, and
- conversion of coal to liquid fuels/feedstock.

We may update these exclusions, from time to time, following review and approval by the Ethics Committee. Investors will be notified of any changes to the Charter, including changes to the exclusions. The Charter is available online at [www.ampcapital.com.au](http://www.ampcapital.com.au), or a copy can be obtained, free of charge, by contacting us.

#### Responsible investing policies vary between underlying managers

Managers are assessed with respect to their ability to achieve the guidelines detailed above. At a minimum, each manager we select excludes investment in companies with material exposure to the sectors identified above as having high negative social impact. Managers may also apply other considerations due to commercial, geographical or other influences. For instance, some managers may impose wider restrictions on the industries that can be considered or must be avoided.

#### Step 4 – Determining the optimal manager mix for each 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 of the Funds and operational governance

Two specialist committees – the Investment Committee and the Ethics Committee – monitor the managers and the asset allocations for each Fund, maintain the Funds’ responsible investing integrity, and oversee the overall operation of the Responsible Investment Leaders product range. 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 responsible investing perspective).

##### Investment Committee

The Investment Committee is responsible for overseeing and approving investment decision-making, including strategic asset allocation and manager selection. It also performs a monitoring function, incorporating performance measurement and risk management.

The Investment Committee includes investment professionals from within AMP Capital and advisers appointed by us to provide advice on investment manager selection, as well as other investment research. Except in limited circumstances, we pay the advisers for these services and they are not a cost to the Funds. We, or any of the appointed advisers, may terminate a current consulting arrangement, and aspects of an arrangement may change. If a material change occurs, we will provide an update online at [www.ampcapital.com.au](http://www.ampcapital.com.au).

##### Ethics Committee

The Ethics Committee is responsible for responsible investing integrity and corporate governance and engagement, and performs two key tasks:

- overseeing the Funds’ investments to ensure they reflect the Funds’ responsible investing objectives (see ‘Retention and realisation policy’ below), and
- providing input on matters of priority for corporate engagement and governance, where environmental, social or ethical issues, or labour standards are relevant.

The Ethics Committee includes responsible investing research and investment professionals from within AMP Capital, and client representatives. In performing its key tasks, the Ethics Committee refers to the guidelines outlined in the Responsible Investment Leaders Charter of Operation. A copy of the Charter is available online at [www.ampcapital.com.au](http://www.ampcapital.com.au).

##### Retention and realisation policy

If a company falls below our responsible investing standards, it is our policy that the relevant manager sells its investment in the company within six months. The underlying managers monitor companies against our responsible investing standards on an ongoing basis. If a manager breaches our policy, we may terminate the services of that manager.

Our policy also requires that the managers review individual companies on a regular basis and where there are major changes to the companies, such as takeovers or major environmental incidents. A company may also be sold at any time for financial reasons.

## FUND PROFILES

### Responsible Investment Leaders Balanced Fund

#### The Fund’s investments

The Fund invests in a diversified portfolio of assets, including Australian and international shares (including emerging markets) and fixed interest but with an emphasis on growth assets (shares and property).

The Fund may invest in additional asset classes, including listed property, infrastructure, private equity and other alternative assets, where this is consistent with its investment objectives.

Additionally, the Fund may invest in sectors on an index basis, where appropriate, or if a responsible investing equivalent is not available. The Fund may also invest in other approved managed funds and securities, including those offered by the Responsible Entity, us or our associates (see ‘Related party transactions’ in the ‘Other important information’ section of this Information Memorandum for further information).

We review the benchmarks and ranges shown below annually. However, changes to benchmarks and asset allocations may be implemented in between formal reviews, if required. Our strategic asset allocation review process is designed to ensure the Fund remains positioned to achieve its investment objectives, given our long term risk and return expectations for the various asset classes in which it invests.

The Fund’s asset allocation benchmarks and ranges are as set out in this section. Current asset allocation benchmarks and strategic ranges can be obtained online at [www.ampcapital.com.au](http://www.ampcapital.com.au) or by contacting us.

ASSET CLASS	LONG TERM BENCHMARK	STRATEGIC RANGE
Australian shares	28%	20-40%
International shares <sup>(1)</sup>	27%	15-35%
Emerging markets	2%	0-7%
Alternative assets <sup>(2)</sup>	1%	0-6%
Global REITs (hedged)	4%	0-10%
Direct property and infrastructure	8%	0-10%
<b>Total growth assets</b>	<b>70%</b>	
Australian fixed interest	13%	0-20%
International fixed interest (hedged)	12%	0-15%
Cash	5%	0-20%
<b>Total income assets</b>	<b>30%</b>	

1. International shares are benchmarked to the MSCI All Country World Index (Net Dividends Reinvested), approximately 11% of which is exposed to emerging market shares.
2. Alternative assets may include private equity, forestry, infrastructure and hedge funds.

## Dynamic asset allocation

The Fund adopts AMP Capital's dynamic asset allocation investment approach which aims to negotiate the ups and downs of the market cycle.

The dynamic asset allocation approach invests with the principal aim of achieving growth with smoother returns over the longer term. This is done by adopting a flexible approach to asset allocation to actively adjust the split of investment across asset classes in response to expected market changes. When markets have fallen, the Fund may favour growth assets such as shares, whereas when markets are peaking, the Fund may favour more defensive assets such as fixed income and cash. Essentially, the approach seeks to sell away from overpriced situations and buy into underpriced opportunities.

The flexibility of dynamic asset allocation is designed to complement the Responsible Investment Leaders Balanced Fund's long term strategic asset allocation, which is expected to remain relatively stable over time.

## 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 5 year basis and to provide a rate of return of 3.5% above inflation<sup>(1)</sup> after costs and before tax, over a 5 year period.

The Fund aims to achieve its investment objective by adopting the investment approach set out in the 'Our investment approach' section of this Information Memorandum.

**Performance benchmark** – the average weighted return of the market indices used to measure the performance of the underlying funds in which the Fund invests.

## Suggested minimum investment timeframe

5 years

## Further information about the Fund

Further information about the Fund is provided in 'Further information about the Funds' in this section and includes:

- derivatives
- gearing
- borrowing
- currency management, and
- investment managers.

## Benefits of investing in the Fund

For investors seeking competitive returns within a responsible investment framework, the Fund provides:

- a diversified strategy that blends asset classes and investment managers, with the objective of providing investors with competitive returns across a range of markets
- a process that combines a stringent investment approach and a responsible investment philosophy, and
- access to specialist managers and consultants.

## Investment risks

All investing involves risk, and you should consider investment risks before making an investment decision. Risks of investing specific to the Fund may include or be associated with:

- **asset allocation** – the Fund's asset allocation strategy does not guarantee positive investment performance at all stages of the investment cycle.
- **share market investments** – the value of the Fund's investment in listed securities may decrease as a result of adverse share market movements.
- **investment management** – there is a risk that the investment manager will not perform to expectation or factors such as changes to the investment team or a change of investment manager may affect the Fund's performance.
- **exclusion risk** - there is a risk that investing in a more restricted universe of companies may deliver returns that diverge from the benchmark over time

Risks of investing specific to the Fund may also include or be associated with:

- alternative assets
- credit
- derivatives
- infrastructure investments
- interest rates
- international investments
- liquidity
- property investments
- securities lending, and
- short selling.

The 'Risks of investing' section of this Information Memorandum provides further information about some of the risks noted above, as well as information about other investment risks of which you should be aware.

1 Consumer Price Index (CPI)

## Responsible Investment Leaders Australian Share Fund

### The Fund's investments

ASSET CLASS	LONG TERM BENCHMARK	STRATEGIC RANGE
Australian shares	100%	90-100%
Cash	0%	0-10%

Current asset allocation benchmarks and strategic ranges can be obtained online at [www.ampcapital.com.au](http://www.ampcapital.com.au) or by contacting us.

The Fund invests primarily in a portfolio of shares listed on the Australian Securities Exchange.

The Fund may also:

- invest up to 10% in cash if these investments are seen to add value or assist in managing risk; however, in certain market conditions, the Fund may hold higher levels of cash, and
- invest in other managed funds and securities, including those offered by the Responsible Entity, AMP Capital or our associates (see 'Related party transactions' in the 'Additional information' section of this Information Memorandum for further information).

### 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 5 year basis.

The Fund aims to achieve its investment objective by adopting the investment approach set out in the 'Our investment approach' section of this Information Memorandum.

**Performance benchmark** S&P/ASX 200 Accumulation Index

**Suggested minimum investment timeframe**

5 years

### Further information about the Fund

Further information about the Fund is provided in 'Further information about the Funds' in this section and includes:

- derivatives
- borrowing, and
- investment managers.

### Benefits of investing in the Fund

For investors seeking competitive returns within a responsible investment framework, the Fund provides:

- a multi-manager Australian shares portfolio that combines managers with different investment styles and aims to provide investors with competitive returns
- a process that combines a stringent investment approach and a responsible investment philosophy, and
- access to specialist managers and consultants.

### Investment risks

All investing involves risk, and you should consider investment risks before making an investment decision. Risks of investing specific to the Fund may include or be associated with:

- **derivatives** – the use of derivatives may magnify any losses incurred.
- **share market investments** – the value of the Fund's investment in listed securities may decrease as a result of adverse share market movements.
- **investment management** – there is a risk that the investment manager will not perform to expectation or factors such as changes to the investment team or a change of investment manager may affect the Fund's performance.
- **exclusion risk** - there is a risk that investing in a more restricted universe of companies may deliver returns that diverge from the benchmark over time

Risks of investing specific to the Fund may also include or be associated with:

- liquidity
- short selling, and
- securities lending.

The 'Risks of investing' section of this Information Memorandum provides further information about some of the risks noted above, as well as information about other investment risks of which you should be aware.



## Responsible Investment Leaders International Share Fund

### The Fund's investments

ASSET CLASS	LONG TERM BENCHMARK	STRATEGIC RANGE
International shares	100%	90-100%
Cash	0%	0-10%

Current asset allocation benchmarks and strategic ranges can be obtained online at [www.ampcapital.com.au](http://www.ampcapital.com.au) or by contacting us.

The Fund invests primarily in a portfolio of international shares diversified by region, industry and company type.

The Fund may also:

- invest a portion of its assets in emerging markets
- invest up to 10% in cash if these investments are seen to add value or assist in managing risk; however, in certain market conditions, the Fund may hold higher levels of cash, and
- invest in other managed funds and securities, including those offered by the Responsible Entity, AMP Capital or our associates (see 'Related party transactions' in the 'Additional information' section of this Information Memorandum for further information).

### 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 5 year basis.

The Fund aims to achieve its investment objective by adopting the investment approach set out in the 'Our investment approach' section of this Information Memorandum.

**Performance benchmark** MSCI All Country World Index (Net Dividends Reinvested)

### Minimum suggested investment timeframe

5 years

### Further information about the Fund

Further information about the Fund is provided in 'Further information about the Funds' in this section and includes:

- derivatives
- borrowing
- currency management, and
- investment managers.

### Benefits of investing in the Fund

For investors seeking competitive returns within a responsible investment framework, the Fund provides:

- a multi-manager international shares portfolio that combines managers with different investment styles and aims to provide investors with competitive returns
- a process that combines a stringent investment approach and a responsible investment philosophy, and
- access to specialist managers and consultants.

### Investment risks

All investing involves risk, and you should consider investment risks before making an investment decision. Risks of investing specific to the Fund may include or be associated with:

- **international investments** – including losses related to currency exchange rates, hedging, and changes in the state of the Australian and world economies.
- **share market investments** – the value of the Fund's investment in listed securities may decrease as a result of adverse share market movements.
- **investment management** – there is a risk that the investment manager will not perform to expectation or factors such as changes to the investment team or a change of investment manager may affect the Fund's performance.
- **exclusion risk** - there is a risk that investing in a more restricted universe of companies may deliver returns that diverge from the benchmark over time.

Risks of investing specific to the Fund may also include or be associated with:

- derivatives
- liquidity, and
- securities lending.

The 'Risks of investing' section of this Information Memorandum provides further information about some of the risks noted above, as well as information about other investment risks of which you should be aware.

## Further information about the Funds

### Derivatives

The Funds or the underlying managers may use derivatives such as options, futures or swaps with the aim of:

- protecting against risks such as unfavourable changes in an investment's price brought about by, for example, changes in interest rates, credit risk, equity prices, currencies or other factors
- enhancing returns by taking advantage of favourable mispricings within a market, as a cost-effective alternative to purchasing physical assets, and
- implementing a Fund's investment objective.

We impose restrictions on the use of derivatives within the Funds and monitor the implementation of these restrictions in accordance with the AMP Capital Derivatives Risk Statement, which can be obtained online at [www.ampcapital.com.au](http://www.ampcapital.com.au), or free of charge by contacting us.

### Gearing

It is not our intention to gear the Funds through the use of borrowing, which means that, in normal circumstances, the Funds are no more than 100% exposed to market movements after taking into account derivative positions. However, underlying funds or securities in which a Fund invests may at times be geared through the use of derivatives or borrowing.

### Borrowing

The Funds are not restricted in the amount they can borrow and may borrow to meet their short term liquidity needs.

### Securities lending

The Funds engage in securities lending. Securities lending is an investment practice whereby securities of a Fund are lent to a third party (the borrower) for a period of time in return for a fee. Title to the securities is transferred to the borrower, but the Funds' exposure to capital movements and investment income remain unchanged. For the duration of the loan, the borrower is required to provide collateral in excess of the value of the securities loaned. Collateral is held by the Funds' custodian on behalf of the Funds. Subject to any restrictions deemed necessary by the investment manager, up to 95% of each individual security held by the Funds may be lent under the securities lending program.

See the 'Other important information' section for further details on securities lending, including associated risks and how we mitigate and manage them.

### Currency management

Currency management only applies to these two funds:

#### • Responsible Investment Leaders Balanced Fund

In normal circumstances, the international bonds and international listed property assets of this Fund are hedged to Australian dollars. International shares and other international assets may also be hedged to Australian dollars.

Currency exposures and hedging are co-ordinated and overseen by the Exposure Management team with the team performing daily monitoring and position adjustments to reflect any changes to underlying currency exposures. Currency hedges are monitored at both the portfolio and individual currency level.

#### • Responsible Investment Leaders International Share Fund

In normal circumstances, the international assets of this Fund are typically unhedged.

### Investment managers

For each Fund, investment managers can be reviewed, added, replaced or removed, without prior notice to investors. AMP Capital has been selected as an investment manager and may be reviewed, replaced or added in accordance with the criteria used for other investment managers. A list of current investment managers can be obtained online at [www.ampcapital.com.au](http://www.ampcapital.com.au) or by contacting us.

## RISKS OF INVESTING

### All investing involves risk

Generally, the higher the expected return, the higher the risk.

Assets with the highest long term returns may also carry the highest level of short term risk, particularly if you do not hold your investment for the minimum suggested investment timeframe. Additionally, different investment strategies may carry different levels of risk, depending on the assets in which the funds invest.

Whilst the Funds are managed with the aim of providing competitive investment returns against the Funds' performance benchmark and protecting against risk, you should be aware that the Funds are subject to investment risks, which could include delays in repayment, the non-payment of distributions and loss of capital invested.

When you invest in a managed investment scheme, you should be aware that:

- returns are not guaranteed – future returns may differ from past returns, and the level of returns may vary, and
- the value of your investment may vary, and there may be the risk of loss of invested capital.

Investment risks can affect your financial circumstances in a number of ways, including:

- your investment in the Funds may not keep pace with inflation, which would reduce the future purchasing power of your money
- the stated aims and objectives of the Funds may not be met
- the amount of any distribution you receive from the Funds may vary or be irregular, which could have an adverse impact if you depend on regular and consistent distributions to meet your financial commitments, and
- your investment in the Funds may decrease in value, which means you may get back less than you invested.

The value of your investment in the Funds may be affected by the risks listed in this section and by other risks or external factors such as the state of the Australian and world economies, consumer confidence and changes in government policy, taxation and other laws.

Other factors such as your age, the length of time you intend to hold your investment, other investments you may hold, and your personal risk tolerance will affect the levels of risk for you as an investor. As the risks noted in this section do not take into account your personal circumstances, you should consider the information provided in 'Making an investment decision' at the end of this section, before making a decision about investing or reinvesting in the Funds.

## Risks specific to the Funds

### Alternative assets

- The degree of transparency for investment in alternative assets is often lower than for investments in traditional asset classes.
- Investment risks such as credit risk (the risk of default by a counterparty) and liquidity risk (risk that a fund cannot easily unwind or offset a particular position, especially in a market downturn), and market impact risk (difficulty entering or exiting positions without unduly affecting the market) may be magnified.
- Positions may be leveraged through the use of derivatives, gearing and short selling.
- Investment returns are often generated by the strategies used by the alternative asset fund manager rather than through exposure to specific markets or assets, which means that these investments may underperform other index-based investments, such as share market investments, particularly in times of strong economic growth.
- The carrying value of the Funds' investments used to generate the Funds' unit price may not reflect their currently realisable value. This may be due to a range of factors, including buy/sell spreads, liquidity pressures, market sentiment at the time of sale, the volume of assets being sold, availability of willing purchasers for an asset and delays between valuation and realisation of an asset.

You should be aware that there are other risks associated with investment in alternative assets which relate directly to the specific type of asset, and you should seek appropriate advice before investing.

### Asset allocation

There is no guarantee that the Funds' asset allocation approach will provide positive investment performance at all stages of the investment cycle.

### Counterparty or default risk

Entry into some financial transactions, such as swaps, creates counterparty risks. Substantial losses can be incurred if a counterparty fails to deliver on its contractual obligations, or experiences financial difficulties.

- The value of assets within the Funds can change due to changes in the credit quality of the individual issuer, or counterparty, and as a result of changes in the values of other similar securities, which can affect the volatility of the Funds and its returns.
- Where the Funds invest in certain strategies such as derivatives, fixed income, credit or high yield investments, it may be subject to the risk that the credit issuer may default on interest payments, the repayment of capital or both, or that a third party ratings agency downgrades a credit rating, or that a counterparty to a transaction may default on financial or contractual obligations.
- The Funds may also invest in government, corporate or other securities with a non-investment grade credit rating (that is, Standard and Poor's BB+ rating or equivalent, or less) and, as such, there is an increased risk, compared to investment grade securities, that the credit issuer may default on interest payments, the repayment of capital or both.

## Credit

The value of assets within the Funds can change due to changes in the credit quality of the individual issuer and also from changes in values of other similar securities. This can affect the volatility of the Funds and their income.

Fixed income securities are subject to default risk, which means that the credit issuer may default on interest payments, the repayment of capital or both. Fixed income investments with a non-investment grade credit rating (that is, Standard & Poor's BB+ rating or equivalent, or less) are subject to increased risks compared with investment grade securities, in that the credit issuer may be more likely to default on interest payments, the repayment of capital or both.

## Derivatives

There are risks of losses to the Funds through the use of derivatives, and where derivatives are used by underlying funds in which the Funds invest, including:

- the value of a derivative may not move in line with the value of the underlying asset
- a derivative position cannot be reversed
- losses may be magnified, and
- the party on the other side of a derivative contract defaults on financial or contractual obligations.

## Exclusion risk

The Funds aim to create additional value for investors by identifying those companies that engage in responsible business practices through combining traditional investment metrics with environmental, social and governance criteria. This is expected to produce returns that are comparable with wider investment markets over the long-term, although investing in a more restricted universe may deliver returns that diverge from the benchmark over shorter time periods.

## Infrastructure investments

Although the Funds do not invest directly into infrastructure assets, certain risks associated with direct infrastructure assets may affect the infrastructure securities held by the Funds, which may then affect the Funds' performance and returns (both capital growth and income). Such risks may include the following:

- a company's ability to meet debt commitments may be adversely affected by such factors as interest rate movements
- construction and project management costs may increase due to factors such as delays in completion of a project
- external parties associated with the operation of the asset may not meet their contractual obligations
- the expected usage and subsequent returns on the asset may be less than originally projected
- changes in regulation or the introduction of new regulations could affect the value of the asset, and
- the carrying value of a Fund's investments used to generate a Fund's unit price may not reflect their currently realisable value. This may be due to a range of factors, including buy/sell spreads, liquidity pressures, market sentiment at the time of sale, the volume of assets being sold, availability of willing purchasers for an asset and delays between valuation and realisation of an asset.

## Interest rates

Cash and fixed income investments will be impacted by interest rate movements. While capital gains may be earned from fixed income investments in a falling interest rate environment, capital losses can occur in a rising interest rate environment. The risk of capital gain or loss tends to increase as the term to maturity of the investment increases.

## International investments

Changes in the state of the world economies may affect the value of your investment in the Funds.

- **Currency exchange rates** – where a Fund's investments are located overseas, the relative strength or weakness of the Australian dollar against other currencies may influence the value of, or income from, an investment.
- **Currency hedging** – where international investments are primarily hedged back to Australian dollars, the Funds could still incur losses related to hedging or currency exchange rates. Such losses may affect a Fund's taxable income and its subsequent ability to pay distributions. Risks such as illiquidity or default by the other party to the hedging transaction may also apply.
- **Less protection under laws outside of Australia** – the laws under which assets located outside of Australia operate may not provide equivalent protection to that of Australian laws, which may mean that a Fund is unable to recover the full or part value of an offshore investment.
- **Emerging markets** – securities markets in emerging markets are smaller and have been more volatile than the major securities markets in more developed countries. This is often a reflection of a less developed country's greater political instability or uncertainty, exchange rate uncertainty, lower market transparency or uncertain economic growth. Clearance and settlement procedures in an emerging country's securities market may be less developed which could lead to delays in settling trades and registering transfers of securities.
- **Operational risk** – investing across multiple markets and currencies magnifies risks associated with international investments.

## Liquidity

Liquidity refers to the ease with which an asset can be traded (bought and sold). An asset subject to liquidity risk may be more difficult to buy or sell and it may take longer for the full value to be realised.

Where the Funds have exposure to investments which are generally considered to be illiquid, they may be subject to liquidity risk.

We manage the Funds' portfolio with the aim of ensuring that exposure to illiquid assets is no greater than 20%. However, in circumstances where a Fund's portfolio consists of less than 80% in value of liquid assets, we may not be able to meet withdrawal requests within the periods specified under the 'Payment times' section of this PDS, and may suspend processing all withdrawal requests for such period as we determine.

In addition, we will not meet withdrawal requests if a Fund ceases to be 'liquid' for the purposes of the Corporations Act. However, although we are not obliged to, we may offer investors the opportunity to make withdrawals where the Funds are not 'liquid' during this period, as set out under the 'Processing withdrawal requests' section of this PDS.

### **Listed hybrid securities**

As listed hybrid securities are a combination of debt and equity, they have the risk characteristics of fixed income and share market investments, as well as those associated with derivatives (if applicable). In addition, there is the risk that they may not be able to be exchanged readily for cash or an equivalent asset value.

### **Property investments**

Many of the factors affecting the property market will affect direct property and property securities held by the Funds. These factors, which may also affect the performance of the Funds, include the quality of underlying properties, geographic location, costs and losses associated with natural disasters, or other disasters or events, outside of our reasonable control, demand and supply for commercial properties, the rental profile of the properties owned and the level of rental income.

The carrying value of a Fund's investments used to generate a Fund's unit prices may not reflect their currently realisable value. This may be due to a range of factors, including buy/sell spreads, liquidity pressures, market sentiment at the time of sale, the volume of assets being sold, availability of willing purchasers for an asset and delays between valuation and realisation of an asset.

### **Securities lending**

Although engaging in securities lending by underlying funds in which the Funds invest may benefit the Funds by providing increased returns, there is a risk of capital loss.

This may arise if the borrower fails to return the borrowed securities, or if some of the collateral provided by the borrower to cover the value of the lending is affected by the share market investments risk listed below, or the insolvency of a party to the arrangement, including where collateral is pooled and/or held under the laws of a foreign country.

The greater volume of securities lent, the greater potential for capital loss.

### **Share market investments**

Share market investments have historically produced higher returns than cash or fixed interest investments over the long term. However, the risk of capital loss exists, especially over the shorter term. You should be aware that past share market investment performance is not an indication of future performance.

Specific risks may include a slowdown in economic growth, individual companies reporting disappointing profits and dividends, and management changes. Where a fund is invested in listed securities, the value of these securities may decrease as a result of these and other events.

### **Short selling**

The investment manager, or underlying managers, may utilise alternative investment strategies such as short selling securities. Due to the nature of short selling (aiming to sell an asset at a high price and buy it later at a lower price), the potential loss to the Fund may be greater than for more traditional purchase and sales transactions, as the potential increase in price of the asset sold (and hence the potential loss) is unlimited.

## **Other risks**

Other risks of investing may apply and you should seek appropriate advice before investing.

## **Making an investment decision**

As the risks noted in this Information Memorandum do not take into account your personal circumstances, you should consider the following before making a decision about investing or reinvesting in the Funds:

- read a current Responsible Investment Leaders Funds Information Memorandum and associated documents such as the relevant Fund's constitution
- conduct your own independent investigations and analysis of the relevant Fund, and
- obtain appropriate financial, legal and tax advice.

## FEES AND OTHER COSTS

### Fee summary

Table 1

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Management fee</b>	Responsible Investment Leaders Balanced	0.82% pa
	Responsible Investment Leaders Australian Share	0.871% pa
	Responsible Investment Leaders International Share	0.974% pa
<b>Recoverable expenses</b>	Responsible Investment Leaders Balanced	0.01% pa
	Responsible Investment Leaders Australian Share	0.00% pa
	Responsible Investment Leaders International Share	0.04% pa
<b>Performance-related fee</b>	<b>Responsible Investment Leaders Balanced Fund and Responsible Investment Leaders Australian Share Fund</b> A performance-related fee may be payable to some of the investment managers. This fee is up to 25% of a manager's outperformance above their benchmark index, which is tailored to the asset class they manage (see 'Performance-related fee' in this section).	Paid when relevant investment managers achieve specific performance targets. Payable out of the assets of the Fund, and reflected in the unit price.

Management fees and performance-related fees charged by underlying funds, including funds managed by the Responsible Entity, us or our associates, are included in the fees noted in Table 1. Fees and expenses charged by a Fund and its underlying funds reduce the net asset value of the relevant fund, and in turn, the value of your investment.

### Management fee

The management fee is charged on the value of the gross assets of the Fund. When calculating the value of the gross assets of the Fund for this purpose, we may value any units held by the Fund in underlying funds by reference to the gross assets of the underlying funds (that is, disregarding the value of any borrowings, other liabilities or provisions in those underlying funds) rather than the net asset value.

### Recoverable expenses

Each Fund's constitution entitles the Responsible Entity to be reimbursed from the Funds for any expenses incurred in relation to the proper performance of its duties.

The Responsible Entity may also recover other expenses relating to the operation of the Funds. These expenses include but are not limited to audit and legal fees, tax and accounting services, custody, administration and registry services, regulatory compliance, the cost of preparing disclosure documents and the costs associated with a securities lending program (if applicable). Internal expenses incurred in connection with these matters may also be recovered from the Funds. Recoverable expenses are included in the fees noted in Table 1.

### Performance-related fee

#### **Responsible Investment Leaders Balanced Fund and Responsible Investment Leaders Australian Share Fund**

A performance-related fee may be payable on some of the Responsible Investment Leaders Balanced Fund's and Responsible Investment Leaders Australian Share Fund's underlying investments. Performance-related fees are paid to underlying investment managers when specific investment performance targets are met by underlying funds. A performance-related fee may be incurred irrespective of the Responsible Investment Leaders Balanced Fund's and Responsible Investment Leaders Australian Share Fund's overall performance.

The underlying managers subject to a performance-related fee invest in the alternative, direct property and international bond asset sectors.

There is no single, generally accepted standard performance benchmark index for the alternative and direct property asset sectors. The performance benchmark index for these asset sectors has regard to the type of direct property or alternative assets acquired, and may include a fixed annual return or a long term bond yield plus a margin.

When determining whether a performance-related fee is paid to an underlying investment manager, the benchmark indices will vary from manager to manager, and may change from time to time. You can obtain further information on current benchmark indices and performance-related fee rates free of charge, by contacting us.

## Transactional and operational costs

The Fund incurs transactional and operational costs when dealing with the assets of the Fund. Transactional and operational costs may include transactional brokerage, clearing costs, stamp duty, the buy and sell spreads of any underlying fund and the costs of (or transactional and operational costs associated with) derivatives. These costs will differ according to the type of assets in the Fund, or for the purpose for which any derivatives are acquired and will be paid out of the Fund's assets.

Transactional and operational costs also include property management costs in relation to the management of real estate assets of the Funds or underlying funds, including the costs of rates and utilities and other property operating costs and maintenance costs relating to those assets, excluding those costs recovered from tenants for their benefit.

Transactional and operational costs associated with dealing with each Fund's assets may be recovered by the Funds from investors, in addition to the fees noted in Table 1.

### Buy and sell spreads

Investments and withdrawals in the Funds may incur buy and sell spreads, which are designed to ensure, as far as practicable, that any transactional and operational costs incurred as a result of an investor entering or leaving the Funds are borne by that investor, and not other investors.

Buy and sell spreads are calculated based on the actual or estimated costs the Funds may incur when buying or selling assets. They will be influenced by our experience of the costs involved in trading these assets or the costs that the Funds have actually paid, and will be reviewed whenever necessary to ensure they remain appropriate.

When you enter or leave a Fund, any buy or sell spread applicable at that time is a cost to you, additional to the fees noted in Table 1, and is reflected in the unit price. The buy and sell spreads are retained within that Fund, as assets of that Fund; they are not fees paid to the Responsible Entity, AMP Capital or any investment manager.

The buy spread is taken out of application amounts. The sell spread is taken out of withdrawal amounts.

As at the date of this Information Memorandum, the following spreads apply to the Funds:

FUND	BUY SPREAD	SELL SPREAD
Responsible Investment Leaders Balanced <sup>(1)</sup>	0.19%	0.19%
Responsible Investment Leaders Australian Share	0.25%	0.25%
Responsible Investment Leaders International Share	0.25%	0.25%

1. The weighted average buy and sell spreads for the underlying funds in which the Fund invests.

Current buy and sell spreads can be obtained online at [www.ampcapital.com.au/spreads](http://www.ampcapital.com.au/spreads) or by contacting us.

If investments and withdrawals in a Fund incurs buy and sell spreads, we estimate that the above buy/sell spreads will recover a Fund's transactional and operational costs incurred due to investor activity. However, the balance of the Fund's transactional and operational costs will be borne by the Fund from the Fund's assets without any recovery from individual investors and reflected in its unit prices.

## Other costs

### Borrowing costs

Borrowing costs (or gearing costs) are the costs associated with borrowing money or securities (such as interest, establishment fees, government charges and stock borrowing fees). Borrowing costs are paid out of the Fund's assets or the underlying fund's assets (as the case may be) and reflected in the unit price.

These costs will be paid out of the Fund's assets and are additional to the fees and costs noted in Table 1 above.

### Costs related to a specific asset or activity to produce income

The Funds may also incur costs (related to a specific asset or activity to produce income) that an investor would incur if they invested directly in a similar portfolio of assets, for example the costs of gearing or manager transition costs. These costs will be paid out of the relevant Fund and are additional to the fees noted in Table 1.

### Derivative costs

The Funds may access alternative assets through swaps or other derivatives. Costs to the Funds in connection with swaps include:

- allowances factored into the price of the swap that correspond with costs that would be incurred if a Fund held interests directly in alternative assets, including administration, custodian and sub-custodian costs, fees for swap facility, transaction expenses such as brokerage, leverage (gearing) costs, and management and performance fees payable to managers, and
- break costs in the event that a swap arrangement is terminated prior to an agreed date, with the cost reducing over time based on the costs of borrowing already paid.

## Liabilities properly incurred

The constitution of each Fund entitles the Responsible Entity to be indemnified from the Funds for any liability properly incurred.

## Maximum fees

The maximum fees that can be charged under the Fund's constitution (exclusive of GST) are:

- **Contribution fee** – 5% of the application amount. Currently, no contribution fee is charged.
- **Withdrawal fee** – 5% of the withdrawal amount. Currently, no withdrawal fee is charged.
- **Management fee** – 3% per annum of the value of the assets of the Fund. The current management fees charged are shown in Table 1.

Under each Fund's constitution, the Responsible Entity is entitled to be paid an additional amount on the above fees, on account of GST, calculated in accordance with that Fund's constitution.

## Changes to fees

The Responsible Entity may change the fees noted in this Information Memorandum at its discretion and without the consent of investors. For example, fees may be increased where increased charges are incurred due to changes to legislation, where increased costs are incurred, if there are significant changes to economic conditions, or if third parties impose or increase processing charges.

## Goods and Services Tax (GST)

Unless otherwise stated, the fees, costs and expenses shown in this section are inclusive of GST and any applicable stamp duty, less reduced input tax credits or other input tax credits claimable. For information about the tax implications of investing in the Fund, refer to the 'Taxation' section of this Information Memorandum.

## Differential fees

A rebate of part of the management fee or a lower management fee may be negotiated with investors who are wholesale clients for the purposes of the Corporations Act or with AMP Group staff. Further information can be obtained by contacting us.

## Alternative forms of remuneration

AMP Capital and the Responsible Entity may provide alternative forms of remuneration, such as professional development, sponsorship, and entertainment for financial advisers, dealer groups and master trust or investor directed portfolio service (IDPS) operators, where the law permits. Where such benefits are provided, they are payable by us or the Responsible Entity and are not an additional cost to you. AMP Capital and the Responsible Entity maintain a register to record any material forms of alternative remuneration we or the Responsible Entity may pay or receive. We will provide you with a copy of our register free of charge, on request.

## TAXATION

### Taxation treatment of your investment

It is important that you seek professional taxation advice before you invest or deal with your investment, as the taxation system is complex, and the taxation treatment of your investment will be specific to your circumstances and to the nature of your investment.

These comments are intended for investors who hold their investment on capital account for income tax purposes based on our interpretation of Australian taxation laws and administrative practices at the date of publication of this PDS.

Generally, you will be liable to pay tax on your share of the taxable income of the Fund whether or not distributions are reinvested. You may be entitled to tax offsets, which reduce the tax payable by you, and concessional rates of tax may apply to certain forms of income such as capital gains. Australian resident individuals are liable to pay tax at their marginal rates on their share of the taxable income of the Fund. Generally, tax is not paid on behalf of investors. If you are not an Australian resident for income tax purposes, withholding tax will be deducted from your share of the taxable income of the Fund at prescribed rates dependent on the components of the Fund's taxable income.

Please note that at the time of your initial or additional investment there may be unrealised capital gains or accrued income in the Fund. If these amounts are subsequently realised, they may be paid to you as part of a distribution from the Fund. In addition, there may be realised but undistributed capital gains or income in the Fund. These amounts may be paid to you as part of the next distribution from the Fund.

You may also be liable to pay capital gains tax on any capital gains in respect of your investment, such as from disposing of your investment. You may instead realise a capital loss in respect of your investment, which may be used to reduce capital gains in the same or later years. The cost base of your investment, which is relevant when calculating any such capital gains or losses, may change over the duration of holding your investment. For example, certain non-assessable distributions have the effect of reducing your cost base.

If the Fund holds investments which are located outside of Australia, the Fund's income may include non-Australian sourced income. You may be entitled to foreign income tax offsets for foreign tax already paid.

Any losses generated by the Fund cannot be passed onto investors. However, where specific requirements are satisfied, the Fund should be eligible to offset losses to reduce later year income or capital gains.

Taxation laws and administrative practices change from time to time. Australia is in the process of taxation reform. These reforms may impact the taxation of the Fund and you as an investor. It is an investor's responsibility to consider and monitor the impact of any taxation reforms impacting their investment, both now and into the future.

### Providing a Tax File Number (TFN)

You do not have to provide a TFN, exemption code or Australian Business Number (ABN) when you complete an application to invest or reinvest in the Funds. However, if you do not provide any of these, the Responsible Entity is required to deduct tax from most distributions, including where those distributions are reinvested, at the highest marginal tax rate, plus any applicable levies.



## DISTRIBUTIONS

The Funds aim to pay distributions half-yearly.

You should be aware that although each Fund's objective is to pay distributions half-yearly, the amount of each distribution may vary or no distribution may be payable in a distribution period.

Unit prices will normally fall after the end of each distribution period. Consequently, if you invest just before the end of a distribution period, some of your capital may be returned to you as income in the form of a distribution.

### Payment of distributions

You can choose to have distributions:

- paid directly into your current nominated account, or
- reinvested in the Fund

by indicating your selection on your application form. If no selection is made, distributions will be reinvested.

Distributions paid are based on the income earned by the Fund and the number of units you hold at the end of the distribution period.

### Reinvestment

Under the Fund's constitution, the issue price for reinvested distributions is determined by the net asset value (adjusted by any distribution payable), any transaction costs and the number of units on issue in the unit class as at the last day of the distribution period. However, no buy spread is applied to reinvested distributions.

## INVESTING IN THE FUNDS

### Who can invest?

Investment in the Fund through this Information Memorandum can only be made by persons who are wholesale clients as defined in Section 761G of the Corporations Act and persons to whom units may be issued without a Product Disclosure Statement in accordance with Section 761GA of the Corporations Act. We can only accept applications signed and submitted from within Australia.

### How to invest

#### Initial investment

Complete the application form accompanying a current Information Memorandum and submit it to us with your initial investment amount of at least \$10,000,000 (see the 'Applying for an investment' section of this Information Memorandum).

#### Additional investments

You can make additional investments of at least \$100,000 at any time. You will need to complete an application form each time you make an additional investment. Additional investments are made on the basis of the Information Memorandum current at the time of the additional investment.

More detailed information about how to invest is provided in the 'Applying for an investment' section of this Information Memorandum.

### Processing applications

We generally process applications each Business Day<sup>(1)</sup>, using the close of business issue price for that day.

Currently, if we receive an application after 1.00pm or on a non-Business Day for us, we treat it as having been received before 1.00pm the next Business Day.

### Issue price

The issue price is determined under each Fund's constitution by reference to the net asset value and transaction costs pertaining to the relevant class of units, and the number of units on issue in that unit class.

The market value and net asset value of the Funds are normally determined at least each business day, using the market prices and unit prices of the assets in which the Funds are invested.

The Responsible Entity may exercise certain discretions in determining the unit price (see 'Unit Pricing Discretions Policy' in the 'Other important information' section of this Information Memorandum).

### Cooling off rights

Wholesale investors do not have cooling off rights in relation to investment in the Funds.

1 A Business Day for us is any day other than Saturday, Sunday or a bank or public holiday in Sydney, NSW.

## Nominated representative

You may nominate a representative to operate your investment in the Funds on your behalf. Your nominated representative will be able to exercise the same powers as you under each Fund's Constitution, including transacting on your investment account.

### Conditions

By nominating a representative, you agree to certain conditions, including indemnifying the Responsible Entity against any liabilities arising out of the nomination of your representative. You will be provided with the full terms and conditions when you nominate your representative.

Please contact us if you require further information.

## The value of your investment

The Funds have a number of classes of units, each with its own unit price. Investments made through this Information Memorandum relate to Wholesale units.

Unit prices can rise and fall on a daily basis. Consequently, the value of your investment will vary from time to time.

The value of your investment at any point in time is calculated by multiplying the number of units you hold, by the Wholesale unit price current at that time. Unit prices are updated regularly online at [www.ampcapital.com.au](http://www.ampcapital.com.au) and can also be obtained by contacting us.

## Risk

The Funds are not capital guaranteed and the value of an investment in the Funds can rise and fall. You should consider the risks of investing before making a decision about investing in the Funds (see the 'Risks of investing' section of this Information Memorandum).

## Terms and conditions of investing

The offer to invest in the Fund is subject to the terms and conditions described in the Fund's current Information Memorandum and as set out in the Fund's constitution (see the 'Other important information' section). The Responsible Entity reserves the right to change the terms and conditions (see below) and to refuse or reject an application.

We can only accept applications signed and submitted from within Australia. We cannot accept cash.

## Retaining this Information Memorandum

You should keep this Information Memorandum and any replacement or supplementary Information Memorandum, as you may need to refer to information about the Funds for ongoing investing. We will send you a current Information Memorandum and any replacement or supplementary Information Memorandum free of charge, on request.

## Changes to the information in this Information Memorandum

Before making an investment decision, it is important to read a current Information Memorandum, as information provided in an Information Memorandum may change from time to time. If changes are not materially adverse to investors, the relevant information will be updated online at [www.ampcapital.com.au](http://www.ampcapital.com.au). However, if a change is considered materially adverse to investors, the Responsible Entity will issue a replacement or supplementary Information Memorandum. You can obtain a copy of the updated information and any replacement or supplementary Information Memorandum free of charge, by contacting us.

The Responsible Entity may change a Fund's investment return objective or investment approach, from time to time, if it considers it to be in the best interests of investors. If it does so, it will advise investors.

## Questions about your investment

Please contact our Client Services team on 1800 658 404 (internationally +61 2 9257 1220) or via email at [clientservices@ampcapital.com](mailto:clientservices@ampcapital.com) if you have questions relating to your investment.

## ACCESSING YOUR MONEY

### Requesting a withdrawal

Contact us in writing, telling us how much you wish to withdraw and giving your account details. Withdrawal requests can be submitted by fax\* to 1800 630 066 or by mail to AMP Capital Investors Limited, GPO Box 5445, Sydney NSW 2001. Withdrawal amounts will be paid to your nominated account.

\* Please refer to 'Communication by fax' in the 'Other important information' section of this Information Memorandum.

### Minimum account balance

A balance of \$10,000,000 is generally required to keep your investment open. If your investment falls below this level, the Responsible Entity may redeem your investment and pay the proceeds to you. The Responsible Entity reserves the right, however, to accept lower account balances.

### Processing withdrawal requests

If our Sydney office receives a withdrawal request before 1.00pm on a business day, your withdrawal will be processed using the withdrawal price for that day. If received and accepted after 1.00pm, it will be processed using the withdrawal price for the next day. If it is a non-business day in Sydney, your withdrawal will be processed using the next available withdrawal price. A business day for us is any day other than Saturday, Sunday or a bank or public holiday in Sydney, NSW.

The proceeds of your withdrawal request will usually be available within five (5) business days (see 'Payment times' in this section).

The unit price used to calculate your withdrawal value will generally be the price calculated on the last valuation date before we process the payment of your withdrawal request.

In circumstances where a Fund's portfolio consists of less than 80% in value of liquid assets, for example because of an unexpected fall in the value of those liquid assets against the value of the illiquid assets in that Fund's portfolio, we may not be able to meet withdrawal requests until the Fund's exposure to illiquid assets falls to 20% or less of its portfolio. We may, at our discretion, offer investors the opportunity to make withdrawals during this period. At such times, we will notify investors of the offer, providing details about:

- the period during which the offer will remain open, and
- which assets will be used to satisfy withdrawal requests.

### Total withdrawals

Where the total withdrawals exceed 5% of the net assets of a Fund on any one day, we may determine that part of the withdrawal amount payable consists of income.

## Withdrawal price

The withdrawal price is determined under each Fund's constitution by reference to the net asset value and transaction costs pertaining to the relevant class of units, and the number of units on issue in that unit class.

The market value and net asset value of the Funds are normally determined at least each business day, using the market prices and unit prices of the assets in which the Funds are invested.

The Responsible Entity may exercise certain discretions in determining the unit price (see 'Unit Pricing Discretions Policy' in the 'Other important information' section of this Information Memorandum).

## Payment times

Although the proceeds of your withdrawal request will usually be available within five (5) business days of receipt, you should be aware that:

- payment and processing of withdrawal requests is dependent on each Fund's cash position, and
- each Fund's constitution allows up to 30 days, or longer in some circumstances, to process withdrawal requests. These circumstances include but are not limited to:
  - where the Responsible Entity is unable to realise sufficient assets due to circumstances beyond its control, such as restricted or suspended trading in the market for an asset, or
  - if the Responsible Entity does not consider it is in the best interests of investors to realise sufficient assets to satisfy a withdrawal request.

Additionally, for the Responsible Investment Leaders Australian Share Fund, the period of time to process withdrawal requests may be extended if:

- it is impracticable to calculate the net asset value of the Fund, including because of:
  - the closure of a securities or other exchange or trading restrictions on a securities or other exchange
  - an emergency or other similar state of affairs
  - an event outside the Responsible Entity's reasonable control, or
  - the requirements of any law
- there would be insufficient cash retained in the Fund after complying with a withdrawal request to meet other Fund liabilities and, in the Responsible Entity's opinion, it is not in the interests of investors for any assets to be sold in order to satisfy a withdrawal request
- sufficient assets cannot be realised at an appropriate price or on appropriate terms, or otherwise due to circumstances beyond the Responsible Entity's control, or
- it is in the best interests of investors to invoke the Responsible Entity's power to delay withdrawals.

## Transfer of units

Please contact us for all transfer requests.

## KEEPING YOU INFORMED

We will provide you with the information set out below.

### Investment information

We will send you confirmation of each transaction.

### Online access

Online access allows you to view investment information, annual reports and statements at any time. To register for online access, please contact us.

### Fund information

We will provide you with the following information free of charge, on request:

- each Fund's annual financial reports
- a paper copy of any updated information, and
- any replacement or supplementary Information Memorandum.

## OTHER IMPORTANT INFORMATION

### Rights attaching to each class of units

Each Fund has a number of classes of units. This Information Memorandum relates to Wholesale units.

Under each Fund's constitution, the different unit classes have different management costs, expenses and distributions, but otherwise all classes of units have similar rights.

### The Funds' constitutions

Each Fund is a managed investment scheme, structured as a unit trust and registered under the Corporations Act. Each Fund's constitution provides the framework for the operation of the Fund and with this PDS, the Corporations Act and other relevant laws, sets out the relationship between the Responsible Entity and unit holders. We will send you a copy of the relevant Fund's constitution free of charge, on request.

## Overview of the Funds' constitutions

Some of the provisions of the Funds' constitutions, such as maximum fees, are discussed in this PDS. Further provisions relate to:

- the rights and liabilities of unit holders
- the times when processing of withdrawal requests can be extended, such as if a Fund is illiquid or it is not in the best interests of unit holders
- where taxes or other amounts can be deducted from payments to unit holders
- where transfers and applications may be refused
- the liability of the Responsible Entity to unit holders in relation to a Fund, which is limited to any liability imposed by the Corporations Act, so long as the Responsible Entity acts in good faith and without gross negligence
- the powers, rights and liabilities of the Responsible Entity, including its power to invest the assets of a Fund, to deal with itself and its associates, to be paid fees and to be reimbursed or indemnified out of the assets of a Fund
- the right of the Responsible Entity to be reimbursed by a unit holder or former unit holder for tax or expenses it incurs as a result of the unit holder's request, action or inaction, or to redeem units to satisfy amounts due to the Responsible Entity from a unit holder
- changing a Fund's constitution, including in some cases without unit holder approval, such as to meet regulatory changes
- the ability of the Responsible Entity to terminate a Fund at any time
- when the Responsible Entity can terminate a Fund or retire, and what happens if this occurs, and
- voting rights.

Although the Funds' constitutions limit a unit holder's liability to the value of their units, the courts have yet to determine the effectiveness of provisions like this.

## Related party transactions

Any transaction between AMP Capital or the Responsible Entity and any of their respective related parties must comply with related party protocols and AMP Capital policies and procedures. For these purposes, a related party includes certain entities and individuals that have a close relationship with AMP Capital or the Responsible Entity. Related parties of the Responsible Entity include the Responsible Entity itself, entities that the Responsible Entity controls, funds operated or managed by the Responsible Entity and agents of the Responsible Entity.

As at the date of this Information Memorandum, the relevant policies and procedures that apply to related party transactions of AMP Capital or the Responsible Entity are contained in the AMP Conflicts of Interest Policy. Under this Policy, the parties must transact on terms that would be reasonable if they were dealing at arm's length, relevant legislative requirements must be satisfied and the interests of investors must be protected. This Policy will be reviewed on a regular basis and may change from time to time.

Under each Fund's constitution, the Responsible Entity may:

- deal with itself, an associate, investor or any other person
- be interested in and receive a benefit under any contract or transaction with itself, an associate, investor or any other person, or
- act in the same or similar capacity in relation to any other fund.

Each Fund's constitution also provides that amounts may be paid to related parties for services provided to AMP Capital in connection with the Fund and for expenses. These payments are on arm's length terms.

## Complaints procedure

AMP Capital and the Responsible Entity follow an established procedure to deal with complaints. We are committed to providing you with a high level of service, but sometimes things go wrong. If this happens, we will help you resolve the issue. If you have concerns relating to your investment in the Funds, please contact us by telephone on 1800 658 404 or in writing to AMP Capital Investors Limited, GPO Box 5445, Sydney NSW 2001.

If the complaint is privacy related, please refer to the AMP Privacy Policy for more details, which can be obtained online at [www.ampcapital.com.au/common/privacy](http://www.ampcapital.com.au/common/privacy).

## Your privacy

The main purpose in collecting personal information is so that we can set up and administer your investment account. If you do not provide the required information, we may not be able to process your application. If you would like us to not use your personal information for direct marketing purposes, please contact us.

The AMP Privacy Policy, which can be obtained online at [www.ampcapital.com.au/common/privacy](http://www.ampcapital.com.au/common/privacy) or by contacting us, sets out the AMP Group's policies on management of personal information. This information may be disclosed to other members of the AMP Group, financial advisers where applicable, to external service suppliers (including offshore suppliers) who supply administrative, financial or other services that assist us in providing services to you, and to anyone you have authorised or if required by law.

Under the Privacy Act 1988 (Cth) (Privacy Act), you may access personal information held about you, although the Privacy Act does set out some exemptions to this. If you believe information held about you is inaccurate, incomplete or out of date, please contact us.

## Communication by fax

When you communicate with us by fax, it is your responsibility to obtain confirmation from us that we have received your fax. Neither we nor the Responsible Entity are responsible for any loss or processing delay that occurs as a result of us not receiving a faxed communication. Please note that we do not accept a sender's fax transmission record as evidence that a communication has been received by us. You also indemnify us and the Responsible Entity against any loss or liability arising from us or the Responsible Entity acting on any fraudulent communication received by fax.

## Unit Pricing Discretions Policy

The Responsible Entity may exercise certain discretions in determining the unit price of units on application and withdrawal in the Funds. The Unit Pricing Discretions Policy, which can be obtained online at [www.ampcapital.com.au](http://www.ampcapital.com.au) or a copy can be obtained, free of charge, by contacting us, sets out the types of discretions that the Responsible Entity may exercise and in what circumstances the Responsible Entity exercises the discretions and the reasons why it considers the policies are reasonable. The Responsible Entity is required to keep a record of any instance where a discretion is exercised in a way that departs from these policies.

## Asset Valuation Policy

Assets in which the Funds invest are held directly by the Funds or through underlying funds in which the Funds invest. Generally, these assets are valued at least each business day using market prices in accordance with the AMP Capital Asset Valuation Policy, with the exception of the following:

- **direct assets** are valued by us at least twice a year
- **units in unlisted infrastructure funds** are valued at the most recent unit price supplied by the manager of the relevant fund, and
- **investments in underlying funds** are valued by an independent administrator
- **direct property** valuations are determined by independent property valuers annually, or more frequently to comply with certain scheme mandates as required.

For further information on AMP Capital's Asset Valuation Policy, please go to [www.ampcapital.com.au](http://www.ampcapital.com.au) or a copy can be obtained, free of charge, by contacting us.

## Securities lending

Securities lending exposes the Funds to additional risks which may cause a loss of capital, in particular the risk that the borrower defaults by failing to return the securities. However, processes are in place to manage and substantially mitigate these risks, including:

- loans may only be made to approved borrowers, who are carefully selected taking into account credit risk
- aggregate borrowing limits are set and monitored
- acceptable collateral must be high quality and highly liquid, including cash, shares in larger companies and government bonds; in the event of default, collateral may be liquidated to fund the purchase of replacement securities
- borrowers are required to maintain collateral equal to the value of the securities on loan plus a margin of 5-10% depending on type of collateral
- market movements of both securities on loan and collateral are monitored on a daily basis and adjustments made where necessary to ensure that loans remain fully collateralised
- restrictions may be placed on which securities are available to be loaned and limits on the proportion of securities that may be loaned, and
- loans may be recalled at any time at the discretion of the Responsible Entity and the securities lending agreement may be terminated at short notice should market conditions warrant such action.

In addition, the Funds have further risk mitigation in place against possible capital loss resulting from insolvency of a borrower by a legally enforceable indemnity from the securities lending agent (a related party of the Funds' custodian), who would make up any shortfall between the collateral and the cost to repurchase a loaned security.

Income earned from securities lending is returned to the Funds after the deduction of operational costs and fees payable to the securities lending agent (for operation of the program and the provision of the indemnity) and to AMP Capital for monitoring, governance and oversight. These fees are 30% and 10% of securities lending revenue respectively which are in line with normal commercial rates.

## APPLYING FOR AN INVESTMENT

### How to apply

You will need to complete an application form accompanying a current Information Memorandum when you:

- apply for an initial investment in the Fund, or
- make an additional investment.

All investments are made on the basis of the Information Memorandum current at the time of contributing your investment amount. You can obtain a current Information Memorandum and application form free of charge by contacting our Client Services team on 1800 658 404.

### Minimum investment amounts

Initial – \$10,000,000

Additional – \$100,000

The Responsible Entity reserves the right to accept lower investment amounts.

### Payment methods

You can make your initial and additional investments by cheque or direct deposit, as outlined on the application or subscription form.

### Signing the application form

The application form should only be completed and signed by:

- the person who is, or will become, the unitholder
- an authorised signatory if the application is on behalf of a company, trust or superannuation fund, or
- an agent for the investor, acting under power of attorney or as a legal or nominated representative.

### Submitting your application

Mail your completed application form, identification documentation and deposit receipt to:

AMP Capital Investors Limited  
GPO Box 5445  
Sydney NSW 2001

## CONTACTING AMP CAPITAL

For information about investing with AMP Capital, please contact us.

### **Registered office**

AMP Capital Investors Limited  
33 Alfred Street  
SYDNEY NSW 2000

### **Mailing address**

AMP Capital Investors Limited  
GPO Box 5445  
SYDNEY NSW 2001

### **Client Services**

**T:** 1800 658 404  
8.30am – 5.30pm Sydney time, Monday to Friday

**F:** 1800 630 066

**E:** [clientservices@amcapital.com](mailto:clientservices@amcapital.com)

**W:** [amcapital.com.au](http://amcapital.com.au)

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