

AMP CAPITAL SUSTAINABLE SHARE FUND

Incorporated information

Personal investors



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Important information

This document provides information incorporated by reference in the AMP Capital Sustainable Share Fund Personal Investors Product Disclosure Statement (PDS) dated 10 November 2017, and forms part of the PDS. A copy of the PDS and the incorporated information can be obtained free of charge, on request by contacting us on 1800 658 404 or online at www.ampcapital.com.au/pds/wsas/h.

Before making a decision about investing or reinvesting in the AMP Capital Sustainable Share Fund (the Fund), you should read the PDS and all incorporated information. The information in this document is general information only and does not take into account any investor's personal objectives, financial situation or needs. All investors should obtain financial advice that is tailored to their circumstances.

No company in the AMP Group or any investment manager assumes any liability to investors in connection with investment in the Fund or guarantees the performance of the Responsible Entity's obligations to investors, the performance of the Fund or any particular rate of return. The repayment of capital is not guaranteed. Investments in the Fund are not deposits or liabilities of any company in the AMP Group.

AMP Capital has provided consent to the statements made by or about AMP Capital in this document and has not withdrawn this consent prior to the issue of this document. No company in the AMP Group other than the Responsible Entity is responsible for any statements made in this document.

AMP CAPITAL SUSTAINABLE SHARE FUND

Issued	10 November 2017
Incorporated information version	Sustainable Share IBR_H.5
Issuer and responsible entity	AMP Capital Funds Management Limited – referred to in this document as ‘the Responsible Entity’.
Investment manager	AMP Capital Investors Limited (ABN 59 001 777 591, AFSL 232497) – referred to in this document as ‘AMP Capital’, ‘we’, ‘our’ or ‘us’.
Fund	AMP Capital Sustainable Share Fund – also referred to in this document as ‘the Fund’ (ARSN 095 791 192, APIR code AMP1100AU).
Unit class	Off-platform Class H

FUND FEATURES

Overview of the Fund

The AMP Capital Sustainable Share Fund invests primarily in companies listed on the Australian Securities Exchange.

The Fund aims to provide investment returns comparable to the Fund's performance benchmark (S&P/ASX 200 Accumulation Index) over the long-term, align with investor values and engage with companies for a better future. AMP Capital will invest in companies which we believe exhibit strong ESG credentials and hold them for the long term, while actively engaging with management to maximise long term investor value.

In addition, the Fund aims to have a carbon footprint at least 30% less than its performance benchmark.

We implement an investment process focused primarily on our proprietary environmental, social and governance (ESG) research. We have found that companies which are proactive in taking these factors into account are generally more successful, and subsequently have the potential to add greater investment value, than companies who do not place an emphasis on these factors.

AMP Capital was one of the first fund managers to use an ESG approach to gain deeper insights into a company's growth and risk elements, and actively engages with companies with the aim of further improving their ESG performance.



CERTIFIED BY RIAA

The Responsible Investment Association certification symbol

The Fund has 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. 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 PDS, 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, together with details about other responsible investment products certified by RIAA.⁽¹⁾

RIAA has provided consent to the use of the Certification Symbol in this PDS and to the inclusion of the statements above. RIAA is not responsible for any other part of the PDS and was not involved in the preparation or issue of the PDS, and had not withdrawn its consent prior to the date of issue of the PDS.

Our investment approach

We implement an investment process which systematically implements the environmental, social and governance (ESG) views of our ESG research team. The Fund will exclude companies that do not meet the Fund's ESG minimum hurdles, where companies in

higher ESG risk sectors are required to exceed higher ESG performance hurdles. The Fund will have an overweight exposure to companies that are considered to have stronger ESG performance.

Recognising hidden factors

Our research into the top 100 companies listed on the Australian Securities Exchange has identified that over 75% of a company's value is not just in tangible assets such as investments and capital assets but also in intangible assets. Intangible assets include intellectual property, the quality of a company's customer and employee relationships and supply chain, brand and company reputation, and the company's environmentally sustainable practices.

In selecting the companies in which the Fund may invest, we look at these intangible assets in order to expose the hidden factors that contribute to the value of each company.

By researching these dimensions of company performance, we can add value for investors by identifying companies, which we believe, have the potential to perform well now and into the future.

Research driven process

Our research approach considers both:

1. the internal intangible drivers of a company (ESG score), and
2. the external sustainability drivers (Sustainability score)

to determine a sustainability risk adjusted ESG score (ES score) for a company.

The company ESG score is made of an assessment of how a company is managing its:

1. workplace responsibilities
2. environmental responsibilities
3. social responsibilities, and
4. broad corporate governance responsibilities.

As part of this process, companies we identify as ranking poorly on measures of sustainability, environmental and social responsibility, or those that have not shown proof in certain industries that they are capable of managing these risks, are excluded from the portfolio.

Sustainability research

Our ESG researchers profile and rank companies based on multiple criteria, with company performance ranked on measures of sustainability, environmental and social responsibility and corporate governance.

As some sectors may exhibit considerable environmental, social or governance risks, companies operating in these sectors are required to show proof that they are capable of managing these risks before we will consider the company as an investment for the Fund.

As part of the analysis process, ESG researchers also conduct industry sector based studies. These studies consider the key industry sustainability drivers and company specific intangible factors influencing longer term investment returns from listed companies within major industries.

Sustainability research covers companies within 'industries of the future' and companies considered to be leaders in corporate social responsibility.

Industries of the future

These include education and training, health care, renewable energy and recycling and typically exhibit strong growth prospects driven by ESG issues such as mandatory renewable energy targets, government recycling initiatives and water restrictions. Companies in these

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.

industries are often forecast to experience above average growth rates as increasing government regulation and changing social needs create an accelerated demand for their products.

Leaders in ESG performance

These include companies in traditional sectors such as banking, insurance and property, where we consider those companies to be leaders in social and environmental performance. Companies are assessed on corporate social responsibility factors that include environmental management, community relations, workplace practices, corporate governance and human rights.

Portfolio construction

Fundamental to the investment process is the assessment of the ES score of companies. The ES score of a company determines whether the company will be:

1. excluded from the portfolio (poorer performing companies)
2. at performance benchmark weight (average performing companies), or
3. overweight in relation to the performance benchmark (better performing companies).

Approach to climate change

The Fund actively manages the exposure to climate change through:

- ensuring the portfolio has a carbon footprint at least 30% less than the Fund's performance benchmark (for more information on our assessment of carbon footprint see www.ampcapital.com.au/esg)
- engaging with companies on climate change issues
- working with others through the Investors' Group on Climate Change

Investors' Group on Climate Change

AMP Capital was a founding institution of the Investors' Group on Climate Change (IGCC). Our contribution to the IGCC is co-ordinated through our ESG Investment Research Team.

The IGCC aims to raise awareness, within the investment industry, of the impacts of climate change, and encourages best practice approaches to including these impacts into investment analysis.

Portfolio monitoring

Our in-depth ESG research provides an ES score or ranking for each company in the investable universe. We constantly monitor each companies' ES score/ranking and reallocate whenever there is a change in the investable universe or relevant changes in a companies' ES score.

The investment team

In-house ESG expertise

AMP Capital's in-house ESG Investment Research Team analyses a range of non-financial drivers in two stages: sustainability drivers impacting an industry's long-term growth potential, as well as each company's intangible capabilities to respond to their external environment. Applying an in-depth overlay of complex sustainability and intangible drivers, allows us to identify investment risks and opportunities which we believe may have been overlooked by the broader market.

Our sustainability research focuses on each company's ESG rating. As part of this ESG rating, 'investment grade' companies must meet both minimum ESG requirements. To be considered investment grade, sectors with ESG risks must demonstrate a capability to manage these risks, and where risks do not meet the minimum ESG requirements, the company is considered 'non-investment grade'. Examples of non-investment grade companies include organisations with material exposure to the production or manufacture of alcohol, armaments, gambling, nuclear power (including uranium), pornography, tobacco and thermal coal mining.

Systematic portfolio management

The Fund employs a systematic investment process. Systematic investing is a rules-based approach where no individual stock fundamental analysis is conducted and the investment team use large sets of data to analyse stocks through intelligent screening methods. Enhanced index and smart beta are examples of systematic approaches.

Research papers

In-house ESG researchers produce research papers that outline our views on best practice standards and investment policies. These papers are used in our constructive engagement with key stakeholders such as companies, governments, industry bodies and non-government organisations. Research papers are available to investors, and can be obtained online at www.ampcapital.com.au/esg or by contacting us.

Fund profile

The Fund's investments

- Shares listed on the Australian Securities Exchange: 90-100%

Where it is consistent with the Fund's objectives, the Fund may also have a small exposure to companies that are unlisted and that we believe are likely to be listed.

- International shares: 0-5%

The Fund may also invest up to 5% in shares listed on international exchanges.

- Cash: 0-10%

The assessment of ESG standards does not apply to the cash component. Minimum cash levels will be maintained primarily for liquidity purposes.

Performance benchmark S&P/ASX 200 Accumulation Index

Borrowing

The Fund is not restricted in the amount that it can borrow, and may borrow to meet its short term liquidity needs.

Derivatives

The Fund may use derivatives with the aims 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 the Fund's investment objectives.

We impose restrictions on the use of derivatives within the Fund 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, or free of charge by contacting us.

Currency management

Generally the Fund's international shares are hedged back 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.

Securities lending

The Fund engages 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 that fund's 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 Fund's custodian on behalf of the Fund. Subject to any restrictions deemed necessary by the investment manager, up to 95% of each individual security held by the Fund 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.

Sustainability approach

We systematically address ESG standards when deciding whether to buy, hold or sell shares on behalf of the Fund.

We rate companies on a matrix which considers:

- industries by sustainability, and
- a company's ESG performance with each factor weighted according to AMP Capital's assessment of the importance of these factors to each industry.

In selecting companies, we require higher ESG performance for companies that have lower levels of sustainability.

Characteristics of AMP Capital's sustainability approach

- **Seeking out 'Industry of the future' companies** within sectors with the most socially and environmentally sustainable performance outcomes. These sectors include education and training, health care, renewable energy and recycling.
- **Exclusion of industries judged to be least sustainable** on their social and environmental performance outcomes. This results in exclusions of companies with material exposure to the production or manufacture of alcohol, armaments, gambling, nuclear power (including uranium), pornography, tobacco and thermal coal mining. 'Material exposure' is considered to be where a company has an exposure of more than 10% based on financial criteria such as revenue.
- **Identify leaders in traditional sectors** who take a leading and pro-active approach to community, workplace, governance, environmental and business ethics issues.
- **Higher hurdles for less sustainable industries.** In less sustainable industries such as oil and mining, we expect companies to take a proactive and leading approach to corporate social responsibility.

In addition, we engage constructively with companies to manage social and environmental challenges.

Standards for assessment

When considering companies in which to invest, the Fund draws on a range of general and industry specific standards including:

- **Labour standards** including occupational health and safety (OH&S) and employment laws, international labour standards (eg International Labour Organisation Core Standards, UN Declaration of Human Rights), the level of development of OH&S and employment management systems and OH&S and employment performance outcomes
- **Environmental standards** including domestic and international environmental law, a company's level of development of environmental management systems (eg the ISO 14001 environmental management standard), and environmental performance outcomes
- **Social standards** including consultation and involvement with the local and broader community, and the level and quality of sustainability reporting to shareholders, and
- **Ethical standards** including corporate governance practices and specific industry and company law, and best practice regarding relationships with suppliers, customers and competitors.

Application of ESG standards

The assessment of ESG only applies to the Fund's equity component, which makes up at least 90% of the Fund's assets, and not to the cash component. We monitor companies against our ESG standards on an ongoing basis.

Further information

Further information about our investment process and the sustainability considerations we take into account can be obtained online at 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.

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

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

- your investment in the Fund may not keep pace with inflation, which would reduce the future purchasing power of your money
- the stated aims and objectives of the Fund may not be met
- the amount of any distribution you receive from the Fund 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 Fund may decrease in value, which means you may get back less than you invested.

As the risks noted in this section do not take into account your personal circumstances, you should also consider the information provided under 'Making an investment decision' in this section before making a decision about investing or reinvesting in the Fund.

Risks specific to the Fund

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.

Companies

Specific risks relating to individual companies may include disappointing profits and dividends, and management changes.

Where a company is geared there is the risk that the value of the company and/or the company's returns may be affected by factors such as increased borrowing costs or a change in interest rates.

Return volatility relative to the benchmark

No specific company valuation analysis or portfolio investment risk is undertaken in managing this fund. The portfolio weight within the Fund is purely determined by the ESG characteristics of the companies, as assessed by the AMP Capital ESG team. As a result, as the Fund is managed to a long-term investment objective, there is potential for the Fund to experience volatility over the short to medium term.

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.

Derivatives

There are risks of losses to the Fund through the use of derivatives, and where derivatives are used by underlying funds in which the Fund invests, 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.

International investments

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

- **Currency exchange rates** – where the 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 Fund could still incur losses related to hedging or currency exchange rates. Such losses may affect the 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 the 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 Fund has exposure to investments which are generally considered to be illiquid, it may be subject to liquidity risk.

We manage the Fund's portfolio with the aim of ensuring that exposure to illiquid assets is no greater than 20%. However, in circumstances where the 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 document, and may suspend processing all withdrawal requests for such period as we determine.

In addition, we will not meet withdrawal requests if the 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 Fund is not 'liquid' during this period, as set out under the 'Processing withdrawal requests' section of this document.

Property investments

Many of the factors affecting the property market will affect property securities held by the Fund. These factors, which may also affect the performance of the Fund through the investment in REITs, 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.

Sector

There is the risk that returns may be adversely affected where the Fund's investments have a high exposure to a particular sector or sectors.

Securities lending

Although engaging in securities lending may benefit the Fund 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.

Small companies

The specific risks relating to small companies, which include disappointing profits and dividends, as well as management changes, may be magnified for small companies due to their scale of operations.

Additionally, small companies may be exposed to other risks, including:

- cash may not be available to meet ongoing or unexpected business requirements, and
- share in small companies may be traded less frequently and in lower volumes.

Such risks could affect these companies' share prices and subsequently the stability and value of the Fund's portfolio.

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 document do not take into account your personal circumstances, you should consider the following before making a decision about investing or reinvesting in the Fund:

- **Obtain professional advice** to determine if the Fund suits your investment objectives, financial situation and particular needs.
- **Read** a current AMP Capital Sustainable Share Fund PDS, available on our website at www.ampcapital.com.au/pds/wsas/h.
- **Consider** the suggested minimum investment timeframe for the Fund, as set out in the Fund's PDS.
- **Regularly review** your investments in light of your investment objectives, financial situation and particular needs.

FEES AND COSTS

Fee summary

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment. Unless otherwise specified, all dollar amounts are Australian dollars.

Table 1
AMP Capital Sustainable Share Fund

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the managed investment product		
Establishment fee The fee to open your investment.	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment.	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment.	Nil	Not applicable
Exit fee The fee to close your investment.	Nil	Not applicable
Management costs¹		
The fees and costs for managing your investment.	0.70% pa of the Fund's net assets	Management costs are comprised of: <ul style="list-style-type: none"> • a management fee² – calculated daily and paid monthly out of the Fund's assets and reflected in the unit price. • indirect costs³ – paid out of the Fund's assets or interposed vehicle's⁴ assets once the cost is incurred and reflected in the unit price. Calculated on the basis of the Responsible Entity's reasonable estimate or knowledge of such costs.
Service fees		
Switching fee The fee for changing investment options.	Nil	Not applicable
<ol style="list-style-type: none"> 1. This amount comprises the management fee and estimated indirect costs. The sum of these figures may differ to the total management costs, due to rounding. For more information about management costs, see 'Management costs' under the heading 'Additional explanation of fees and costs'. 2. The management fee may be negotiated with investors who are wholesale clients for the purposes of the Corporations Act. See 'Differential fees' under the heading 'Additional explanation of fees and costs'. 3. For more information on the meaning and calculation of indirect costs, see 'Indirect costs' under the heading 'Additional explanation of fees and costs'. 4. For more information on the meaning of interposed vehicles, see 'Indirect costs' under the heading 'Additional explanation of fees and costs'. 		

Important

Advice fees agreed between you and your financial adviser and other service fees may apply to your investment in the Fund. Advice fees may be in the form of an investment advice fee and/or an ongoing advice fee. Please refer to 'Payments to your financial adviser' in this section for information about the advice fees that may be payable.

Additional explanation of fees and costs

Management costs

Management costs are expressed as a percentage of the Fund's net assets, rounded to two decimal places. Management costs are made up of a management fee, an estimated performance fee (if applicable) and estimated indirect costs. Any management fees, performance fees or indirect costs charged by interposed vehicles are included in the management costs in Table 1; they are not an additional cost to you.

Management costs components

The management costs shown in Table 1 comprise the following components. The sum of these figures may differ to the total management costs, due to rounding. All figures in the table below are expressed as a percentage of the net assets of the Fund.

MANAGEMENT FEE (% PA)	INDIRECT COSTS (% PA)	
	Recoverable expenses	Estimated other indirect costs
0.70%	0.00%	0.00%

Management fee

The management fee is charged by the Responsible Entity for managing and operating the Fund. The management fee of 0.70% pa 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. For the purposes of the management costs calculation in Table 1, the management fee has been expressed as a percentage of the Fund's net assets.

Indirect costs

Indirect costs are generally any amount the Responsible Entity knows or estimates will reduce the Fund's returns, that are paid from the Fund's assets or the assets of interposed vehicles.

Generally, an interposed vehicle is a body, trust or partnership in which the Fund's assets are invested. It includes, for example, an underlying fund.

The amount of indirect costs include, but are not limited to:

- recoverable expenses of the Fund
- management costs of an interposed vehicle (including recoverable expenses, performance-related fees and any other indirect costs of underlying managers or interposed vehicles in which the Fund invests), and
- a reasonable estimate of the costs of investing in over-the-counter (OTC) derivatives (either at the Fund level or in interposed vehicles), which may be used by the Fund to gain economic exposure to assets.

The amount of indirect costs shown in the 'Management costs component' table is based on the Responsible Entity's knowledge of, or where required, reasonable estimate of, such costs. Indirect costs are generally calculated on the basis of indirect costs paid by the Fund in the Fund's previous financial year. As such, the actual indirect costs may differ from the amount shown in the 'Management costs components' table. Indirect costs are deducted from the returns on your investment or from the Fund's assets as a whole. They are reflected in the unit price and are not an additional cost to you. Estimated indirect costs are included in the management costs in Table 1.

Recoverable expenses

The Fund's constitution entitles the Responsible Entity to be reimbursed from the Fund 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 Fund. 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 costs associated with a securities lending program (if applicable). Internal expenses incurred in connection with these matters may also be recovered from the Fund. Recoverable expenses are included in the management costs in Table 1.

Updated fees and costs information

The management costs components are based on the Responsible Entity's actual knowledge, or reasonable estimate, of the particular fee or cost. Estimates may be based on a number of factors, including (where relevant), previous financial year information, information provided by third parties or as a result of making reasonable enquiries, and typical costs of the relevant investment. As such, the actual fees and costs may differ and are subject to change from time to time. Updated information that is not materially adverse to investors will be updated online at www.ampcapital.com.au, or you may obtain a paper copy or an electronic copy of any updated information from us, free of charge, on request. However, if a change is considered materially adverse to investors, the Responsible Entity will issue a replacement PDS and/or updated incorporated information, both of which will be available online. You can also obtain a copy of these documents 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 the purpose for which any derivatives are acquired, and will be paid out of the Fund's assets.

We estimate the Fund's transactional and operational costs to be approximately 0.54% of the net assets of the Fund.

Buy and sell spreads

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

Investments and withdrawals in the Fund 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 Fund are borne by that investor, and not other investors.

Buy and sell spreads are calculated based on the actual or estimated costs the Fund 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 Fund has actually paid, and will be reviewed whenever necessary to ensure they remain appropriate.

When you enter or leave the Fund, any buy or sell spread applicable at that time is a cost to you, additional to the fees and costs noted in Table 1, and is reflected in the unit price. The buy and sell spreads are retained within the Fund, as assets of the 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 document, a buy spread of 0.25% and a sell spread of 0.25% apply to the Fund.

Based on the buy and sell spreads noted above, an investment of \$50,000 would incur a buy spread of \$125, and a withdrawal of \$50,000 would incur a sell spread of \$125. This is an example only; it is not an estimate or forecast. The actual buy and/or sell spreads may be higher or lower.

Current buy and sell spreads can be obtained online at www.ampcapital.com.au/spreads or by contacting us.

If investments and withdrawals in the Fund incur buy and sell spreads, we estimate that a buy spread of 0.25% and a sell spread of 0.25% will recover all of the 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 the Fund's unit prices.

The following table shows a breakdown of the total estimated transactional and operational costs and how these are borne by investors.

Total estimated transactional and operational costs	0.54%
Estimated transactional and operational costs offset by buy/sell spreads	0.05%
Estimated transactional and operational costs borne by the Fund	0.49%

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.

We estimate these borrowing costs to be 0.00% of the Fund's net assets. 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 certain specific assets or activities to produce income

The Fund may also incur costs (related to certain specific assets or activities to produce income) that an investor would incur if they invested directly in a similar portfolio of assets. These costs will be paid out of the Fund's assets and are additional to the fees and costs noted in Table 1 noted above.

Liabilities properly incurred

The Fund's constitution entitles the Responsible Entity to be indemnified from the Fund 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 fee charged is 0.70% per annum.

Under the 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 the Fund's constitution.

Goods and Services Tax (GST)

Unless otherwise stated, the fees and other costs 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 document.

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 AMP Capital or the Responsible Entity may pay or receive. We will provide you with a copy of our register, free of charge, on request.

Payments to your financial adviser

Advice fees

You may agree with your financial adviser that advice fees will be paid for financial planning services your financial adviser provides for you. These advice fees are additional to the fees shown in Table 1, and are paid to your financial adviser, not to us or the Responsible Entity.

Advice fees may be in the form of:

- an investment advice fee, and/or
- an ongoing advice fee,

as described below.

You and your financial adviser determine the amount of any advice fees and how they will be charged. This information must be noted on your application form when you make your initial investment and each time you make an additional investment.

Investment advice fee

This fee is charged when you make your initial investment in the Fund and each time you make an additional investment. The fee can be either a fixed percentage of each investment amount or a set dollar amount.

We deduct the fee from each investment amount and forward it to your financial adviser before issuing units in the Fund.

Please note that this fee does not apply to investments made through a regular investment plan.

Ongoing advice fee

This fee can be either a set percentage of your investment account balance at the end of each month or a set dollar amount.

We deduct the fee monthly from your investment account (by selling the appropriate number of units) and forward it to your financial adviser.

You can change the ongoing advice fee at any time by written agreement between you and your financial adviser, and you can cancel the ongoing advice fee at any time. You will need to notify us of any change or cancellation in writing, by mail. Any request for changes or cancellations will need to be provided at least 3 Business Days prior to the end of the month for the change or cancellation to take effect that month. A Business Day for us is any day other than Saturday, Sunday or a bank or public holiday in Sydney, NSW.

Tax

Selling units to pay an ongoing advice fee may have capital gains tax implications, although some investors may be entitled to a capital gains tax discount if they have held the units for more than 12 months.

Depending on your personal circumstances, you may also be entitled to claim advice fees as deductible expenses on your tax return. You should seek appropriate tax advice about the tax implications, if any, for you.

Other payments and benefits

Your financial adviser may receive payments and/or other benefits from the dealer group or organisation under which they operate. These payments and benefits are not a cost to the Fund.

Other payments

Payments such as online brokerage payments may be made to other parties in relation to your investment in the Fund.

These costs are paid out of the management costs; they are not an additional cost to you.

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 document.

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 Fund. However, if you do not provide any of these, the Responsible Entity may be required to deduct tax from most distributions, including where those distributions are reinvested, at the highest marginal tax rate, plus any applicable levies.

DISTRIBUTIONS

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.

Any distributions you receive may affect the social security benefits to which you are or may be entitled, and you should consider discussing this with your financial adviser, Centrelink or the Department of Veterans' Affairs before investing.

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. For example, if you held 50,000 units in the Fund, and the Fund paid a distribution of \$0.02 per unit for the distribution period, you would receive \$1,000 (that is, 50,000 units x \$0.02 per unit). Please note this is an example only and not a forecast, the distribution rate will vary for each distribution.

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 (see 'Buy and sell spreads' in the 'Fees and other costs' section of this document).

INVESTING IN THE FUND

How to invest

Applying for an initial investment

Complete the application form accompanying a current PDS and submit it to us with your initial investment amount of at least \$10,000, payable by:

- cheque – crossed 'Not negotiable' and made payable to AMPCFM Limited – <fund name> – <Investor name>, or
- direct debit (see below).

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

A current PDS and application form can be obtained, free of charge, online at www.ampcapital.com.au/pds/wsas/h or by contacting us on 1800 658 404.

Making an additional investment

You can make additional investments of at least \$5,000 at any time, payable by cheque (crossed 'Not negotiable' and made payable to AMPCFM Limited – <fund name> – <Investor name>) or direct debit (see below). You will need to complete an application form each time you make an additional investment. Additional investments are made on the basis of the PDS current at the time of the additional investment.

Setting up a regular investment plan

The regular investment plan enables you to invest regular monthly amounts by direct debit (see below). A minimum investment amount of \$500 per month applies. You will need to complete an application form when you set up or change your regular investment plan. Regular investments are made on the basis of the PDS current at the time of the regular investment.

Direct debit

You will need to complete the direct debit request in the application form, providing the details of the bank account from which you would like us to deduct your investment amount and acknowledging that you have read and understood the direct debit request terms and conditions set out in the application form.

Initial and additional investments

Direct debiting on your nominated account should occur within five Business Days of the date we receive your application form.

Regular investment plans

Direct debiting on your nominated account should occur around the 20th of each month. Please note that if we receive your regular investment plan application after the 13th of the month, your first direct debit may not occur until around the 20th of the following month.

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 PDS and incorporated information, and as set out in the Fund's constitution (see the 'Other important information' section of this document). 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.

Changes to the information in the PDS

Before making an investment decision, it is important to read a current PDS, as information provided in a PDS and in information incorporated by reference in the PDS, 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. However, if a change is considered materially adverse to investors, the Responsible Entity will issue a replacement PDS and/or updated incorporated information, both of which will be available online. You can also obtain a copy of these documents free of charge, by contacting us.

Processing applications

We generally process applications each Business Day, using the close of business issue price for that day. A Business Day for us is any day other than Saturday, Sunday or a bank or public holiday in Sydney, NSW.

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 the 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 Fund are normally determined at least each Business Day, using the market prices and unit prices of the assets in which the Fund is invested.

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

Interest earned on your application amounts

Your application amounts will be held in an applications account until units in the Fund are issued to you. Any interest earned on those amounts whilst they are held in the account will be credited to the Fund.

Nominated representative

You may nominate a representative to operate your investment in the Fund on your behalf. Your nominated representative will be able to exercise the same powers as you under the 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.

Completing an application form

It is important that you fill out the application form correctly and provide all information and documentation as indicated in the form and applicable to your investment. Submitting an incomplete form or providing incomplete or incorrect information or documentation can delay the processing of your application, and the issuing of units to you.

We will only ask for information and documentation that we need:

- to set up and administer your investment account, such as bank account details for the payment of distributions, and
- to comply with legislation relevant to your investment.

Signing the 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 a cheque for your investment amount if applicable, to:

AMP Capital Investors Limited
Reply Paid 125
Parramatta NSW 2124
(no stamp required)

ACCESSING YOUR MONEY

Requesting a withdrawal

Nominated account

When you complete your application form, you nominate the account into which you would like withdrawals to be paid. Withdrawal amounts will only be paid into your current nominated account.

You can change your nominated account at any time by providing the new nominated account details to us in writing, by mail.

Withdrawal requests

You can request a withdrawal by completing a withdrawal form or sending us a letter. Your withdrawal request can be sent to us:

- by mail or fax* if the withdrawal is to be paid to your current nominated account, or
- by mail only if the withdrawal is to be paid to an account other than your current nominated account.

Withdrawal forms can be obtained online at www.ampcapital.com.au/forms or by contacting us.

If requesting a withdrawal by letter, please include your client number, the name of the Fund and the withdrawal amount. Withdrawal request letters can only be accepted if they are signed by the authorised signatories.

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

Minimum withdrawal amount and account balance

A minimum withdrawal amount of \$5,000 applies, and a balance of \$10,000 is generally required to keep your investment open. If your account balance 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.

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

In circumstances where the 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 the 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 the Fund on any one day, the Responsible Entity may determine that part of the withdrawal amount payable consists of income.

Withdrawal price

The withdrawal price is determined under the 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 Fund are normally determined at least each Business Day, using the market prices and unit prices of the assets in which the Fund is invested.

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

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 the Fund's cash position, and
- the 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.

Transfer of units

Please contact us for all transfer requests.

OTHER IMPORTANT INFORMATION

The Fund's constitution

The Fund's constitution provides the framework for the operation of the Fund and with the Fund's PDS, the Corporations Act and other relevant laws, sets out the relationship between the Responsible Entity and unitholders. We will send you a copy of the Fund's constitution free of charge, on request.

Overview of the Fund's constitution

The Fund may have a number of classes of units. Under the Fund's constitution, the different unit classes may have different management costs, expenses and distributions, but otherwise all classes of units have similar rights. Some of the provisions of the Fund's constitution are set out in the Fund's PDS and in this document. Further provisions relate to:

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

Although the Fund's constitution limits a unitholder's liability to the value of their units, the courts have yet to determine the effectiveness of provisions like this.

Compliance plan

The Responsible Entity has a compliance plan for the Fund, which sets out the measures that will apply in operating the Fund to ensure compliance with the Corporations Act and the Fund's constitution. The compliance plan is lodged with the Australian Securities and Investments Commission (ASIC) and is audited by independent auditors annually to determine compliance with it.

A compliance committee monitors the operation of the Fund and overall compliance with the compliance plan. The majority of the members of the compliance committee must be, and are, independent of both AMP Capital and the Responsible Entity. The compliance committee has the obligation to monitor compliance with the compliance plan and to report certain breaches of the Corporations Act and the compliance plan to ASIC.

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 document, 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. The Policy will be reviewed on a regular basis and may change from time to time.

Under the 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.

The 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.

Continuous disclosure obligations

Where the Fund has more than 100 unitholders it is subject to regular reporting and disclosure obligations under the Corporations Act. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office or can be obtained free of charge by contacting us. These documents may include:

- the Fund's annual financial report most recently lodged with ASIC, or
- the Fund's half year financial report lodged with ASIC (after the lodgment of the annual financial report and before the date of the current PDS).

Where the Fund has continuous disclosure obligations, the Responsible Entity will meet those obligations by publishing material information online at www.ampcapital.com.au.

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 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, 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 Fund. The Unit Pricing Discretions Policy, which can be obtained online at 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 Fund invests are held directly by the Fund or through underlying funds in which the Fund invests. 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 funds** are valued at the most recent unit price supplied by the manager of the relevant fund
- **investments in underlying funds** are valued by an independent administrator, and
- **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 or a copy can be obtained, free of charge, by contacting us.

Securities lending

Securities lending exposes the Fund 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 Fund has 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 Fund's 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 Fund 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.

CONTACTING AMP CAPITAL

Further information

If you have questions about investing in the Fund 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 Fund is also available online at 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 Fund.

Communicating with you

Investment information

We will send you the following investment information:

- confirmation of each transaction (other than transactions made through a regular investment plan)
- quarterly statements which show the balance of your investment and any transactions made and fees charged since your last statement, and
- a tax statement at the end of each tax year.

Online access

You can view your investment information, annual reports and statements online 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:

- the Fund's annual financial reports
- a paper copy of any updated information, and
- any replacement PDS or updated incorporated information.

CONTACT DETAILS

Registered office

AMP Capital Investors Limited
33 Alfred Street
SYDNEY NSW 2000

Mailing address

AMP Capital Investors Limited
Reply Paid 125
PARRAMATTA NSW 2124
(no stamp required)

Client services

T: 1800 658 404
8.30am – 5.30pm Sydney time
Monday to Friday
F: 1800 188 267
E: clientservices@ampcapital.com
W: www.ampcapital.com.au