

# AMP CAPITAL ETHICAL LEADERS FUNDS

## Product Disclosure Statement

Platform (Class A units)



# AMP CAPITAL ETHICAL LEADERS FUNDS SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

24 AUGUST 2020

This is a Supplementary Product Disclosure Statement ('SPDS') for the AMP Capital Ethical Leaders Funds Product Disclosure Statement dated 18 July 2019 ('Original PDS') issued by AMP Capital Funds Management Limited ABN 15 159 557 721, AFSL 426455.

This SPDS must be read together with the Original PDS dated 18 July 2019, available on [www.ampcapital.com](http://www.ampcapital.com) (go to the Fund page) or by calling Client Services on 1800 658 404, 8.30am – 5.30pm Sydney time, Monday to Friday.

The following sections should be read in conjunction with the Original PDS.

## FUND PROFILES

On page 7 of the Original PDS, in the 'Fund Profiles' section for the 'AMP Capital Ethical Leaders Balanced Fund' the 'Summary of risk level' is deleted and replaced by the following. All other information on this page remains unchanged.

### Summary of risk level

Risk band

1	2	3	4	5	6	7
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Risk label

Very low	Low	Low to medium	Medium	Medium to high	High	Very high
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The Fund's risk band and risk label are based on an estimation that the number of negative annual returns over any 20 year period would be within the range of 3 to less than 4. Information about the methodology used for calculating the risk level can be obtained by contacting us. This summary is not a complete description of the risks of investing in the Fund.

Consequently, before choosing to invest or reinvest in the Fund, you should read the Fund's Original PDS and consider factors such as the likely investment return, the risks of investing and your investment timeframe.

We may change the Fund's investment return objective or investment approach, from time to time, if we consider it to be in the best interests of investors. If we do so, we will advise investors.

### Transactional and operational costs

On page 18 of the Original PDS, footnote 1 under the table 'Transactional and operational costs (as % of the net assets of the Fund)' for the 'AMP Capital Ethical Leaders Australian Share Fund' is deleted and replaced by the following. All other information in this table remains unchanged.

1. No transactional and operational costs were incurred for the period for this fund, as there were only a nominal number of units on issue. Transactional and operational costs may be incurred in the future, as described in this section.

**On page 18 of the Original PDS, the table under 'Buy and sell spreads' is deleted and replaced by the following. All other information on this page remains unchanged.**

### Buy and sell spreads

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

FUND NAME	BUY SPREAD	SELL SPREAD
AMP Capital Ethical Leaders Balanced <sup>(1)</sup>	0.17%	0.96%
AMP Capital Ethical Leaders Australian Share	0.20%	0.20%
AMP Capital Ethical Leaders International Share	0.25%	0.25%

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

Based on the buy and sell spreads noted above, an investment of \$500,000 in the AMP Capital Ethical Leaders Balanced Fund would incur a buy spread of \$850 and a withdrawal of \$500,000 would incur a sell spread of \$4,800. This is an example only; it is not an estimate or forecast. The actual buy and/or sell spreads may be higher or lower.

Buy and sell spreads will change from time to time. Current buy and sell spreads can be obtained online at [www.ampcapital.com/spreads](http://www.ampcapital.com/spreads) or by contacting us. In relation to particular applications or withdrawals we may determine that a lesser buy or sell spread may apply.

## TAXATION

**On page 20 of the Original PDS, the section under 'Taxation treatment of your investment' is deleted and replaced by the following. All other information on this page remains unchanged.**

### 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 for information purposes and are intended for tax paying investors who hold their investment on capital account for income tax purposes and are based on our interpretation of Australian taxation laws and Australian Taxation Office administrative practices at the date of publication of this document.

The Funds are Managed Investment Trusts (MITs) and will be administered as Attribution Managed Investment Trusts (AMITs).

The AMIT tax regime seeks to improve the operation of the taxation law for MITs by increasing certainty for responsible entities and unit holders and allowing greater flexibility around how MITs are administered.

Under the AMIT tax regime, you are taxed on the taxable income that is attributed to you by the Responsible Entity on a fair and reasonable basis and in accordance with each Fund's constitution. 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 taxable income such as capital gains.

Australian resident individuals are liable to pay tax at their marginal rates on the taxable income attributed to them from each Fund. Generally, tax is not paid on behalf of investors. If you are not an Australian resident for income tax purposes, withholding tax may be deducted from the taxable income of each Fund attributed to you 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 Funds. If later realised, these capital gains and income may form part of the taxable income attributed to you. In addition, there may be realised but undistributed capital gains or income in the Funds, which may form part of the taxable income attributed to you.

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

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 (including by way of withdrawal). 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. The cost base of your interest in the Funds may increase or decrease if the taxable income attributed to you differs to the amounts that you have received as a cash distribution.

Where the Responsible Entity determines to satisfy a withdrawal request in whole or in part by way of a withdrawal in-specie (see "Processing withdrawal requests", in the "Accessing Your Money" section of this PDS), the value of the assets transferred to you will form part of the capital proceeds used to determine the amount of capital gain or loss arising to you from the disposal of your investment. The transferred assets, together with any cash you receive, must be of an equal value to the total amount due to you pursuant to the withdrawal request. On that basis, the amount of any capital gain or loss arising to you should be the same whether you receive assets or cash (or a combination of both).

You may also be subject to tax in respect of your holding of transferred assets and may also be liable to pay capital gains tax in respect of any subsequent disposal of your interest in any transferred assets. The cost base of your interest in any transferred assets, which will be relevant to calculating the amount of any capital gain or loss on a subsequent disposal, should be based on the market value of the transferred assets at the time they were transferred to you. The cost base of your investment in transferred assets may increase or decrease over the duration of holding those transferred assets.

Each year we will send you an AMIT Member Annual Statement (AMMA Statement), which will contain details of the taxable income attributed to you for the year, together with any net cost base adjustment amount by which the cost base of your interest in the Funds should be increased or decreased.

Taxation laws and administrative practices change from time to time. Such changes may impact the taxation of the Funds and you as an investor. It is your responsibility to consider and monitor the impact of any taxation reforms impacting your investment.

## ACCESSING YOUR MONEY

**On page 22 of the Original PDS, the following sections under 'Accessing your money' are deleted and replaced by the following. All other information on this page remains unchanged.**

### Requesting a withdrawal

#### Platform operators

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 - Unit Registry, GPO Box 804, Melbourne VIC 3001. Withdrawal amounts will be paid to your nominated account.

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

#### Minimum account balance

A balance of \$500,000 is generally required to keep your investment open. If your investment falls below this level, we may redeem your investment and pay the proceeds to you. The Responsible Entity reserves the right, however, to accept lower account balances.

#### Indirect investors

Contact your financial adviser or platform operator for details about:

- how to withdraw money
- how your withdrawal will be paid, and
- the minimum withdrawal amount and account balance set by the platform operator.

### Processing withdrawal requests

If our 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 but may be longer in certain circumstances (see 'Payment times' in this section).

The unit price used to calculate your withdrawal value will generally be the price calculated on the next valuation date after we receive, or are deemed to have received 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 that 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.

Where permitted under a Fund's constitution, we may pay all or a portion of a withdrawal request by transferring some of a Fund's underlying investments to the withdrawing investor (known as paying a withdrawal in-specie). The value of the underlying investments transferred must be of a value that is equal to the amount of the withdrawal request that we are paying in-specie. When considering whether a withdrawal is to be paid wholly in cash or whether any portion should be paid in-specie, we take into account a number of matters including:

- if we were to pay a withdrawal wholly in cash, what impact would this have on a Fund's asset allocation and whether that would be consistent with that Fund's long term benchmark and strategic range as set out in the Original PDS
- if we were to pay a withdrawal wholly in cash, what impact would this have on a Fund's allocation to less liquid assets, and therefore the Fund's overall level of liquidity
- the ability to sell a Fund's underlying investments within the timeframe required to meet the withdrawal request, and
- the materiality of the withdrawal in the context of the size of a Fund and any known future redemptions.

There are tax consequences associated with withdrawing from a Fund, including where a withdrawal is paid in-specie (see 'Taxation treatment of your investment' in the Taxation section of this document).

### **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 each Fund is normally determined at least each Business Day, using the market prices and unit prices of the assets in which a Fund is 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 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 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 AMP Capital Ethical 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.

*The Original PDS is otherwise unchanged. The information contained in this SPDS is general only and does not take into account any investor's personal objectives, financial situation or needs. All investors should read the SPDS carefully (together with the Original PDS) and should obtain financial advice that is tailored to their circumstances.*

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### About this PDS

This PDS contains important information about investing in the AMP Capital Ethical Leaders Funds and may be used by master trusts or platform operators, referred to in this PDS as 'platform operators', to apply for units in the Funds. The platform operators can give this PDS to their customers (indirect investors) to provide them with information to assist them in making a decision about instructing their platform operator to invest in the Funds on their behalf. Platform operators are unit holders in the Funds; their rights differ from the rights of indirect investors, who are not unit holders. Indirect investors invest in a Fund through a master trust or wrap platform (see the 'Other important information' section of this PDS).

Before making a decision about investing or reinvesting in the Funds, all investors should consider the information in the PDS. A copy of the current PDS can be obtained free of charge, on request by contacting us on 1800 658 404 or online at [www.ampcapital.com/pds/wsis/a](http://www.ampcapital.com/pds/wsis/a).

Information in this PDS can help investors compare the Funds to other funds they may be considering. The information in this PDS 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.

### Important information

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

AMP Capital has provided consent to the statements about AMP Capital in this document and has not withdrawn that consent prior to the issue of this document.

The Responsible Investment Association (RIAA) has provided consent to the use of the Certification Symbol in this PDS and to the inclusion of the statements made by or about RIAA in this PDS. 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.

Each of the Funds offered for investment through this PDS is a managed investment scheme structured as a unit trust and registered under the Corporations Act 2001 (Cth), referred to in this PDS 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 the investment in the Funds or guarantees the performance of our obligations to investors or that of the Responsible Entity, the performance of the Fund 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.

The offer in this PDS is available only to eligible persons as set out in this PDS, who receive the PDS (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 PDS are Australian dollars.

## AMP CAPITAL ETHICAL LEADERS FUNDS

<b>Issued</b>	18 July 2019
<b>Issuer and responsible entity</b>	AMP Capital Funds Management Limited – referred to in this PDS as 'the Responsible Entity'.
<b>Investment manager</b>	AMP Capital Investors Limited (ABN 59 001 777 591, AFSL 232497) – referred to in this PDS as 'AMP Capital', 'we', 'our' or 'us'.
<b>Unit class</b>	On-platform Class A
<b>Funds</b>	Responsible Investment Leaders Balanced Fund (ARSN 095 787 723, APIR code AMP0452AU) referred to in this PDS as the 'AMP Capital Ethical Leaders Balanced Fund'
	Responsible Investment Leaders Australian Share Fund (ARSN 112 835 631, APIR code AMP1151AU) referred to in this PDS as the 'AMP Capital Ethical Leaders Australian Share Fund'
	Responsible Investment Leaders International Share Fund (ARSN 095 791 325, APIR code AMP0455AU) referred to in this PDS as the 'AMP Capital Ethical Leaders International Share fund'

## ABOUT AMP CAPITAL

AMP Capital 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 almost 170 years.

Our home strength in Australia and New Zealand has enabled us to grow internationally, and today we have operations established in the 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\$187 billion (as at 31 December 2018) 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 PDS on behalf of the Responsible Entity.

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

## 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 AMP Capital Ethical 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 Certification 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 Certification 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 AMP CAPITAL ETHICAL LEADERS FUNDS

### Overview

The AMP Capital Ethical Leaders Funds offered in this PDS 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 AMP Capital Ethical 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 PDS.

### At a glance

	AMP Capital Ethical Leaders Balanced Fund	AMP Capital Ethical Leaders Australian Share Fund	AMP Capital Ethical 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	High returns over the long term	High returns 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 PDS.		
<b>Suggested minimum investment timeframe</b>	5 years	5 years	5 years
<b>Management costs</b>	1.15% pa	1.37% pa	1.14% pa
	See the ‘Fees and other costs’ section of this PDS for details of the fees noted above and other fees and costs that may apply, and a worked example of management costs that may be payable in a year. The total amount of fees you will pay will vary depending on the total value of your investment.		
<b>Who can invest?</b>	<ul style="list-style-type: none"> <li>• Platform operators, investing directly into a Fund</li> <li>• Indirect operators, investing in a Fund through a master trust or wrap platform</li> </ul>		
<b>Minimum investment amounts</b>	<b>Platform operators</b> Initial – \$500,000 Additional – \$5,000	<b>Indirect investors</b> Minimum investment amounts, fees and costs are subject to the arrangements between indirect investors and their platform operators.	

**Distribution frequency** Each of the Funds aim to pay distributions half-yearly (see the ‘Distributions’ section of this PDS)

See the ‘Fund profiles’ section of this PDS 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](http://www.ampcapital.com). 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 PDS 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 of 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 AMP Capital Ethical 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 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 AMP Capital Ethical 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 10% 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](http://www.ampcapital.com), 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 AMP Capital Ethical 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 lodge a PDS update notice online at [www.ampcapital.com](http://www.ampcapital.com).

##### 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 AMP Capital Ethical Leaders Charter of Operation. A copy of the Charter is available online at [www.ampcapital.com](http://www.ampcapital.com).

##### 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 the 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

### AMP Capital Ethical 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, AMP Capital or our associates (see ‘Related party transactions’ in the ‘Other important information’ section of this PDS 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 AMP Capital Ethical Leaders Balanced Fund 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](http://www.ampcapital.com) or by contacting us.

Asset class	Long term benchmark	Strategic range
Australian shares	25%	15-40%
International shares <sup>(1)</sup>	30%	15-40%
Emerging markets	3%	0-8%
Alternative assets <sup>(2)</sup>	2%	0-6%
Global REITs (hedged)	4%	0-10%
Direct property	5%	0-10%
Direct infrastructure	4%	0-7%
<b>Total growth assets</b>	<b>73%</b>	
Australian fixed interest	13%	0-20%
International fixed interest (hedged)	12%	0-25%
Cash	2%	0-20%
<b>Total defensive assets</b>	<b>27%</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, private debt, 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 AMP Capital Ethical 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 PDS.

**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

## Currency management

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.

## Summary of risk level

### Risk band

1	2	3	4	5	6	7
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### Risk label

Very low	Low	Low to medium	Medium	Medium to high	High	Very high
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The Fund's risk band and risk label are based on an estimation that the number of negative annual returns over any 20 year period would be within the range of 4 to less than 6. Information about the methodology used for calculating the risk level can be obtained by contacting us. This summary is not a complete description of the risks of investing in the Fund.

Consequently, before choosing to invest or reinvest in the Fund, you should read the Fund's PDS and consider factors such as the likely investment return, the risks of investing and your investment timeframe.

We may change the Fund's investment return objective or investment approach, from time to time, if we consider it to be in the best interests of investors. If we do so, we will advise investors.

## 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 PDS 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)

## AMP Capital Ethical 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](http://www.ampcapital.com) 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 PDS 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 PDS.

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

### Suggested minimum investment timeframe

5 years

### Summary of risk level

#### Risk band

1	2	3	4	5	6	7
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#### Risk label

Very low	Low	Low to medium	Medium	Medium to high	High	Very high
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The Fund's risk band and risk label are based on an estimation that the number of negative annual returns over any 20 year period would be within the range of 4 to less than 6. Information about the methodology used for calculating the risk level can be obtained by contacting us. This summary is not a complete description of the risks of investing in the Fund.

Consequently, before choosing to invest or reinvest in the Fund, you should read the Fund's PDS and consider factors such as the likely investment return, the risks of investing and your investment timeframe.

We may change the Fund's investment return objective or investment approach, from time to time, if we consider it to be in the best interests of investors. If we do so, we will advise investors.

### 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 PDS provides further information about some of the risks noted above, as well as information about other investment risks of which you should be aware.

## AMP Capital Ethical 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](http://www.ampcapital.com) 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 PDS 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 PDS.

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

### Suggested minimum investment timeframe

5 years

### Currency management

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

### Summary of risk level

#### Risk band

1	2	3	4	5	6	7
---	---	---	---	---	---	---

#### Risk label

Very low	Low	Low to medium	Medium	Medium to high	High	Very high
----------	-----	---------------	--------	----------------	------	-----------

The Fund's risk band and risk label are based on an estimation that the number of negative annual returns over any 20 year period would be within the range of 4 to less than 6. Information about the methodology used for calculating the risk level can be obtained by contacting us. This summary is not a complete description of the risks of investing in the Fund.

Consequently, before choosing to invest or reinvest in the Fund, you should read the Fund's PDS and consider factors such as the likely investment return, the risks of investing and your investment timeframe.

We may change the Fund's investment return objective or investment approach, from time to time, if we consider it to be in the best interests of investors. If we do so, we will advise investors.

### 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 PDS 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 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/derivativesriskstatement](http://www.ampcapital.com/derivativesriskstatement), 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 a 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.

### Currency management

Currency management only applies to these two funds:

#### • AMP Capital Ethical 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.

#### • AMP Capital Ethical 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. If 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 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 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.
- **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.
- **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.
- **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.

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

- **Obtain professional advice** to determine if the relevant Fund suits your investment objectives, financial situation and particular needs.
- **Ensure** you have read the most up-to-date AMP Capital Ethical Leaders Funds PDS.
- **Consider** the suggested minimum investment timeframe for the relevant Fund.
- **Regularly review** your investments in light of your investment objectives, financial situation and particular needs.

## FEES AND OTHER COSTS

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website ([www.moneySMART.gov.au](http://www.moneySMART.gov.au)) has a managed funds fee calculator to help you check out different fee options.

This PDS 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 the 'Taxation' section 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 Ethical Leaders Funds

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Fees when your money moves in or out of the managed investment product</b>		
<b>Establishment fee</b> The fee to open your investment.	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment.	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment.	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment.	Nil	Not applicable
<b>Management costs<sup>1</sup></b>		
The fees and costs for managing your investment.	AMP Capital Ethical Leaders Balanced	1.15% pa of the Fund's net assets
	AMP Capital Ethical Leaders Australian Share	1.37% pa of the Fund's net assets
	AMP Capital Ethical Leaders International Share	1.14% pa of the Fund's net assets
Management costs are comprised of: <ul style="list-style-type: none"> <li>• <b>management fees<sup>2</sup></b> - calculated daily and paid monthly out of the Fund's assets and reflected in the unit price.</li> <li>• <b>indirect costs<sup>3</sup></b> - calculated on the basis of the Responsible Entity's reasonable estimate of such costs and paid out of the Fund's assets or interposed vehicle's<sup>4</sup> assets once the cost is incurred and reflected in the unit price.</li> </ul> For details of the components for each Fund, please refer to the 'Management costs components' table on the following page.		
<b>Service fees</b>		
<b>Switching fee</b> The fee for changing funds.	Nil	Not applicable

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'.

**Fee amounts in this PDS**

Fee amounts shown in this PDS are the fees the Responsible Entity charges platform operators investing through this PDS. If you are an indirect investor, please contact your financial adviser or platform operator for details of the fee amounts relating to your investment in the Fund.

Fees may be payable to your financial adviser. These fees are additional to the fees noted in Table 1 (refer to the Statement of Advice provided by your adviser).

## Example of annual fees and costs

Table 2 gives an example of how the fees and costs in the AMP Capital Ethical Leaders Balanced Fund can affect your investment over a one year period. You should use this table to compare this product with other managed investment products. The fees shown in this table are an example only and are not additional to the fees described in Table 1.

**Table 2**

Example – AMP Capital Ethical Leaders Balanced Fund		Balance of \$500,000 with a contribution of \$5,000 during the year
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>Plus</b> Management costs <sup>1</sup>	1.15% pa of the Fund's net assets	<b>And</b> , for every \$500,000 you have in the Fund you will be charged \$5,750 <sup>2</sup> each year.
<b>Equals</b> Cost of the Fund <sup>3</sup>		If you had an investment of \$500,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged a fee of:  <b>\$5,750</b>  <b>What it costs you will depend on the fund you choose and the fees you negotiate.</b>

1. Management costs are expressed as a percentage of the AMP Capital Ethical Leaders Balanced Fund's net assets. Management costs are made up of a management fee of 1.03%pa and estimated indirect costs of 0.12% pa. The sum of these figures may differ to the total management costs, due to rounding.
2. This cost does not include the management costs charged on the additional \$5,000 investment. The additional management costs would be \$57.50 if you had invested the \$5,000 for a full 12 months.
3. This cost does not include any advice fees paid to your financial adviser.

## Additional explanation of fees and costs

### Management costs

Management costs are expressed as a percentage of the Funds' net assets, rounded to two decimal places. Management costs are made up of a management fee and estimated indirect costs. Any management fees, performance-related fees, recoverable expenses and 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 Funds.

Fund name	Management fee (% pa)	Indirect costs (% pa)		
		Recoverable expenses <sup>(1)</sup>	Estimated performance-related fee	Estimated other indirect costs
AMP Capital Ethical Leaders Balanced	1.03	0.00	0.08	0.03
AMP Capital Ethical Leaders Australian Share	1.08	0.00	0.30	0.00
AMP Capital Ethical Leaders International Share	1.13	0.00	N/A	0.00

1. The recoverable expenses are the expenses reimbursed from the Fund in the previous financial year. Past recoverable expenses reimbursed from the Fund may not be a reliable indicator of future recoverable expenses. Recoverable expenses are likely to be reimbursed from the Fund in future years. See the 'Recoverable expenses' section for further information.

## Management fee

The management fee is charged by the Responsible Entity for managing and operating the Funds. The management fee is charged on the value of the gross assets of the Funds. When calculating the value of the gross assets of the Funds for this purpose, we may value any units held by the Funds 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 Funds' net assets.

## Indirect costs

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

Generally, an interposed vehicle is a body, trust or partnership in which a 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 Funds
- 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 a Fund invests), and
- a reasonable estimate of the costs of investing in over-the-counter (OTC) derivatives (either at a Fund level or in interposed vehicles), which may be used by the Funds to gain economic exposure to assets.

The amount of indirect costs shown in the 'Management costs components' 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 that 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 Funds' 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

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 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 management costs in Table 1.

## Performance-related fee of underlying fund(s)

The AMP Capital Ethical Leaders Balanced Fund and the AMP Capital Ethical Leaders Australian Share Fund do not charge a performance fee. However, a performance-related fee of up to 25.65% (inclusive of GST less reduced input tax credits) of an underlying manager's outperformance of the portion of the Fund's assets they are managing may be charged, based on the underlying manager's outperformance above their relevant benchmark.

**Underlying manager's performance-related fee example** If you invested \$500,000 in the AMP Capital Ethical Leaders Balanced Fund and 20% of the Fund's assets are managed by an underlying manager that has a performance-related fee and they outperform their performance benchmark index by 1% in a year, the indirect cost to you would be \$256.50. This estimate is inclusive of GST less reduced input tax credits, and is provided as an example only and is not a forecast. The actual performance-related fee may be higher, lower or not payable at all.

## 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/feesandcosts](http://www.ampcapital.com/feesandcosts), or you may obtain a paper copy or an electronic copy of any updated information from us, free of charge, on request. You should read the updated information before making a decision. However, if a change is considered materially adverse to investors, the Responsible Entity will issue a supplementary or replacement PDS, 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 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 Fund 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.

We estimate each Fund's transactional and operational costs to be approximately:

Fund name	Transactional and operational costs (as % of the net assets of the Fund)
AMP Capital Ethical Leaders Balanced	0.39%
AMP Capital Ethical Leaders Australian Share	0.00% <sup>(1)</sup>
AMP Capital Ethical Leaders International Share	0.63%

- No transactional and operational costs were incurred for the period for this fund, as there were only a nominal number of units on issue. Transactional and operational costs may be incurred in the future, as described in this section.

### Buy and sell spreads

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

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 the Funds, as assets of the Funds; 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 PDS, the following spreads apply to the Funds:

Fund name	Buy spread	Sell spread
AMP Capital Ethical Leaders Balanced <sup>(1)</sup>	0.17%	0.17%
AMP Capital Ethical Leaders Australian Share	0.20%	0.20%
AMP Capital Ethical Leaders International Share	0.25%	0.25%

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

Based on the buy and sell spreads noted above, an investment of \$500,000 in the AMP Capital Ethical Leaders Balanced Fund would incur a buy spread of \$850 and a withdrawal of \$500,000 would incur a sell spread of \$850. 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/spreads](http://www.ampcapital.com/spreads) or by contacting us.

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

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

Fund name	Total estimated transactional and operational costs	Estimated transactional and operational costs offset by buy/sell spreads	Estimated transactional and operational costs borne by the Fund
AMP Capital Ethical Leaders Balanced	0.39%	0.03%	0.36%
AMP Capital Ethical Leaders Australian Share	0.00%	0.00%	0.00%
AMP Capital Ethical Leaders International Share	0.63%	0.06%	0.57%

## 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:

Fund name	Borrowing costs (as % of the net assets of the Fund)
AMP Capital Ethical Leaders Balanced	0.13%
AMP Capital Ethical Leaders Australian Share	0.00%
AMP Capital Ethical Leaders International Share	0.19%

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's assets and are additional to the fees and costs noted in Table 1 above.

## 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 each 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. See Table 1 for the management fee currently charged for each Fund.

Under the Funds' constitutions, the Responsible Entity is entitled to be paid an additional amount on the above fees, on account of GST, calculated in accordance with the Funds' constitutions.

## Changes to fees

The Responsible Entity may change the fees noted in this PDS at its discretion and without the consent of platform operators or indirect 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. However, we will give platform operators 30 days' written notice of any intention of the Responsible Entity to increase the existing fees, or introduce performance fees or contribution or withdrawal fees.

## Goods and Services Tax

Unless otherwise stated, the fees shown in Table 1 are inclusive of GST, less reduced input tax credits or other input tax credits claimable, rounded to two decimal places. For information about the tax implications of investing in the Funds, refer to the 'Taxation' section of this PDS.

## 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.

## Payments to your financial adviser

Although we do not make any payments to financial advisers whose clients invest in the Funds through the Funds' PDS, 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 Funds.

## Other payments

Payments may be made to entities such as dealer groups, platform operators, master trusts and investment administration services in relation to the Funds, where the law permits. These payments are not a cost to you.

The amount of these payments may change during the life of this PDS. For further information, please refer to the offer document issued by the relevant entity.

## 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 for information purposes and are intended for tax paying investors who hold their investment on capital account for income tax purposes and are based on our interpretation of Australian taxation laws and Australian Taxation Office administrative practices at the date of publication of this document.

The Funds are Managed Investment Trust (MIT) and will be administered as Attribution Managed Investment Trusts (AMIT).

The AMIT tax regime seeks to improve the operation of the taxation law for MITs by increasing certainty for responsible entities and unit holders and allowing greater flexibility around how MITs are administered.

Under the AMIT tax regime, you are taxed on the taxable income that is attributed to you by the Responsible Entity on a fair and reasonable basis and in accordance with each Fund's constitution. 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 taxable income such as capital gains.

Australian resident individuals are liable to pay tax at their marginal rates on the taxable income attributed to them from each Fund. Generally, tax is not paid on behalf of investors. If you are not an Australian resident for income tax purposes, withholding tax may be deducted from the taxable income of each Fund attributed to you 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 Funds. If later realised, these capital gains and income may form part of the taxable income attributed to you. In addition, there may be realised but undistributed capital gains or income in the Funds, which may form part of the taxable income attributed to you.

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

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. The cost base of your interest in the Funds may increase or decrease if the taxable income attributed to you differs to the amounts that you have received as a cash distribution.

Each year we will send you an AMIT Member Annual Statement (AMMA Statement), which will contain details of the taxable income attributed to you for the year, together with any net cost base adjustment amount by which the cost base of your interest in the Funds should be increased or decreased.

Taxation laws and administrative practices change from time to time. Such changes may impact the taxation of the Funds and you as an investor. It is your responsibility to consider and monitor the impact of any taxation reforms impacting your investment.

### 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 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.

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.

Distributions paid are based on the income earned by the Funds and the number of units you hold at the end of the distribution period. For example, if you held 500,000 units in a Fund, and that Fund paid a distribution of \$0.02 per unit for the distribution period, you would receive \$10,000 (that is, 500,000 units x \$0.02 per unit). Please note that the distribution rate will vary for each distribution.

### Payment of distributions

#### Platform operators

You can choose to have distributions:

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

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

#### Indirect investors

Distributions are paid directly to platform operators. Payment of distributions to you is subject to the arrangement between you and the platform operator. Your financial adviser or platform operator can provide you with information about:

- how often distributions are paid, and
- the distribution payment method (eg paid directly into a nominated bank account or reinvested in the Funds).

### 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 PDS).

## INVESTING IN THE FUNDS

### Who can invest?

Applications to invest the Funds through this PDS can only be made by platform operators, investing directly in a Fund, and indirect investors, investing in a Fund through a master trust or wrap platform, who receive the PDS (including electronically) within Australia. We can only accept applications signed and delivered from within Australia. The Responsible Entity reserves the right to refuse or reject an application.

### How to invest

#### Initial investment

To invest in a Fund you will need to complete an application form (see the 'Applying for an investment' section of this PDS).

#### Additional investments

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.

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

### 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 a 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).

### Cooling off rights

#### Platform operators

Cooling off rights do not apply in relation to an investment in the Funds.

#### Indirect investors

Cooling off rights do not apply under this PDS. Your financial adviser or platform operator can provide you with the conditions, if any, that apply to returning your investment within the cooling off period set by the platform operator.

### The value of your investment

The Funds have a number of classes of units, each with its own unit price. Investments made through this PDS relate to On-platform Class A units.

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

#### Platform operators

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

#### Indirect investors

When you invest through this PDS, the platform operator holds units on your behalf. The value of your investment at any point in time is calculated by multiplying the number of units held for you, by the unit price set by the platform operator. Your financial adviser or platform operator can provide you with the current unit price relevant to your investment in a Fund.

### Risk

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

### Terms and conditions of investing

The offer to invest in the Funds is subject to the terms and conditions described in the Funds' current PDS and as set out in the Funds' constitutions (see the 'Other important information' section of this PDS). 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 a PDS

Before making an investment decision, it is important to read a current PDS, as information provided in a 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](http://www.ampcapital.com). However, if a change is considered materially adverse to investors, the Responsible Entity will issue a replacement or supplementary PDS which will be available online. You can also obtain a copy of the replacement or supplementary PDS 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.

### Retaining this PDS

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

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

## Questions about your investment

### Platform operators

Please contact our Client Services team on 1800 658 404 if you have questions relating to your investment.

### Indirect investors

You will need to contact your financial adviser or platform operator for information about your investment.

## ACCESSING YOUR MONEY

### Requesting a withdrawal

#### Platform operators

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 PDS.

#### Minimum account balance

A balance of \$500,000 is generally required to keep your investment open. If your investment falls below this level, we may redeem your investment and pay the proceeds to you. The Responsible Entity reserves the right, however, to accept lower account balances.

#### Indirect investors

Contact your financial adviser or platform operator for details about:

- how to withdraw money
- how your withdrawal will be paid, and
- the minimum withdrawal amount and account balance set by the platform operator.

### 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 that 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 each Fund is normally determined at least each Business Day, using the market prices and unit prices of the assets in which a Fund is 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 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 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 AMP Capital Ethical 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

#### Platform operators

Please contact us for all transfer requests.

#### Indirect investors

You will need to contact your financial adviser or platform operator for information about the transfer of units.

## KEEPING YOU INFORMED

We will provide platform operators with the information set out below. Platform operators are responsible for forwarding the relevant investment and Fund information to indirect investors.

### Investment information

We will send platform operators confirmation of each transaction.

### Online access

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

### Fund information

We will provide platform operators 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 PDS.

Platform operators are responsible for forwarding the above investment and Fund information to indirect investors (investors who have invested in a Fund through a master trust or wrap platform).

## OTHER IMPORTANT INFORMATION

### Rights attaching to each class of units

The Funds have a number of classes of units. This PDS relates to On-platform Class A 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 that Fund and with this 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 relevant Fund's constitution free of charge, on request.

### Indirect investors

If you access a Fund through a master trust or wrap platform, you become an 'indirect investor', as the operator of your master trust or wrap platform (the platform operator) is investing on your behalf. Consequently the platform operator (or the custodian of the platform), and not you, holds the units in a Fund and has the rights of an investor (unitholder) in a Fund. For example, indirect investors do not have rights to attend and vote at unitholder meetings, to redeem units or receive distributions. Instead, the platform operator exercises those rights on your behalf in accordance with the arrangements they have with you. For information about your investment, you will need to contact your financial adviser or the operator of the platform through which you have invested.

## Overview of the Funds' constitutions

The following overview of the Funds' constitutions is mainly relevant to platform operators, as they are unit holders under the 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.

### Compliance plan

The Responsible Entity has compliance plans for the Funds, which set out the measures that will apply in operating the Funds to ensure compliance with the Corporations Act and the Funds' constitutions. The compliance plans are lodged with the Australian Securities and Investments Commission (ASIC) and are audited by independent auditors annually to determine compliance with it.

A compliance committee monitors the operation of the Funds and overall compliance with the compliance plans. 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 plans and to report certain breaches of the Corporations Act and the compliance plans 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 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.

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

## Continuous disclosure obligations

Where a Fund has more than 100 unitholders it is subject to regular reporting and disclosure obligations under the Corporations Act. Copies of documents lodged with the Australian Securities and Investments Commission (ASIC) in relation to that 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:

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

Where a Fund has continuous disclosure obligations, the Responsible Entity will meet those obligations by publishing material information online at [www.ampcapital.com](http://www.ampcapital.com).

## Complaints procedure

### Platform operators

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 a Fund, 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/privacy](http://www.ampcapital.com/privacy).

### Indirect investors

You should contact your financial adviser or platform operator if you have a complaint related to your investment in a Fund. If your issue remains unresolved, you can contact the external dispute resolution scheme of which the platform operator is a member.

## Your privacy

### Platform operators

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.

Our Privacy Policy, which can be obtained online at [www.ampcapital.com/privacy](http://www.ampcapital.com/privacy) or by contacting us, sets out AMP Capital'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 suppliers that may be located outside of Australia) 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.

You may access personal information held about you, although there are some exemptions to this. If you believe information held about you is inaccurate, incomplete or out of date, please contact us.

### Indirect investors

Your financial adviser or platform operator will collect personal information from you so that they can set up and administer your investment account. Your financial adviser or platform operator can provide you with information about how they use and disclose this information.

## 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 a Fund. The Unit Pricing Discretions Policy, which can be obtained online at [www.ampcapital.com](http://www.ampcapital.com) 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 a Fund invests are held directly by that Fund or through underlying funds in which that 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 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 BNP Paribas Fund Services Australasia Pty Limited, 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](http://www.ampcapital.com) 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

### Platform operators

#### How to apply

Please contact our Client Services team on 1800 658 404 to obtain an 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.

All investments are made on the basis of the PDS current at the time of contributing your investment amount. You can obtain a current PDS online at [www.ampcapital.com](http://www.ampcapital.com) or free of charge by contacting us.

### Minimum investment amounts

- Initial investment – \$500,000
- Additional investment – \$5,000

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

### 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

Application forms should be mailed to:

AMP Capital - Unit Registry  
GPO Box 804  
MELBOURNE VIC 3001

Please include all required identification documentation when submitting your application.

## Indirect investors

Your financial adviser or platform operator will provide you with information about how to apply, including:

- the form you will need to complete
- minimum initial and additional investment amounts, and
- the method of paying your investment amount.

All investments are made on the basis of the PDS current at the time of contributing your investment amount. You can obtain a current PDS from your financial adviser or platform operator.

## 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 - Unit Registry  
GPO Box 804  
MELBOURNE VIC 3001

### Client Services

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

F: 1800 630 066

E: [clientservices@ampcapital.com](mailto:clientservices@ampcapital.com)

W: [www.ampcapital.com](http://www.ampcapital.com)