

Fees and other charges

This document provides additional information about the fees and other charges relating to the four managed investment schemes collectively referred to as the Personal Managed Funds (each referred to as a Fund). The Personal Managed Funds comprises the Balanced Fund, Balanced Plus Fund, International Bond Trust and International Equity Trust.

This document should be read with the current Product Disclosure Statement (PDS) for the Personal Managed Funds. The information in this document explains the fees and other charges involved if you are an investor in the Funds. AMP Wealth Management New Zealand Limited charges fees and recovers expenses to cover administration of your account, each Fund itself and costs associated with the professional management of your investments. Other fees, costs and expenses may be payable and are detailed in this document.



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Annual fund charges

The total annual fund charges for the Funds are described in the Personal Managed Funds' PDS. The total annual fund charges comprise the following components:

- Management fee; and
- Costs and expenses.

The total annual fund charges disclosed in the PDS are set out in the table below. A description of each component is provided below the table.

Fund	Management fee	Costs and expenses (estimated)	Total annual fund charges (estimated) % net asset value
Balanced Fund	1.75%	0.49%	2.24%
Balanced Plus Fund	1.75%	0.52%	2.27%
International Bond Trust	1.25%	0.46%	1.71%
International Equity Trust	1.50%	0.67%	2.17%

Management fee

AMP as the manager of each Fund is entitled to charge a fee for providing its services to that Fund. We also use the management fee to contribute to the costs associated with administering the Funds. These include paying AMP Services (NZ) Limited (AMP Services) for performing its role as administration manager of the Funds. This is in accordance with the Trust Deed whereby we can appoint an administration manager and agree with that administration manager the fees that may be charged. We may at any time agree with AMP Services to change the fee paid to them. AMP Services is a related party of ours.

The management fee is also used to pay for the investment management services of AMP Capital for managing the underlying funds in which the assets of the Funds are invested. However, we are entitled to be reimbursed from the Funds for any performance fee charged by an underlying fund manager that is not related to us where that expense is passed on to us.

The management fee is calculated daily as a percentage of the value of your investment in each Fund. It is deducted from each Fund and reflected in the value of your units.

Costs and expenses

The costs and expenses amount presented in the PDS includes the Supervisor's fee and other costs and expenses that have been reimbursed by the Funds.

Supervisor fee

The Supervisor's fee is paid to The New Zealand Guardian Trust Company Limited (Supervisor) for performing its role as supervisor of the Personal Managed Funds. In accordance with the Trust Deed the Supervisor is entitled to a fee not exceeding 0.1% per annum of the relevant Fund's net asset value.

The Supervisor's fee is calculated daily as a percentage of the value of your investment in each Fund. It is deducted from each Fund and reflected in the value of your units.

The Supervisor can also charge special fees in relation to the Funds. These fees are based on a time cost and reasonable disbursements basis, as we may agree from time to time (our agreement must not be unreasonably withheld).

Other costs and expenses

We and the Supervisor may charge other costs and expenses to the Funds or your account that may include fees, costs and expenses charged to us by third parties. These include the costs of running the Funds, such as accounting and audit requirements, registry costs and regulatory compliance costs. These may include costs and expenses charged to us by AMP Services that are not covered by the fee we pay to them out of the management fee. These will only include costs and expenses that we would be permitted by the Trust Deed to recover if we were incurring the costs and expenses ourselves. The types and/or amounts of such costs and expenses may change from time to time. Any costs and expenses charged to the Funds are reflected in the unit price of the Fund concerned and therefore will affect your return. These costs and expenses will be reported in the Financial Statements, which are available on the AMP website at amp.co.nz.

Costs and expenses also include underlying fund fees because the underlying funds into which the Funds invest also have fees and expenses, including performance fees and actual transaction costs, charged by the managers and trustees of those funds. These fees and expenses will be reflected in the underlying fund's unit price which will impact the return to a Fund that invests in that underlying fund.

These fees and expenses will be reflected in the underlying fund's unit price and may not be rebated to the Scheme. Some of the underlying funds into which the Funds invest are managed by AMP Capital Investors (New Zealand) Limited (AMP Capital). AMP Capital is currently a related party of AMP and AMP Services. These underlying funds may themselves invest into other funds managed by AMP Capital or a related party, and may charge fees and expenses that are reflected in that fund's unit price.

Basis of estimates for annual fund charges in PDS

In determining the total annual fund charges, estimates were made for certain fees, costs and expenses. See below for a summary of the basis of estimates.

These have been estimated as a percentage of each Fund's net asset value and include both expenses incurred by the Fund and fees and costs charged by the managers of the underlying funds in which the Funds invest. These include fees for audit, printing and distribution, regulatory compliance, IT, administration manager costs and expenses, performance fees charged by unrelated underlying funds and other professional service fees. The determination of these fees is based on estimates provided by the Funds' professional service providers, information provided by the underlying fund manager of each Fund relating to the underlying fund fees and our experience with the Funds (including taking into account the actual costs and expenses charged over the most recently completed accounting period for each Fund). The estimated amounts are set out in the annual fund charges section of this document and the PDS.

There are currently no limits on the amount of the expenses and costs that may be reimbursed to us, AMP Services or the Supervisor from the assets of the funds.

Individual action fees

The information in this section forms part of the PDS and each quarterly fund update for the Funds.

Individual action fees are fees charged on an individual basis for investor-specific decisions or actions (for example, fees relating to contributions, establishment, termination or withdrawals).

Contribution fees

The International Bond Trust and International Equity Trust have contribution fees (also known as entry fees). The contribution fees (if applicable) for these funds are deducted from the amount of each contribution made. The table below sets out the contribution fee that is applicable to each of the Funds:

	International Bond Trust	International Equity Trust
Contribution Fee	Up to 3%	Up to 5%

Switching fees

A switch is treated as a withdrawal of units from one Fund and a new application for units in another Fund. A switching fee will apply where the switch is into a Fund with a higher contribution fee (see table above under 'Contribution Fees'), in which case the fee will be the difference between the contribution fees of the two Funds. The fee will be deducted from the amount switched.

There are currently no establishment, termination or withdrawal fees in the Personal Managed Funds. Subject to the Trust Deed we may charge these fees in the future.

Other information on fees and other charges

Related party charges

All of the underlying funds into which the Funds invest are managed by AMP Capital. AMP Capital is currently a related party of AMP and AMP Services. These underlying funds may themselves invest into other funds managed by AMP Capital or a related party, and may charge fees and expenses that are reflected in that fund's unit price.

Transaction costs

Transaction costs (the actual costs of buying and/or selling units in the relevant underlying funds) may affect your returns. These costs may, at our discretion, be reflected by a Fund using different unit prices for buying and selling units, ie reflecting these transaction costs by valuing the Fund's holdings using a sell or buy unit price of the underlying fund. The Fund may, at our discretion, reflect these transaction costs by valuing its holdings using a sell or buy unit price of the underlying fund. Currently, none of the Funds reflect transaction costs in this way, and instead each pays transaction costs (if any) out of its assets. This could change in the future without notice.

How does tax affect these fees?

All fees are disclosed on a before-tax basis. GST will be added to fees and may be included in some expenses where applicable.

Currently, we charge GST at the standard rate of 15% on the Supervisor's fees, and charge GST at the standard rate of 15% on 10% of the management fee charged. The Inland Revenue is reviewing the GST treatment of unit trust management fees and the portion of the management fee subject to GST may change in future without notice.

Annual fund charges are deducted as permitted when we calculate the Funds' taxable income or loss.

Glossary

AMP, we, our, us and **the Manager** means AMP Wealth Management New Zealand Limited, the manager of each of the Funds.

AMP Capital means AMP Capital Investors (New Zealand) Limited, the underlying fund manager of each Fund and currently a related party of AMP.

AMP Services means AMP Services (NZ) Limited, the administration manager of each Fund and a related party of AMP.

Current or **currently** means that legislation, policy or a practice is current as at the date of this document but may change at any time without notice.

Fund means a registered managed investment scheme in the range of schemes collectively referred to as the Personal Managed Funds.

Fund charges have the same definition as defined in the Financial Markets Conduct Regulations 2014.

Individual action fees have the same definition as defined in the Financial Markets Conduct Regulations 2014.

PDS means the Product Disclosure Statement for the Personal Managed Funds.

Performance fee means a payment made to a fund manager for generating investment returns in excess of a stated benchmark. The performance fee is generally calculated as a percentage of investment profits.

Supervisor means The New Zealand Guardian Trust Company Limited, the supervisor of the Personal Managed Funds.

Trust Deed means the document governing the Personal Managed Funds, as amended from time to time.

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Want to know more?

For more information about the Personal Managed Funds, please see the Personal Managed Funds' current Product Disclosure Statement at amp.co.nz or contact us on **0800 081 081** or talk to your Adviser today.

Your Adviser's disclosure statement is available from your Adviser on request and free of charge.