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Personal Managed Funds

Statement of Investment Policy and Objectives (SIPO)



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This Statement of Investment Policy and Objectives sets out the investment policy and objectives of each of the four registered managed investment schemes collectively known as the Personal Managed Funds.

1. Description of the Funds

- 1.1. The Personal Managed Funds comprises 4 separate managed investment schemes: the Balanced Fund, Balanced Plus Fund, International Bond Trust and International Equity Trust (each individually referred to as a Fund and collectively as Personal Managed Funds). AMP is currently not accepting applications for investments in these Funds other than from investors that are currently invested in that particular Fund and may accept or decline applications at its discretion. Each Fund is registered as a separate managed investment scheme (MIS) under the Financial Markets Conduct Act 2013 (FMCA). The Funds are managed funds (a type of MIS) for the purposes of the FMCA.
- 1.2. The manager of each Fund is AMP Wealth Management New Zealand Limited (Manager). The Manager has appointed AMP Services (NZ) Limited (AMP Services) as administration manager of each Fund. The supervisor is The New Zealand Guardian Trust Company Limited (Supervisor).
- 1.3. Each Fund offers pooled investments for the purpose of investment savings and gives investors access to a range of investments either within a single asset class or across different asset classes. The investments are represented by units, in the investor's choice of funds (Fund or Funds). The Personal Managed Funds comprise of two diversified funds (Diversified Funds) and two single sector funds (Single Sector Funds). The two Diversified Funds offered invest in different proportion of lower-risk investments, such as cash and cash equivalents and fixed interest and higher-risk investments, such as equities and property.
- 1.4. As at the date of this SIPO, the Funds available to investors in the Personal Managed Funds are:

Diversified Funds	Single Sector Funds
Balanced Fund	International Bond Trust
Balanced Plus Fund	International Equity Trust

- 1.5. As each Fund is a separate scheme, the assets of one Fund cannot be used to meet the liabilities of another Fund.
- 1.6. The beneficial interest in each Fund is divided into units and each unit represents an equal interest in that Fund. The value of an investor's interests in the assets of each Fund is determined by multiplying the units attributable to the investor by the relevant unit price of the Fund. No investor acquires an interest in any particular asset of the Fund to which their units in any particular Fund relate.
- 1.7. The Manager may close, wind up, or alter any Funds at any time in accordance with the Trust Deed. The Manager has decided to wind up all of the Funds in the Personal Managed Funds in the short term.

2. Investment Philosophy

- 2.1. The Manager seeks to provide investors with a range of investment choices and investment management styles to enable them to tailor a portfolio that suits their unique goals and needs. The Manager does this by investing each of the Funds offered in the Personal Managed Funds into a range of underlying collective investment schemes (underlying funds).
- 2.2. At the date of this SIPO all the Funds are invested in a range of managed funds offered by AMP Capital Investors (New Zealand) Limited (AMP Capital). The AMP Capital underlying funds selected allow investors in each of these Funds to access managers with a range of investment philosophies and styles.
- 2.3. The AMP Capital underlying funds selected are multi-manager options which provide a means of generating more consistent performance.
The Manager offers within the Personal Managed Funds:
 - Diversified Funds that provide exposure to a range of asset classes with varying ranges of benchmark asset allocations and ranges to provide differing balances of risk and return; and
 - Single Sector Funds that each primarily provide exposure to a single asset class.
- 2.4. The Manager regularly reviews the Funds offered and the underlying fund manager to ensure they continue to provide a suitable diversity of choice.
- 2.5. The Funds do not have a separate investment manager. The Manager makes investment decisions for the Funds in its role as manager, acting through its Investment Committee. As noted above the assets of the Funds are generally invested in underlying funds. Fund management services for underlying funds are performed by each of those underlying funds' fund managers (underlying fund managers) and not by the Manager.
- 2.6. Each Fund is generally wholly invested in a single underlying fund.

2.7. The Manager determines the investment strategy, objectives and policy of each Fund and sets the benchmark asset allocations (BAAs) and ranges (where applicable) that reflects that strategy, objectives and policy (as set out in the Schedules). The Manager then selects one or more underlying funds and underlying fund managers that has adopted strategies, objectives and policies (including BAAs and ranges) that provide the exposure required for the Funds. Where the investment strategy, objectives and policy (including BAAs and ranges) of an underlying fund manager are varied and cease to provide the required exposure, the Manager will determine whether to vary the investment strategy, objectives and policy adopted in respect of the affected Fund or Funds or to vary the underlying investment to maintain the existing investment strategy, objectives and policy adopted in respect of the affected Fund or Funds.

2.8. The underlying fund manager at the date of this SIPO is set out below.

Underlying fund manager	Funds	Description
AMP Capital Investors (New Zealand) Limited (AMP Capital)	Balanced Fund Balanced Plus Fund International Bond Trust International Equity Trust	<p>AMP Capital is an investment manager that is part of the AMP group. AMP Capital has a history that dates back to 1849.</p> <p>AMP Capital believes that asset allocation is the primary driver of investment returns and that diversification helps to reduce risk which enhances a fund's return potential over the long-term.</p> <p>AMP Capital also believes an active, global macroeconomic overview that drives asset allocation can harness the potential of volatile and uncertain markets across all asset classes.</p> <p>Furthermore, AMP Capital believes markets are by nature inefficient and that this is where the real opportunity lies for added value from active management. As a result, they believe market prices often stray significantly from fundamental or intrinsic value.</p> <p>For further information on AMP Capital please visit ampcapital.co.nz</p>

2.9. The underlying funds and any investments accessed, and the underlying fund manager(s) (where relevant) may be changed at any time without notice to investors. Details of the investments of each Fund can be found in the most recent fund update for each Fund.

2.10. Where the assets of a Fund are not invested in underlying funds, the assets may, from time to time be placed on deposit with one or more New Zealand registered banks.

3. Investment Objective

3.1. The investment objective and policy of each Fund is set out in the relevant Schedule. The Manager aims to achieve this through the individual investment strategies and objectives for each Fund.

3.2. The Diversified Funds have income and growth BAA ranges, as well as BAA ranges for each asset class. The Single Sector Funds generally invest in a single asset class, and as a result have BAA ranges for that asset class. These are set out in the relevant Schedules. Other than as set out in the Schedules, there are no limits on the proportion of each asset type each Fund may invest in or be exposed to through its underlying investments.

3.3. AMP Capital may invest in the asset classes set out in the Schedules either directly or indirectly (such as by investment in further underlying funds).

4. Investment Policies

Currency Hedging Policy and Monitoring Process

4.1. Hedging may be used by each of the Funds to manage the exposure of assets to exchange rate fluctuations. A hedged position will not produce the full benefit of a favourable exchange rate movement, but at the same time will not expose the Fund to the full loss potential of an unfavourable exchange rate movement. A Fund which incorporates a currency hedge provides a buffer against currency fluctuations either in whole, or in part.

4.2. For each of the Funds with foreign currency exposure the Manager has adopted a currency hedging policy and monitoring process (as set out in the relevant Schedule) that is implemented within the underlying funds by AMP Capital and not directly within the Funds. To ensure that AMP Capital complies with the currency hedging policy and monitoring process the Manager will obtain on a quarterly basis a compliance certificate confirming that the policy has been adhered to in accordance with the relevant investment management agreement.

4.3. The specific currency hedging policy and monitoring process for each Fund which has foreign currency exposure is detailed in the relevant Schedules.

Derivatives Policy

4.4. Financial instruments known as 'derivatives' may be used for the purposes of risk management, performance enhancement or to optimise investment strategy implementation. The use of derivatives is not considered in isolation but rather as part of the overall investment strategy.

4.5. Where the Manager has adopted a derivatives policy this is implemented within the underlying funds by AMP Capital and not directly within the Funds.

4.6. The specific derivatives policy (where applicable) adopted for each Fund is detailed in the relevant Schedules.

Rebalancing Policy

- 4.7.** As noted above the Manager achieves the Funds' BAAs and ranges by selecting underlying funds or other underlying investments that align to the BAAs and ranges adopted by the Manager. Each Fund will not itself undertake rebalancing but they may invest into (but will not be restricted to) underlying funds that undertake regular rebalancing to ensure that the actual asset allocations of the underlying funds remain appropriate.
- 4.8.** The BAA and ranges (where applicable) for each Fund and any particular rebalancing policy required for an underlying fund to be an authorised investment is detailed in the relevant Schedules.

Liquidity and Cash Management Policy

- 4.9.** Each Fund's bank account is monitored daily as part of the unit pricing process.
- 4.10.** Funds may hold transactional cash as set out in each Schedule. Otherwise, each Fund has a liquidity tolerance which is generally a maximum of 5% of the Net Asset Value (NAV) of the Fund and a minimum of 0%. Where a maximum of 5% is exceeded, units in the Fund's underlying fund will be purchased to reduce the cash in the Fund back to within its tolerance range. Likewise, a cash level below 0% of NAV will result in the sale of units in the Fund's underlying fund, to bring the Fund's liquidity level back to within its tolerance range. The monitoring of the Funds' liquidity levels and any associated transactions is undertaken as part of the daily bank account reconciliation process. However, the Manager may elect not to maintain any limits on cash investments for a Fund where the Manager considers they would not be appropriate, for example where a Fund is winding down.

Asset Valuation Policy

- 4.11.** The assets of each Fund are valued in accordance with the AMPWM NZ Asset Valuation Policy which can be found on each of the Fund's offer register entry. This policy sets out the valuation principles to be applied to determine asset values for use in the calculation of the NAV of funds for which the Manager is responsible. The primary purpose of deriving this NAV is to determine the appropriate unit price at which investor transactions may be processed as well as to determine the value of investor balances for the calculation of related fees.
- 4.12.** Consistency and investor equity are the guiding principles of asset valuation. Asset valuation practices are applied consistently within and across the funds. Accuracy in asset valuation is paramount and a necessary component of correctly calculated unit prices.
- 4.13.** As the Funds invest only in the AMP Capital funds all asset valuations are initially performed by the custodian of AMP Capital's underlying funds or by AMP Capital. AMP Capital is AMPWM NZ's primary investment partner and their asset valuation practices are governed by AMP Capital Holdings' valuation policy. The Manager periodically reviews AMP Capital Holdings' valuation policy to ensure that it remains consistent with all other aspects of the AMPWM NZ valuation policy. Furthermore, AMP Capital outsources the custodian and fund administration roles to BNP Paribas Financial Services Australasia Pty Ltd, which has its own pricing and valuation policy. AMP Capital is responsible for ensuring that the BNP Paribas policy is consistent with its own valuation policy.

Taxation Policy

- 4.14.** None of the Funds have elected to become portfolio investment entities. Each Fund is taxed as if they are companies, with tax paid on investment income at the 28% tax rate.
- 4.15.** The Funds' taxable income is calculated based on the tax rules applying to underlying investment assets.
- 4.16.** The Funds may be indirectly invested in some or all of these assets:

Asset	Tax payable on capital gains/losses	Tax payable on dividends and interest	Tax payable on deemed 5% return, per 'Fair Dividend Rate' (FDR) method
New Zealand equities	No	Yes	No
Australian equities	No	Yes	No
Australian Unit Trusts (AUT)*	No	No	Yes
Global equities	No	No	Yes
Cash and cash equivalents, fixed interest, currency hedges and other financial instruments	Yes	Yes	No**

*Some limited exemptions apply where there is a Resident Withholding Tax (RWT) proxy (a NZ entity that administers payments and deducts RWT) in relation to payments from the AUT and the AUT meets minimum turnover thresholds.

**In some circumstances, currency hedges will be taxed on a full foreign exchange rate gain or on a deemed 5% return.

- 4.17.** More information about the tax consequences of an investment in the Funds can be found in the Personal Managed Funds Product Disclosure Statement.

Related Party Transactions

- 4.18.** The Manager conducts all transactions with related parties of the Funds in accordance with the rules on related-party transactions that apply to MISs under the FMCA. The general rule under the FMCA is that the manager (and any investment manager, administration manager, or other person to whom the manager has contracted some or all of its manager functions) of a scheme is prohibited from entering into a transaction that provides for a related party benefit to be given.
- 4.19.** The FMCA provides an exemption to this rule whereby the manager can enter into a transaction that provides for a related party benefit if the manager:
- Notifies the Supervisor of the transaction, the related party benefits given under that transaction, the key terms of the transaction; and
 - Either:
 - the transaction is ‘permitted’ and the manager certifies to the Supervisor to this effect; or
 - the manager obtains the Supervisor’s consent to the transaction, which may only be given where the Supervisor considers it to be in the best interests of investors or it is approved by or contingent on approval by a special resolution of affected investors.
- 4.20.** Each of the Fund’s assets are invested in underlying funds that are developed by AMP Investment Management (N.Z.) Limited and managed by AMP Capital. AMP Investment Management (N.Z.) Limited and AMP Capital are currently both related parties of the Manager and AMP Services. The relevant underlying funds may themselves gain investment exposure through investment funds managed by related parties of the Manager. The Manager has satisfied itself and certified to the Supervisor that the transactions are permitted in accordance with the FMCA.
- 4.21.** For further information on the rules on related party transactions that apply to MISs under the FMCA, please visit the guidance library for managed investments on the FMA website at fma.govt.nz.

Conflicts of interest

- 4.22.** Conflicts of interest can arise when the interest of the Manager’s employees, customers or entities are inconsistent with, or diverge from, some or all of the interests of shareholders or another AMP Group entity (while it is related) or investors in the Manager’s Scheme.
- 4.23.** In relation to investment decisions for each of the Funds, a conflict of interest is a financial or any other interest, a relationship, or any other association of any of the following people that would, or could reasonably be expected to, materially influence the investment decisions of the Manager or an investment manager (or both) in respect of the relevant Fund:
- a. the Manager;
 - b. a director, senior manager, or employee of the Manager who has a significant impact on the investment decisions that are made in respect of the Funds;
 - c. an investment manager of the Funds; or
 - d. an associated person (as defined in the FMCA) of the Manager (or a director or senior manager of that associated person).
- 4.24.** Details of conflicts of interest that currently exist at the date of this document, or that are likely to arise in the future, are as follows:

Nature of conflict	Funds affected	Influence on investment decisions
<p>The Manager is currently part of the AMP Group of companies. Each of the Funds’ assets are invested in underlying funds that are developed by AMP Investment Management (N.Z.) Limited and managed by AMP Capital, which are currently both associated persons of the Manager. See paragraph 4.20 for information.</p> <p>The underlying funds managed by AMP Capital may themselves gain investment exposure through investment funds managed by AMP Capital or other parties which are currently related to the Manager.</p> <p>In addition, the Funds may increase their investment in funds operated by related parties, or invest in alternative funds operated by related parties, in the future.</p>	All Funds.	We may be influenced by our current association with other companies within the AMP Group to prefer funds operated by associated persons over those operated by third parties.
<p>The Manager and AMP Capital are parties to an agreement affecting the investment management decisions made in respect of certain AMP Group Products including the Funds.</p> <p>The Manager seeks advice and recommendations from AMP Capital about matters concerning the AMP Capital underlying funds into which the relevant Funds invest.</p>	All Funds.	Our investment decisions in respect of the funds that invest in the AMP Capital funds are informed by the advice and recommendations provided by AMP Capital, as we will take that advice and those recommendations into account when making decisions.
Directors and employees of AMP Services and the Manager may from time to time hold units in the Funds.	All Funds.	Decisions made by affected directors and employees may be influenced by their personal interest in the Funds.
The Manager may receive distribution commissions from underlying fund managers based on the funds under management within the underlying funds managed by those managers.	All Funds.	We may be influenced to invest funds with those managers as we receive commissions or fees for doing so.

- 4.25.** The Manager has taken, and will take on an ongoing basis, the following steps to manage the above conflicts:
- Complying with the requirements of the FMCA for related party transactions, as set out in the 'Related Party Transactions' section above.
 - Adopting the AMP Group Conflicts of Interest Policy and Procedures (see 4.26 and 4.27 below).
 - Utilising investment research and other tools to provide recommendations on underlying fund managers, where applicable.
 - Monitoring and reviewing the investment performance, investment options, compliance and contractual arrangements of all underlying fund managers (including AMP Capital) at regular intervals.
- 4.26.** Good practice is to properly manage conflicts of interest as they arise. To this end, the Manager has arrangements in place to identify decisions which may involve a conflict of interest and has adopted the AMP Group Conflicts of Interest Policy and Procedures. This provides guidance on what a conflict of interest is and how to avoid or manage it. It also assists the AMP Group to:
- Ensure it maintains its reputation, integrity and preserves stakeholder confidence in the AMP Group;
 - Maintain practices that will support the ongoing sustainability and stability of the AMP Group business;
 - Ensure its business dealings are conducted with diligence, honesty, integrity and proper judgement; and
 - Meet its legislative and regulatory obligations.
- 4.27.** The AMP Group Conflicts of Interest Policy and Procedures also details different types of conflict of interest situations (business/ personal conflict of interest, conflict of duty, related party transactions etc.) and provides the following framework for the management of a conflict of interest:
- Identify and record;
 - Assess;
 - Respond by controlling;
 - Disclose or avoid; and
 - Monitor and report.

5. Investment Performance Monitoring and Reporting

- 5.1.** Investment performance for the Funds is monitored and reviewed monthly by the Investment Committee. The Investment Committee in turn currently provides quarterly performance reports to the AMP Group Investment Committee (GIC).
- 5.2.** Performance of the Funds is monitored over various periods (gross of tax and fees). Performance is measured on an absolute return basis as well as relative to each Fund's benchmark indices and its performance objective.
- 5.3.** In monitoring investment performance, the Investment Committee considers the reports submitted to them by AMP Capital for the underlying funds. Attribution analysis is also provided by AMP Capital.

6. Investment Strategy Review

- 6.1.** The Manager oversees the development, implementation, monitoring and performance of the investment strategy of the Funds, including appointing and removing the underlying fund manager(s).
- 6.2.** The Manager and AMP Capital are parties to an agreement affecting the investment management decisions made in respect of certain AMP Group Products including the Personal Managed Funds.
- 6.3.** The Funds invest in a range of wholesale investment funds. The Manager may seek advice and recommendations from AMP Capital and may consult about matters concerning the underlying funds into which the relevant Funds invest.
- 6.4.** The Investment Committee also utilise investment research and other tools to provide recommendations on the underlying fund managers, where applicable.
- 6.5.** The Investment Committee monitors and reviews the investment performance, investment options, compliance and contractual arrangements of AMP Capital quarterly. The review is based on the reports submitted by AMP Capital. The Investment Committee currently reports through to the GIC.
- 6.6.** BAAs are reviewed from time to time and at least annually by the Investment Committee.
- 6.7.** When selecting an underlying fund manager and assets, the Manager undergoes a strict due diligence and approval process. As well as the selection process, all incumbent external underlying fund managers are subject to ongoing monitoring by the Manager.

7. SIPO Compliance and Review

- 7.1. The Manager monitors compliance with the SIPO. AMP Capital is required to report quarterly on the compliance of the underlying funds with each of their SIPOs or investment guidelines. A quarterly compliance report for the Personal Managed Funds is prepared and provided to the Supervisor following a review of AMP Capitals' report and internal compliance reporting provided by the relevant AMP business teams. The Investment Committee is also provided with a quarterly investment management and performance report that outlines the compliance certificates from AMP Capital.
- 7.2. A formal review of the SIPO is triggered where there is a material change to any of the Funds including (but not limited to):
 - the nature or type of investments that may be made;
 - the benchmark and asset ranges of the Funds; or
 - a change to any of the investment policies of the Funds.
- 7.3. Reviews will be undertaken in consultation with AMP Capital (as required). Any changes to the SIPO are approved by a formal committee, and are subject to the restrictions (if any) contained in the Trust Deed.
- 7.4. The Manager will give:
 - a. the Supervisor prior notice of any changes in accordance with the Trust Deed and FMCA; and
 - b. affected investors notice of any material changes within 21 days of such change occurring in accordance with the Trust Deed.
- 7.5. The Personal Managed Funds's latest SIPO is available on the AMP website amp.co.nz and on the scheme register at disclose-register.companiesoffice.govt.nz.

8. Market Indices

- 8.1. The relevant market indices for each Fund are detailed in the relevant Schedules.
- 8.2. We may change the market indices at any time and without notice to investors, provided that any relevant requirements of the FMCA are met.

For more information on the benchmark indices, see the 'Market Index Description' document on the scheme's offer register at disclose-register.companiesoffice.govt.nz, or call the Manager for further information. Index disclaimers can be found on the AMP website at amp.co.nz/indexdisclaimers.

Glossary

Absolute return means the return on an asset, fund, or other investment expressed in dollar or percentage terms.

AMPWM NZ means AMP Wealth Management New Zealand. AMPWM NZ comprises all of the New Zealand based wealth management businesses within the AMP Limited group of companies. This includes the Manager and AMP Services.

AMP Capital means AMP Capital Investors (New Zealand) Limited.

AMP Capital Holdings means AMP Capital Holdings Limited. It is the parent company of AMP Capital.

AMP Services means AMP Services (NZ) Limited.

Benchmark asset allocation or **BAA** is the long-term average expected weighting for each asset class. This is referred to as the target investment mix in the Financial Markets Conduct Regulations 2014.

Derivative means a financial contract with a value that is dependent on, or derived from, one or more underlying assets or reference items. The most common underlying assets or reference items include equities, fixed interest, currencies, cash, interest rates, events, entities and market indices.

FDR means Fair Dividend Rate. A method used to calculate tax on attributing interests in offshore investments.

FMA means the Financial Markets Authority.

FMCA means the Financial Markets Conduct Act 2013.

Funds means the registered managed investment schemes in the range of schemes collectively referred to as the Personal Managed Funds and listed on page 3 under 'Description of the Scheme' and **Fund** means whichever one is relevant in the context.

GIC means the AMP Group Investment Committee. It does not include AMP Capital.

Growth assets include investments in property, and equities. Growth assets aim to provide capital growth and usually have a higher risk than income assets.

Income assets include investments such as cash and cash equivalents and fixed interest (bank deposits and bonds). Income assets aim to provide you with steady interest income and capital preservation but their long term earning potential is usually lower than growth assets.

Investment Committee means the AMP Wealth Management New Zealand Investment Committee. It currently reports through to the GIC.

Manager means AMP Wealth Management New Zealand Limited.

Net Asset Value or **NAV** means the market value of the Fund's assets plus any income accrued less the market value of its liabilities.

RWT means Resident Withholding Tax. RWT is deducted from interest or dividend income attributed to a New Zealand tax resident.

SIPO means this Statement of Investment Policy and Objectives.

Supervisor means The New Zealand Guardian Trust Company Limited.

Trust Deed means the trust deed for the Personal Managed Funds dated 21 December 2015, as subsequently amended.

Underlying fund means an underlying investment fund the assets of the Funds are generally invested in.

Underlying fund manager means the investment manager of the underlying fund.

Schedules

Schedule 1 - Balanced Fund

Investment objective and policy:

To achieve modest to medium returns – in exchange there may be small movements up and down in the value of your investments. To provide a well-diversified portfolio that primarily invests in lower-risk income assets with a moderate allocation to growth assets.

Authorised investments:

The Fund will invest in the asset classes listed in the table below directly or through investing in underlying funds to provide exposure to the asset classes listed (including by using derivatives).

Transactional cash may be held for operational purposes.

Details of the Fund's top 10 investments can be found in the latest fund update, which (if available) is found at amp.co.nz or disclose-register.companiesoffice.govt.nz.

Current investment:

As at the date of this SIPO the Fund is invested in:

Underlying fund	Underlying Fund Manager
AMP Capital Diversified Fund 3	AMP Capital

Performance objective:

To outperform over the medium term, the weighted average return (before tax, fees and other expenses) of the benchmark indices used to measure performance of the underlying funds/assets into which the Fund invests (as set out in the table below).

Benchmark asset allocation, range and benchmark index:

The assets of the Fund (excluding transactional cash) will be invested in underlying funds that provide exposure within the investment ranges set out below:

Asset class	Benchmark asset allocation %*	Range %*	Benchmark index
Cash and cash equivalents	18%	0 - 48%	– Bloomberg NZBond Bank Bill Index
New Zealand fixed interest	21%	0 - 51%	– Bloomberg NZBond Composite 0+ Yr Index
International fixed interest	24%	0 - 54%	– Bloomberg Barclays Global Aggregate Index (100% hedged to NZD)
Total Income Assets	63%	33 - 93%	
Listed property	3%	0 - 33%	NZ & Australian Property (50%) – 80% S&P/NZX All Real Estate (Industry Group) Gross with Imputation – 20% S&P/ASX 200 A-REIT (Sector) (TR) (100% hedged to NZD) International Property (50%) – FTSE EPRA/NAREIT Developed Index Net TRI (100% hedged to NZD)
Australasian equities	11%	0 - 41%	– 67% S&P/NZX 50 Index Gross with Imputation – 33% S&P/ASX 300 (TR) (50% hedged to NZD)
International equities - Developed markets	18%	0 - 48%	– MSCI World ex Tobacco Net Index (60% hedged to NZD)
International equities - Emerging markets	2%	0 - 32%	– MSCI Emerging Markets ex Tobacco Net Index (NZD)
International equities - Listed infrastructure	1.50%	0 - 33%	– 50% Dow Jones Brookfield Global Infrastructure Total Return Index (100% hedged to NZD) – 50% FTSE Global Core Infrastructure 50/50 Index (100% hedged to NZD)
Commodities	0.75%		– Bloomberg Commodity Index Total Return (100% hedged to NZD)
Other - Alternative strategies	0.75%		– SG Multi Alternative Risk Premia Index (100% hedged to NZD)**
Total Growth Assets	37%	7 - 67%	

* The above benchmark asset allocations and ranges do not apply to amounts required imminently for payment in cash, including amounts held for investors after commencement of the relevant Fund's winding up prior to payment to them or the Crown under the Trustee Act 1956, and instead the benchmark asset allocation would be 100% in cash or cash equivalents with a range of 100% in respect of such funds.

**The *Other - Alternatives strategies* asset class of the AMP Diversified Funds has no appropriate market index. This is because the investment strategy used in respect of this asset class is different to those used by relevant market indices that would otherwise be suitable. Therefore it has been benchmarked against a peer group index: *SG Multi Alternative Risk Premia Index*. This peer group index will provide a more useful comparison for investors as it includes funds that have similar investment strategies. The peer group is adjusted to more accurately reflect the underlying fund by applying 100% hedging to NZD.

Currency hedging policy: The Fund will (or will invest in underlying funds that will) hedge foreign currency exposure for all asset classes, with the exception of International equities – Emerging markets, where currency exposure will be unhedged, and Australasian equities and International equities – Developed markets where currency exposure is actively managed.

Currency monitoring process: The Fund will (or will invest in underlying funds that will) monitor any currency hedging levels regularly.

Derivatives policy: The Fund (and any underlying fund it invests in) is permitted to hold derivatives for currency hedging and other risk management purposes. The Fund (and any underlying fund it invests in) is also permitted to hold derivatives related to each asset class so long as the total market exposure of each asset class remains within their permitted asset allocation ranges above.

Rebalancing policy: The Fund will not itself undertake rebalancing but it may invest into (but will not be restricted to) underlying funds that undertake regular rebalancing to ensure that the actual asset allocations of the underlying funds remain appropriate.

Schedule 2 - Balanced Plus Fund

Investment objective and policy:

To achieve medium returns - in exchange there will be some movements up and down in the value of your investments.
To provide a well-diversified portfolio that has a balance of risk through holding growth assets and an allocation to lower-risk income assets.

Authorised investments:

The Fund will invest in the asset classes listed in the table below directly or through investing in underlying funds to provide exposure to the asset classes listed (including by using derivatives).

Transactional cash may be held for operational purposes.

Details of the Fund's top 10 investments can be found in the latest fund update, which (if available) is found at amp.co.nz or disclose-register.companiesoffice.govt.nz.

Current investment:

As at the date of this SIPO the Fund is invested in:

Underlying fund	Underlying Fund Manager
AMP Capital Diversified Fund 5	AMP Capital

Performance objective:

To outperform over the medium term, the weighted average return (before tax, fees and other expenses) of the benchmark indices used to measure performance of the underlying funds/assets into which the Fund invests (as set out in the table below).

Benchmark asset allocation, range and benchmark index:

The assets of the Fund (excluding transactional cash) will be invested in underlying funds that provide exposure within the investment ranges set out below:

Asset class	Benchmark asset allocation %*	Range %*	Benchmark index
Cash and cash equivalents	10%	0 - 40%	– Bloomberg NZBond Bank Bill Index
New Zealand fixed interest	15%	0 - 45%	– Bloomberg NZBond Composite 0+ Yr Index
International fixed interest	18%	0 - 48%	– Bloomberg Barclays Global Aggregate Index (100% hedged to NZD)
Total Income Assets	43%	13 - 73%	
Listed property	4%	0 - 34%	NZ & Australian Property (50%) – 80% S&P/NZX All Real Estate (Industry Group) Gross with Imputation – 20% S&P/ASX 200 A-REIT (Sector) (TR) (100% hedged to NZD) International Property (50%) – FTSE EPRA/NAREIT Developed Index Net TRI (100% hedged to NZD)
Australasian equities	16%	0 - 46%	– 67% S&P/NZX 50 Index Gross with Imputation – 33% S&P/ASX 300 (TR) (50% hedged to NZD)
International equities - Developed markets	30%	0 - 60%	– MSCI World ex Tobacco Net Index (60% hedged to NZD)
International equities - Emerging markets	3%	0 - 33%	– MSCI Emerging Markets ex Tobacco Net Index (NZD)
International equities - Listed infrastructure	2%	0 - 34%	– 50% Dow Jones Brookfield Global Infrastructure Total Return Index (100% hedged to NZD) – 50% FTSE Global Core Infrastructure 50/50 Index (100% hedged to NZD)
Commodities	1%		– Bloomberg Commodity Index Total Return (100% hedged to NZD)
Other - Alternative strategies	1%		– SG Multi Alternative Risk Premia Index (100% hedged to NZD)**
Total Growth Assets	57%	27 - 87%	

* The above benchmark asset allocations and ranges do not apply to amounts required imminently for payment in cash, including amounts held for investors after commencement of the relevant Fund's winding up prior to payment to them or the Crown under the Trustee Act 1956, and instead the benchmark asset allocation would be 100% in cash or cash equivalents with a range of 100% in respect of such funds.

**The *Other - Alternatives strategies* asset class of the AMP Diversified Funds has no appropriate market index. This is because the investment strategy used in respect of this asset class is different to those used by relevant market indices that would otherwise be suitable. Therefore it has been benchmarked against a peer group index: *SG Multi Alternative Risk Premia Index*. This peer group index will provide a more useful comparison for investors as it includes funds that have similar investment strategies. The peer group is adjusted to more accurately reflect the underlying fund by applying 100% hedging to NZD.

Currency hedging policy: The Fund will (or will invest in underlying funds that will) hedge foreign currency exposure for all asset classes, with the exception of International equities – Emerging markets, where currency exposure will be unhedged, and Australasian equities and International equities – Developed markets where currency exposure is actively managed.

Currency monitoring process: The Fund will (or will invest in underlying funds that will) monitor any currency hedging levels regularly.

Derivatives policy: The Fund (and any underlying fund it invests in) is permitted to hold derivatives for currency hedging and other risk management purposes. The Fund (and any underlying fund it invests in) is also permitted to hold derivatives related to each asset class so long as the total market exposure of each asset class remains within their permitted asset allocation ranges above.

Rebalancing policy: The Fund will not itself undertake rebalancing but it may invest into (but will not be restricted to) underlying funds that undertake regular rebalancing to ensure that the actual asset allocations of the underlying funds remain appropriate.

Schedule 3 - International Bond Trust

Investment objective and policy:

To primarily preserve the value of your investment with some capital growth by investing in fixed interest securities issued in bond markets around the world (which may include NZ bond markets for this Fund).

The Fund is a diversified portfolio of international fixed interest securities using a combination of specialist investment managers. The multiple manager approach provides exposure to a range of sectors and securities as well as diversification across investment approaches.

Authorised investments:

The Fund will invest in the asset classes listed in the table below directly or through investing in underlying funds to provide exposure to the asset classes listed (including by using derivatives).

Transactional cash may be held for operational purposes.

Details of the Fund's top 10 investments can be found in the latest fund update, which (if available) is found at amp.co.nz or disclose-register.companiesoffice.govt.nz.

Current investment:

As at the date of this SIPO the Fund is invested in:

Underlying fund	Underlying Fund Manager
AMP Capital Global Fixed Interest Multi-manager Fund	AMP Capital

Performance objective:

To provide a gross return (before tax and other expenses) above the return of the Bloomberg Barclays Capital Global Aggregate Index fully hedged to the New Zealand dollar.

Benchmark asset allocation, range and benchmark index:

The assets of the Fund (excluding transactional cash) will be invested in underlying funds that provide exposure within the investment ranges set out below:

Asset class	Benchmark asset allocation %*	Range %*	Benchmark index
Cash and cash equivalents	0%	0 - 15%	— Bloomberg Barclays Global Aggregate Index (100% hedged to NZD)
International fixed interest**	100%	85 - 100%	
Total Income Assets	100%	100%	

* The above benchmark asset allocations and ranges do not apply to amounts required imminently for payment in cash, including amounts held for investors after commencement of the relevant Fund's winding up prior to payment to them or the Crown under the Trustee Act 1956, and instead the benchmark asset allocation would be 100% in cash or cash equivalents with a range of 100% in respect of such funds.

**International fixed interest may also include New Zealand fixed interest securities.

Currency hedging policy: The Fund will (or will invest in underlying funds that will) hedge foreign currency exposure back to New Zealand dollars.

Currency monitoring process: The Fund will (or will invest in underlying funds that will) monitor any currency hedging levels regularly.

Derivatives policy: The Fund (and any underlying fund it invests in) is permitted to hold derivatives for currency hedging purposes.

Rebalancing policy: The Fund will not itself undertake rebalancing but it may invest into (but will not be restricted to) underlying funds that undertake regular rebalancing to ensure that the actual asset allocations of the underlying funds remain appropriate.

Schedule 4 - International Equity Trust

Investment objective and policy:

To achieve long term capital growth through exposure to equities of companies listed on stock exchanges around the world (which may include the NZ stock exchange for this Fund).

To provide investors with exposure to a diversified global equities portfolio.

Authorised investments:

The Fund will invest in the asset classes listed in the table below directly or through investing in underlying funds to provide exposure to the asset classes listed (including by using derivatives).

Transactional cash may be held for operational purposes.

Details of the Fund's top 10 investments can be found in the latest fund update, which (if available) is found at amp.co.nz or disclose-register.companiesoffice.govt.nz.

Current investment:

As at the date of this SIPO the Fund is invested in:

Underlying fund	Underlying Fund Manager
AMP Capital Unhedged Global Shares Multi-manager Fund	AMP Capital

Performance objective:

To provide a gross return (before tax, fees and other expenses) above the return of the MSCI World ex Tobacco Net Index (NZD).

Benchmark asset allocation, range and benchmark index:

The assets of the Fund (excluding transactional cash) will be invested in underlying funds that provide exposure within the investment ranges set out below:

Asset class	Benchmark asset allocation %*	Range %*	Benchmark index
Cash and cash equivalents	0%	0 - 15%	N/A
Total Income Assets	0%	0 - 15%	
International equities**	100%	85 - 100%	– MSCI World ex Tobacco Net Index (NZD)
Total Growth Assets	100%	85 - 100%	

* The above benchmark asset allocations and ranges do not apply to amounts required imminently for payment in cash, including amounts held for investors after commencement of the relevant Fund's winding up prior to payment to them or the Crown under the Trustee Act 1956, and instead the benchmark asset allocation would be 100% in cash or cash equivalents with a range of 100% in respect of such funds.

**Australasian equities and listed property may also be included as international equities.

Currency hedging policy: The Fund will (or will invest in underlying funds that will) generally not hedge foreign currency exposure back to New Zealand dollars.

Derivatives policy: The Fund (and any underlying fund it invests in) is permitted to hold derivatives for currency hedging purposes.

Rebalancing policy: The Fund will not itself undertake rebalancing but it may invest into (but will not be restricted to) underlying funds that undertake regular rebalancing to ensure that the actual asset allocations of the underlying funds remain appropriate.

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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.