AMP KiwiSaver Scheme
14 February 2019

Fees & Other Charges

This document provides information about the fees and other charges relating to the AMP KiwiSaver Scheme (Scheme) and should be read with the Product Disclosure Statement (PDS) for the Scheme and any quarterly fund updates given to you with the PDS.

The information in this document explains the fees and other charges involved if you are a member of the Scheme. AMP Wealth Management New Zealand Limited charges fees and recovers expenses to cover administration of your account, the Scheme itself and costs associated with the professional management of your investments. Other fees and expenses may be payable and are detailed below.

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Annual fund charges

The total annual fund charges for the Funds are described in the AMP KiwiSaver Scheme's PDS or the Fund Update Booklet. The amount of the total annual fund charges comprises the following components:

- Management Fee;
- Administration Fee; and
- Costs and expenses.

The annual fund charges are set out in the table below. A description of each of the components is provided in the following sections:

Fund	Management fee	Administration fee*	Costs and expenses (estimated)	Total annual fund charges (estimated) % net asset value
Funds set out in the PDS				
AMP Default Fund	0.200%	0.150%	0.06%	0.41%
AMP Conservative Fund	0.350%	0.525%	0.16%	1.04%
AMP Moderate Fund	0.450%	0.525%	0.17%	1.15%
AMP Moderate Balanced Fund	0.500%	0.525%	0.18%	1.21%
AMP Balanced Fund	0.500%	0.525%	0.20%	1.23%
AMP Growth Fund	0.508%	0.525%	0.23%	1.26%
AMP Aggressive Fund	0.600%	0.525%	0.24%	1.37%
Other Funds				
AMP Responsible Investment Balanced Fund	0.550%	0.525%	0.31%	1.39%
AMP Global Multi-Asset Fund	0.900%	0.525%	0.21%	1.64%
AMP Income Generator Fund	0.450%	0.525%	0.18%	1.16%
ANZ Conservative Fund	0.450%	0.525%	0.12%	1.10%
ANZ Balanced Growth Fund	0.550%	0.525%	0.12%	1.20%
ANZ Growth Fund	0.650%	0.525%	0.12%	1.30%
ASB Moderate Fund	0.400%	0.525%	0.13%	1.06%
ASB Balanced Fund	0.450%	0.525%	0.13%	1.11%
ASB Growth Fund	0.500%	0.525%	0.13%	1.16%
Mercer Balanced Fund	0.600%	0.525%	0.24%	1.37%
Nikko AM Conservative Fund	0.450%	0.525%	0.23%	1.21%
Nikko AM Balanced Fund	0.550%	0.525%	0.38%	1.46%
Nikko AM Growth Fund	0.650%	0.525%	0.28%	1.46%
AMP Cash Fund	0.200%	0.525%	0.10%	0.83%
AMP New Zealand Fixed Interest Fund	0.200%	0.525%	0.11%	0.84%
AMP International Fixed Interest Fund	0.300%	0.525%	0.14%	0.97%
AMP Australasian Shares Fund	0.500%	0.525%	0.12%	1.15%
AMP International Shares Fund	0.500%	0.525%	0.35%	1.38%
AMP Passive International Shares Fund	0.200%	0.525%	0.15%	0.88%
AMP Property Fund	0.500%	0.525%	0.18%	1.21%
Lifesteps	The shaded funds above represent the funds offered in Lifesteps. If you select Lifesteps you'll pay the fee applicable to the particular fund you are invested in at the time. For example, if you are aged 25, you will be allocated to the AMP Aggressive Fund and the estimated annual fund charges will be 1.37%.			

*Different fees may apply. Any different fees will be set out in the member booklet or supplement . If a member booklet or supplement is applicable to you, a copy will have been given to you with the PDS.

Note: The management fee and costs and expenses are deducted from the Fund and reflected in the unit price of the Fund. The administration fee is deducted each month by cashing up some of your units. See the explanations below for more detail.

Management fee

AMP as the manager of the Scheme is entitled to charge a fee for providing its services to the Scheme. The management fee includes the remuneration to AMP as the manager of the Scheme. The management fee is also used to pay for the investment management services of the underlying fund managers for managing the underlying funds in which the assets of the Scheme 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 onto 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.

Administration fee

We use the administration fee to contribute to the costs associated with administering the Scheme. These include paying AMP Services (NZ) Limited (AMP Services) for performing its role as administration manager of the Scheme and The New Zealand Guardian Trust Company Limited (Supervisor) for performing its role as supervisor of the Scheme. This is in accordance with the Trust Deed whereby the Supervisor can charge an annual fee for performing their services under the Trust Deed and 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.

We may also pay your adviser, a distributor or another intermediary up to 0.20% per annum from the administration fee for administrative support and services they may provide on our behalf.

The administration fee is calculated daily as a percentage of the value of your investment in each Fund. This fee is normally deducted each month from the start of your membership by cashing up some of your units. It may be deducted the following month if we experience operational delays.

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 Scheme, 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 administration 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 **amp.co.nz/kiwisaver**.

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 and may not be rebated to the Scheme.

Some of the underlying funds into which the Funds invest are managed by AMP CapitalInvestors (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.

AMP Group is in the process of separating its New Zealand wealth management and advice businesses, which includes the Manager, into a standalone business unit. This will not include AMP Capital Investors (New Zealand) Limited (AMP Capital) which operates independently in New Zealand. Existing arrangements with AMP Capital are intended to continue for the immediate future. AMP Group has deferred consideration of a potential initial public offering (IPO) of its New Zealand wealth management and advice businesses until the separation process has been completed. Any IPO would be subject to market conditions and receipt of regulatory approvals. AMP Group has also agreed to sell its Australian and New Zealand wealth protection and mature businesses (life insurance business) to Resolution Life Australia Pty Ltd (Resolution Life), subject to regulatory approvals, with an expected completion in the second half of 2019.

The Supervisor can also charge special fees in relation to the Scheme. 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).

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 Scheme. However, any entitlements to recover expenses and costs from the Scheme are subject to the 'reasonable fees' restrictions prescribed in the KiwiSaver Act 2006, and to other terms and conditions prescribed in the Instrument of Appointment (IOA). Under the IOA, we must ensure that any fees or costs indirectly charged to investors who become default investors of the Scheme under Inland Revenue's default allocation process, and who do not choose an investment option, are no higher than would usually be charged in accordance with good industry practice.

Basis of estimates for annual fund charges in PDS

In determining the total annual fund charges in the PDS, Fund Update Booklet and the Member Booklets (where relevant), estimates were made for certain fees and costs. These have been estimated as a percentage of the Funds' net asset value and include both expenses incurred by the Scheme and fees and costs charged by the managers of the underlying funds in which the Scheme invests. 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 Scheme's professional service providers, information provided by the underlying fund managers of the Scheme relating to the underlying fund fees, and our experience with the Scheme (including taking into account the actual costs and expenses charged over the most recently completed Scheme year). The estimated amounts are set out in the annual fund charges section of this document and the PDS.

Other charges

The details of the other charges are described in the AMP KiwiSaver Scheme's PDS. The 'other charges' relating to the AMP KiwiSaver Scheme is the member fee which is used to pay for the general administration of your membership.

The member fee is currently $1.95 per month or $23.40 per annum, per investor. You'll be charged $1.95 per month even if you choose more than one Fund. Any difference in the member fee will be set out in the member booklet or supplement. If a member booklet or supplement is applicable to you, a copy will have been given to you with the PDS.

This fee is normally deducted each month from the start of your membership by cashing up some of your units. It may be deducted the following month if we experience operational delays.

Individual action fees

The information in this section forms part of the PDS for, and each quarterly fund update for the funds within, the AMP KiwiSaver Scheme.

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). There are currently no contribution, establishment, termination or withdrawal fees in the AMP KiwiSaver Scheme. The individual action fees that we may charge are set out below.

Fees for overseas transfers

If you transfer from the Scheme to an overseas account, (for example, as a result of a transfer to an Australian complying superannuation fund) a bank transfer fee may be charged by the initiating and receiving banks that enable the transfer. The Australian complying superannuation fund provider or other recipient of a transfer may also charge a fee.

Other information on fees and other charges

The other information on fees and other charges relating to the AMP KiwiSaver Scheme are described below.

Transaction costs

Transaction costs are the actual costs of buying and/or selling units in underlying funds. These costs may, at our discretion, be included within a fund for buying and selling units in an underlying fund. Currently, any transaction costs when a fund buys units in an underlying fund are reflected in the unit price of the fund. However no such allowance is made in any fund's unit price for any transaction costs incurred when a fund sells units in an underlying fund. Instead these transaction costs are paid out of the fund's assets. This could change in the future.

AMP Default Fund fees

If you are an investor in the AMP Default Fund, the total of any other fees, costs and expenses set out here (excluding transaction costs and performance fees in underlying funds) will be capped at 0.04% per year of the value of your investment in the AMP Default Fund. The restriction on fees charged directly or indirectly to your account only applies to those who have been allocated to the Scheme as a default investor and have not made an active fund choice. We currently apply the cap to all investors in the AMP Default Fund. This policy may change at any time.

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.

Management fees are deducted when we calculate your share of the AMP KiwiSaver Scheme's taxable income or loss. Fees charged directly to you, such as the member fee and the administration fee, are deducted when calculating your share of the AMP KiwiSaver Scheme's PIE tax liability. Your actual fees will vary on an after-tax basis depending on your Prescribed Investor Rate.

Glossary

AMP, **we**, **our** and **us** means AMP Wealth Management New Zealand Limited, the manager of the AMP KiwiSaver Scheme.

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

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

Australian complying superannuation fund means an entity that is a complying superannuation fund for the purposes of Part 5, Division 2 of the Superannuation Industry (Supervision) Act 1993 (Aust) and that is regulated by the Australian Prudential Regulation Authority.

Fund means an investment fund established in the AMP KiwiSaver Scheme.

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.

Instrument of Appointment or **IOA** is the document that appoints AMP as a default KiwiSaver scheme provider and a copy can be obtained free of charge from AMP. A copy of the Instrument of Appointment is also available free of charge on the Financial Markets Authority's website **fma.govt.nz**.

KiwiSaver Act means the KiwiSaver Act 2006, as amended from time to time. You can read this Act at **legislation.govt.nz**.

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

PDS means the Product Disclosure Statement for the Scheme.

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.

Quarterly fund update means a quarterly fund update prepared for an investment option within the Scheme.

Scheme means the AMP KiwiSaver Scheme.

Supervisor means The New Zealand Guardian Trust Company Limited, the supervisor of the Scheme.

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Want to know more?

For more information about the Scheme, please see the Scheme's current Product Disclosure Statement and most recent quarterly fund updates at **amp.co.nz/kiwisaver** or contact us on 0800 AMP KIWI (0800 267 5494) or talk to your Adviser today.

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