1 August 2024

AMP Managed Funds

Other Material Information

This document provides additional information about the AMP Managed Funds (**Scheme**), and should be read with the current Product Disclosure Statement (**PDS**) for the Scheme. The Scheme is governed by a trust deed between AMP Wealth Management New Zealand Limited (**AMP, we, our, us and the Manager**) and Public Trust (**Supervisor**) dated 3 March 2022 as amended from time to time(**Trust Deed**).

A little help

AMP

Contents

1. Investing and Withdrawing

Investing in the Funds

You can invest as much or as little as you like, however the Manager may set a minimum balance to be held in a fund within the Scheme (**Fund**).

Applications must be made to the Manager. Once your account is set up, any transactions you carry out such as contributions or withdrawals must be actioned through the MyAMP mobile app or through the MyAMP online portal available at **online.amp.co.nz** (**Online**). Queries can be raised by email at investments@amp.co.nz or by phone at 0800 267 001.

How to make payments to your investment accounts

After your initial investment in the Fund(s) you choose, you can invest further amounts on a one-off or regular basis.

Payment option	How to invest
Lump-sum or regular payments	**How to make a lump-sum or regular payment** Simply login to your AMP Managed Funds account Online and follow the instructions to complete the lump-sum or regular payment set-up. **Frequency** Lump-sum payment - as often as you like. Regular payment - weekly, fortnightly, 4 weekly, monthly, annually. **Minimum amount** There is currently no minimum lump-sum or regular payment requirement.

Withdrawals

Investment in the Funds is designed for easy, flexible saving, so you can request a withdrawal any time you like.

A minimum required balance that must remain in each Fund after a withdrawal may be set by the Manager in accordance with the Trust Deed. Where a withdrawal request is made which would mean that your account balance would fall below the minimum, the Manager may refuse to action the withdrawal or take such other action as is permitted under the Trust Deed. Currently, no such minimum is prescribed.

How to make withdrawals

The following table provides details on how to make withdrawals from your investment in the Funds.

Withdrawal option	How to make withdrawals
Lump-sum withdrawals (can be either a partial or full withdrawal of your investment)	**How to withdraw a lump-sum** Simply login to your AMP Managed Funds account Online and follow the lump-sum withdrawal set-up steps. **Frequency** You can make lump-sum withdrawals as often as you like. **Minimum amount** There is no minimum lump-sum withdrawal amount.

Withdrawal proceeds

When you make a withdrawal, your money will be credited directly to your nominated bank account.

Tax on your withdrawals

Generally, when you make a full withdrawal from the Scheme, Portfolio Investment Entity (**PIE**) tax will be deducted from the withdrawal amount. Please see the Tax section for more information.

When you are considering the value of your investment, it is important to bear in mind that a portfolio valuation showing the value of your units may not make any allowance for tax that may be deducted at your prevailing Prescribed Investor Rate (**PIR**) on full withdrawal or at the end of the year.

Changes you can make to your investment

As long as you maintain any required minimum (currently, there is no required minimum) in each of your chosen Funds, you can make the following changes to your investment Online. Simply login to your AMP Managed Funds account Online and follow the prompts based on the transaction you want to complete.

What do you want to change?	How you can make your change
I want to set up my direct debit payments.	Select "Top Up" to establish a regular payment to your chosen Fund.
I want to change or cancel an existing direct debit.	Select “Contributions” on the MyAMP online portal or select “Manage Payments” on MyAMP mobile app, then choose to change or cancel the existing direct debit.
I want to change my Fund(s). If you decide to change your Fund(s), you can easily switch your savings from one Fund to another.	Select "Change funds", then choose which Fund you want to transfer your money to.
I want to withdraw my investment. You can either withdraw your full investment or make a partial withdrawal.	Select "Withdraw". You can select a full or partial withdrawal at Fund level. To complete a withdrawal we will need to verify the ownership of your nominated bank account. We will prompt you to provide this proof when you join AMP Managed Funds but we need to receive it before we can complete a withdrawal and pay the money into your nominated account.
I want to update my personal details. Please make sure you tell us when your personal details change, such as your address or PIR.	Select "Personal Details" and update your details.

Note: Changes will be effective on the day that they are processed by AMP.

2. Funds and market indexes

The AMP funds use a composite benchmark to compare their performance to.

The AMP funds are:

- AMP Conservative Managed Fund
- AMP Balanced Managed Fund
- AMP Growth Managed Fund

A composite benchmark is used when funds invest into a variety of different asset classes, such as fixed interest, shares and property. It combines a portion of each asset classes' index return, based on how much each asset class makes up of the whole fund, to get the total benchmark return.

The Scheme's Statement of Investment Policy and Objectives (**SIPO**) provides a detailed breakdown of the benchmarking indices and weighting for each of the Funds currently available as part of the AMP Managed Funds and is available from the AMP website at **amp.co.nz/forms** and at **disclose-register.complaniesoffice.govt.nz**.

Asset Class	Benchmark Description
Cash and cash equivalents	**Benchmark name** - Bloomberg NZBond Bank Bill Index **Description** - Industry standard NZ cash benchmark. The index is engineered to measure the New Zealand money market by representing a short-term money market portfolio.
New Zealand fixed interest (NZ Bonds, NZ Inflation Linked Bonds and NZ Corporate Bonds)	***NZ Bonds*** **Benchmark name** - Bloomberg NZBond Treasury 0+ Yr Index **Description** - This index is engineered to measure the market of securities issued by the New Zealand Government. ***NZ Inflation Linked Bonds*** **Benchmark name** - Bloomberg NZBond Infl 0+ Yr Index **Description** - This index is engineered to measure the market of inflation-linked securities issued by the New Zealand Government. ***NZ Corporate Bonds*** **Benchmark name** - Bloomberg NZBond Credit 0+ Yr Index **Description** - This index is engineered to measure the market of New Zealand corporate/credit securities.
International fixed interest (Global Bonds, Global Fixed Income High Yield, and US Inflation Linked Bonds)	***Global Bonds*** **Benchmark name** - Bloomberg MSCI Global Aggregate ESG-Weighted Index (100% hedged to NZD) **Description** - This index uses MSCI ESG ratings to reweight the existing Bloomberg parent index towards higher-rated ESG securities. The use of the parent index, Bloomberg Global Aggregate, is industry standard. The benchmark is fully hedged to NZ dollars. ***Global Fixed Income High Yield*** **Benchmark name** - Bloomberg Global High Yield Corporate DM Index (100% hedged to NZD) **Description** - The Global Corporate High Yield Index is a sub-component of the Global High Yield Index. Securities must be rated as BB+ or below. A limited number of unrated securities are included. The maturity level is set at least 1-year. The benchmark is fully hedged to NZ dollars. ***US Inflation Linked Bonds*** **Benchmark name** - FTSE US Inflation-Linked Securities Index (100% hedged to NZD) **Description** - The US Inflation-Linked Securities index measures the total return performance of US Inflation-Linked bonds. The benchmark is fully hedged to NZ dollars.
Australasian equities (NZ equities and Australian equities)	***NZ equities*** **Benchmark name** - S&P/NZX 50 Index Gross with Imputation **Description** - Industry standard NZ equities benchmark. The index is designed to measure the performance of the 50 largest, eligible stocks listed on the Main Board (NZSX) of the NZX by floated-adjusted market capitalisation. Representative, liquid, and investable. The index is float-adjusted, covering approximately 90% of the New Zealand equity market capitalisation and includes imputation credits.

Asset Class	Benchmark Description
	Australian equities **Benchmark name** - MSCI Australian Shares All Cap 300 ex Select GICS ex Select Securities Custom ESG 100% Hedged to NZD Index **Description** - A custom index calculated by MSCI based on applying the securities exclusions provided by the Manager to the parent index, the MSCI Australian Shares All Cap 300 Index. The benchmark is fully hedged to NZ dollars.
International equities – Developed markets (Global Equity)	**Benchmark name** – MSCI World ex Select Countries & GICS ex Select Securities Custom ESG Enhanced Focus 50% Hedged to NZD Index **Description** – A custom index calculated by MSCI based on applying the securities exclusions provided by the Manager to the parent index, the MSCI World Index. This Index uses MSCI ESG ratings to reweight the existing parent index towards higher-rated ESG securities. Using the parent index for a benchmark, MSCI World, is industry standard. The benchmark is 50% hedged to NZ dollars.
International equities – Emerging Markets (Emerging Markets)	**Benchmark name** – MSCI Emerging Markets ex Select GICS ex Select Securities Custom ESG Index **Description** – A custom index calculated by MSCI based on applying the securities exclusions provided by the Manager to the parent index, the MSCI Emerging Markets Index. Using the parent index for a benchmark, MSCI Emerging Markets, is industry standard.
Other - Infrastructure	***Other - Direct Infrastructure*** **Benchmark Name** - No Index **Description** - Due to the specialised nature of the investment strategy of this Fund, no appropriate market index or peer group index exists. If an appropriate market index or peer group index becomes available, this will be reviewed and updated accordingly. ***Other - Listed Infrastructure*** **Benchmark Name** - STOXX Global Smart City Infrastructure Index **Description** - An index that tracks the performance of companies that deploy the physical structures and facilities needed as urban development becomes more intelligent and efficiency-focused. It is a targeted investment in sustainable smart city infrastructure – a long-term structural trend. The index is also taking ESG considerations into account. The benchmark is unhedged to NZD.

Changes to Funds

Under the Trust Deed, AMP can establish separate funds within the Scheme for investors to invest in, and can set rules regulating conditions for choosing funds (such as the maximum number of funds an investor can choose or the minimum amounts that need to be invested in a fund). The terms and conditions of each Fund include the written SIPO for the Scheme, which sets out how we invest each Fund's assets.

The names of the Funds established within the Scheme are set out above. Further details of each can be found in the SIPO and most recent quarterly fund updates. A copy of the SIPO for the Scheme and those fund updates are available on the AMP website at **amp.co.nz/forms**.

AMP can close, wind up, or alter any fund on any terms and conditions we think fit, subject to providing prior written notice to the Supervisor in accordance with the Trust Deed.

3. Sustainable investment philosophy

AMP has a sustainable investment philosophy based on a framework of principles aligned to our values but designed to continue to produce returns in line with or better than a traditional market index. This framework aims to reflect the sustainability values of our customers and the broader market.

AMP's Sustainable Investment Philosophy is based on four key pillars:

1. Support the good

A key part of integrating ESG factors into our decisions is that our investments in corporate bonds and equities are more exposed to less carbon-intensive sectors (such as information technology and financials), and less exposed to the sectors that are more carbon-intensive (such as energy).

In addition, for our index-managed funds, we have a preference to select indexes that seek to overweight exposures to companies with higher ESG ratings. We review the performance of these indexes and the evolution of other ESG indexes regularly.

2. Avoid the bad

Avoiding the bad at AMP means excluding companies' that are involved in controversial activities. For example, we exclude all companies involved in oil and gas exploration, production, refining, transportation and/or storage. Our view on `controversial activities' is based off what we believe are the strongest values of our customers, as well as considering other consumer research that is conducted in New Zealand.

3. Reduce our carbon footprint

We believe that one of the biggest challenges facing the world today is the impact on our environment – particularly from climate change. AMP's strongest focus is around the environment, and in particular, climate change. We believe that climate risk is an investment risk, therefore an approach to investment management that considers the climate impact is important. That is why AMP has committed to reaching net zero greenhouse gas (GHG) emissions across our investment portfolios by 2050 or sooner, to manage our exposure to potential climate risk.

4. Advocate for change

As a large investment provider, it is important to use our voice to influence positive change. There are two key ways we can use our voice to advocate for positive change. These are:

a. Influencing the companies that we invest into (stewardship): Our stewardship approach has two key aspects:

(1) voting through shares held; and

(2) engagement with companies which we apply to AMP-branded funds via an investment partner (BlackRock) exercising these rights on behalf of us (or in consultation with us).

Our investment partner believes that companies that take into consideration ESG risks and opportunities are better positioned to deliver long-term value.

b. Influencing the wider industry: We are committed to joining wider initiatives and focus groups to increase positive industry engagement outcomes. Our current initiatives include the Responsible Investment Association of Australasia (RIAA), the Science Based Targets Initiative (SBTi), the Net Zero Asset Managers' Initiative and the United Nations Principles for Responsible Investment (UN PRI).

For more information please see **amp.co.nz/si**.

4. Risks

The risks described in this section should be read in conjunction with the risks set out in the PDS.

Risks and your investment

The following is a summary of the most important risks, other than those already set out in the PDS, applying to the Scheme that could impact the level of return from your investment or the ability to recover the full amount of your investment in the Scheme.

General investment risks regarding asset allocation, market, currency, interest rate, credit, and liquidity are set out in the PDS. Further details regarding asset allocation risk as well as counterparty risk are set out in the table below. Additional tables set out further general investments risks and other specific risks.

General investment risks

Returns and risks vary, depending on the type of asset which you invest. The underlying assets of the various Funds within the Scheme will rise and fall in value, and returns may be negative from time to time. Market volatility may affect the investment performance of some of the Funds. Returns are not guaranteed and you may get more or less than the total amount contributed when you leave the Scheme.

Generally, the level of risk is related to the potential return from the investment. Lower risk investments, such as cash and fixed interest (known as 'income assets'), typically provide more consistent yet lower returns. Higher risk investments, such as property and equities (known as 'growth assets'), have the potential to fluctuate significantly in value with a greater possibility of a negative return. Generally, a fund with a higher allocation to growth assets has the potential for higher returns over the long term than a fund with a higher allocation to income assets.

Risk	Description of the risk	How we mitigate or manage these risks
Asset allocation risk	Each investment sector has risks that are typical of that sector. The key risks of each investment sector are: **Cash** The main risk with cash is that inflation will erode value. Where cash assets included in a Fund are placed on bank deposit there is also a small risk of the bank defaulting, meaning that some or all of the cash may be lost. Funds with greater exposure to cash assets will be more affected by this risk. **Fixed interest** For any particular fixed interest security, changes to interest rates in the market affect its value and there is the risk of the borrower not making the interest payments and/or not repaying the loan. Funds with greater exposure to fixed interest assets will be more affected by this risk. **Property** There is the possibility of financial loss occurring as the result of owning any real estate investment. The value of property investments may be affected by demand, location, the quality of the property, market conditions, interest rates, opinion and the market for property investments. Funds with greater exposure to real property assets will be more affected by this risk. **Equities** The value of an individual share is influenced by many factors including the performance of the relevant company, market opinion and the economic performance of the country or sector. Funds with greater exposure to shares will be more affected by this risk.	We regularly monitor and review the investment performance and investment options.
Counterparty risk	The risk that a party to a financial contract (including an investment contract) defaults or is otherwise unable to fulfil their obligations. If this occurs, the full amount of the investment may not be recovered.	We mitigate this risk by vetting and dealing with reputable parties, including investment and administration managers as well as brokers.

Fund of funds risk	The Funds invest in other funds. An underlying fund manager of a Fund may close its investment fund without notice, or on limited notice, and this may result in investments being held in cash, pending the replacement of the underlying fund manager. Similarly, an underlying fund manager may close its investment fund to new applications, resulting in investments also being held in cash. The decisions made by the underlying fund managers will have an impact on your ability to withdraw, or switch between Funds.	We monitor and review the investment performance, compliance and contractual arrangement of the underlying fund managers quarterly. When selecting an underlying fund manager, we undertake a due diligence and approval process. We also utilise investment research and other tools to provide recommendations on underlying fund managers, where applicable.
Service Provider risk	The risk that if any of the parties involved in the operation of the Scheme (including the Supervisor, AMP, AMP Services (NZ) Limited (**AMP Services**), BlackRock and underlying fund managers) fail to perform their obligations, it could adversely affect investors of the Scheme.	We actively monitor and review the performance of those that are involved in providing the product to ensure compliance with contractual arrangements.

Other general risks

The value of your investment, and your ability to withdraw, may also be affected by some or all of the following risks.
The table below sets out the other risks that may affect any of the Funds:

Risk	Description of the risk	How we mitigate or manage these risks
Operational risk	The risk of a technological, process, or other failure affecting the Scheme's operations or the financial markets in general. Such a risk could impact your returns or ability to withdraw from the Funds.	We have a risk management framework that encompasses a business continuity plan, which is designed to minimise the period of business disruption caused by these unforeseen events and address such failures in a timely and effective manner.
Regulatory risk	The risk that the Scheme is affected by future changes to tax, financial markets or other legislation (whether in New Zealand or overseas).	We actively monitor new developments to the regulatory environment. Furthermore, we regularly liaise with other market participants and the regulators to gauge market sentiment for change.
Risk of losing PIE tax status	The Scheme is structured as a single PIE for tax purposes. Accordingly, there is a risk in respect of the Scheme that, if a Fund fails to satisfy PIE eligibility criteria and that failure is not remedied all Funds may lose PIE status and revert to a scheme taxed at a flat rate of 28%, rather than at your own prescribed investor rate. A loss of PIE tax status for the Scheme could impact the returns to the investor.	We have implemented processes to monitor ongoing PIE eligibility compliance within each Fund, and proactively manage this risk.
Risk of restrictions of withdrawals, transfers or switches	There is a risk that we may defer withdrawals, transfers from the Scheme or switches between Funds if we determine that, having regard to the realisation of assets required in order to give effect to the switch, giving effect to the withdrawal , transfer or switch earlier would be imprudent or impracticable.	We actively monitor the underlying funds into which the Funds invest in so that we are aware of any changes and we can change the underlying funds we invest in at any time.
Insolvency risk	The risk that the Scheme or a Fund becomes insolvent and is placed into receivership, liquidation or statutory management, making it unable to meet its financial obligations.	We mitigate this risk by ensuring that each Fund primarily invests in liquid assets.
Scheme liquidity risk	The risk that the Scheme cannot meet payments on time. This arises where there is a mismatch between the maturity profile of investments and the amount required to meet withdrawal requests. Such liquidity risk would restrict your ability to withdraw, transfer to another scheme or switch between Funds.	We mitigate this risk by ensuring that the Funds in the Scheme primarily invest in liquid assets. The asset holdings of the Funds are generally invested across different asset classes and/or different investments within an asset class.

Borrowing risk	The risk that where borrowing has occurred in relation to a Fund, the lender would have the right to demand payment from that Fund at short notice. If there are insufficient assets in the Fund to repay the loan, the assets of other Funds in the Scheme could be used to meet the repayment.	We mitigate this risk by limiting borrowings of the Funds except to provide liquidity for the repayment or redemption of any units and by investing in assets that are generally liquid in nature under ordinary circumstances.
Single trust fund risk	Although separate Funds have been established within the Scheme, the assets of the Scheme comprise a single trust fund. If the assets of a particular Fund are insufficient to meet the liabilities attributable to that Fund, the assets of any other Fund may be called on to meet those liabilities.	We mitigate this risk by ensuring separate accounting records are kept for each Fund and ensuring that the majority of Fund expenses are calculated as a portion of the Fund's value.

5. Fees and other charges

This section provides additional information about the fees and other charges relating to the Scheme. In particular, AMP 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.

Annual fund charges

The total annual fund charges for the Funds are described in the PDS. The amount of the total annual fund charges comprises the following components:

– Management fee; and

– Costs and expenses.

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 is also used to contribute to the costs associated with administering the Scheme. These include paying AMP Services for performing its role as administration manager of the Scheme, and the Supervisor for performing its role as supervisor of the Scheme. 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 BlackRock for the investment management services it provides in relation to the underlying funds AMP manages. However, we are entitled to be reimbursed from the Funds for any performance fee charged by an investment manager or 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 which form part of the total annual fund charges comprise the costs and expenses charged by the underlying funds. These include the Supervisor's fee, custody, accounting, audit, and regulatory compliance costs. These charges are estimated.

These fees and expenses will be reflected in the underlying fund's unit price and may not be rebated to the Scheme.

Basis of estimates for annual fund charges in the PDS

In determining the total annual fund charges, estimates are made for certain costs and expenses.

These have been estimated as a percentage of each Fund's net asset value and include costs and expenses charged by the manager of the underlying funds in which the Scheme invests.

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.

Individual action fees

The information in this section forms part of the PDS for the Scheme.

Individual action fees are charged on an individual basis for investor-specific decisions or actions (for example, overseas transfer fee).

Fees for overseas transfers

If you transfer from the Scheme to an overseas account, a bank transfer fee may be charged by the initiating and receiving banks that enable the transfer.

Service Provider fees

Your service provider (such as a personalised portfolio or wrap account service) may charge separate fees for the services they provide to you. You should discuss these fees with them.

Other information on fees and other charges

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 as a result of the Fund needing to buy or sell 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 without notification.

There are currently no buy/sell spreads in the underlying funds into which the Scheme invests.

How does tax affect these fees?

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 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.

All fees are disclosed on a before tax basis. Generally, where fees and expenses charged to a Fund are tax deductible, they will be included in your PIE tax calculation when determining your PIE tax liability.

6. Tax

This section provides additional information on how tax will impact on your investment in the Scheme.

It is based on AMP's understanding of New Zealand tax legislation as it applies to the Scheme and New Zealand-resident members. Members who become non-resident should seek their own tax advice in their country of residence, including tax treatment of payments or transfers to or from the Scheme.

Tax legislation, its interpretation and the rates and bases of taxation are subject to change, and the application of tax laws depends on a member's individual circumstances. Neither AMP nor the Supervisor of the Scheme, accept any responsibility for the taxation implications of the members investing in the Scheme. Members are advised to consult their own qualified tax adviser.

The Scheme is a PIE

The Scheme is a multi-rate PIE, as defined in the Income Tax Act 2007. This means we can calculate the tax payable on each investor's Scheme investment income based on their PIR and pay tax directly to Inland Revenue. To determine your PIR, go to **amp.co.nz/pie**.

Prescribed Investor Rates

Individuals

Your PIR is based on your taxable income and attributable PIE income in either of the two tax years preceding the current tax year (a tax year commences on 1 April and ends on the following 31 March). You are responsible for providing your PIR for a particular tax year to the Scheme. You should check your PIR before the end of the relevant tax year and before you fully exit the Scheme. In addition, we will remind you to check your PIR annually. You must notify AMP as soon as practicable if your PIR changes by logging in to your AMP Managed Funds account Online and selecting 'My Details - Tax'. The Inland Revenue can also instruct us to apply a different PIR to the one notified by you.

Currently there are three tax rates available for New Zealand tax resident individuals who provide their IRD numbers to the Scheme. These rates are 10.5%, 17.5% and 28%. The PIR for non-residents is 28%. The eligibility criteria are as follows:

PIR	Eligibility criteria
10.5%	NZ tax resident investors who provide their IRD number and who had in either of the 2 tax years immediately before the current tax year: $14,000 or less in taxable income* (excluding PIE income); and $48,000 or less in taxable income* and net attributed income from PIEs (i.e. after subtracting any attributed tax losses from PIEs).
17.5%	NZ tax resident investors who provide their IRD number and who had in either of the 2 tax years immediately before the current tax year: $48,000 or less in taxable income* (excluding PIE income); and $70,000 or less in taxable income* and net attributed income from PIEs (i.e. after subtracting any attributed tax losses from PIEs).
28%	NZ tax resident investors who do not meet the criteria for a 10.5% or 17.5% PIR.
28%	Non-resident investors.
28%	Default rate for investors who do not provide their IRD number to us and/or do not elect a PIR.

*Taxable income includes worldwide income, including where the investor was not a resident in New Zealand when that income was earned. If a newly-resident investor chooses not to include their worldwide income when calculating their PIR, the PIE income must be included in an income tax return.

If the rate applied to your PIE income is lower than your correct PIR, you will be required to pay any tax shortfall as part of the income tax year-end process. If the rate applied to your PIE income is higher than your PIR, any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you.

Tax rules applying to Scheme investments

As the Scheme is a multi-rate PIE, tax is calculated at each investor's PIR. The highest PIR for individuals is currently 28%.

The PIE rules (in the Income Tax Act) may affect the tax treatment of income and expenses of the Scheme. Generally, assets are taxed as described below. 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 (see below)
New Zealand equities	No	Yes	No
Australian equities^	No	Yes	No
Australian Unit Trusts (AUT) (see below)*	No	No	Yes
Global equities	No	No	Yes
Cash and cash equivalents, fixed interest, currency hedges (see below) and other financial instruments	Yes	Yes	No**

^This treatment applies to most listed Australian equities. Other Australian equities are generally treated in the same manner as global equities.

*Some limited exemptions apply, see below for additional information.

**In some circumstances, the full foreign exchange rate gain or loss on currency hedges is taxed, and sometimes 5% of the gain or loss is taxed, see below for additional information.

Fair Dividend Rate (FDR) method

Most investments in global equities and AUTs are taxed using the FDR method. This means that actual changes in value of those investments are not taxed, instead these investments will be taxed as if they earned a 5% return regardless of their actual return, i.e. 5% of the market value (pro-rated daily) of these investments will be taxed even when the investments have not increased in value and/or have decreased in value. Any gains and losses or dividends and distributions from these investments are not taxed separately.

Currency hedges

Some funds take out currency hedges to protect investors from fluctuations in the value of overseas investments, due to movements in the value of the New Zealand dollar. Gains and losses on currency hedging are generally fully taxable which means that tax may be payable on the full foreign exchange gain at the investor's PIR, even when the value of the investments the hedge is protecting have not increased in value and/or have decreased in value.

Some funds may be able to apply an alternative method to taxing the foreign currency hedge in very limited circumstances, resulting in the hedge being taxed at approximately the same rate as the investments the hedge is protecting. That is, broadly, tax is paid at an investor's PIR on 5% of the market value of the hedge.

AUT exemptions

The Funds may not be required to apply the FDR method to some investments in AUTs, in which case those investments are taxed in the same way as Australian equities (see the table above).

Such exemptions for units in an Australian tax resident unit trust will 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 either (a) turns over a minimum of 25% of its profit-making shares each year or (b) distributes at least 70% of its distributable gains each year.

Calculation of tax by the Scheme

We apply the tax rules to the Scheme's investments and calculate taxable income and tax credits on a daily basis. We then calculate your share of the Scheme's total tax liability based on:

- Your daily unit holding in the Fund(s) (and thus your share of the Scheme's taxable income, deductible expenses and tax credits);

and

- Your PIR.

How the Scheme takes care of tax payments and rebates

The tax payable by the Scheme to Inland Revenue is the sum of the tax payable by each investor on their attributed income in a tax year, calculated at the investor's PIR.

Tax is collected from you at the end of each tax year and at the time of full withdrawal, based on the year-to-date accrual. Tax may also be collected during the year if there is a risk you will have an insufficient remaining balance to pay your year-to-date tax accrual. We will test this risk every month, as well as when you make withdrawals or update your PIR.

Tax is collected by cancelling units held in your account; in other words, by selling some of the underlying investment assets.

From time to time you may be due a tax rebate. For instance, if your share of refundable tax credits available to the Scheme exceeds your tax liability, we will claim a rebate of tax from Inland Revenue on your behalf. If a rebate is due, we will issue further units to you; in other words, buy further investment assets. However, if a rebate is due at the time you make a full withdrawal, it will be paid along with other proceeds to your bank account.

Tax on withdrawals from the Scheme

As tax has already been calculated and collected (or rebated) on investment income, withdrawals made from the Scheme are not subject to further tax.

No further taxes will be deducted from amounts payable to non-resident investors.

Your PIE Tax Statement

We will provide you with a PIE tax statement for each tax year (i.e. each 31 March year), which will include all of your attributed PIE taxable income or loss and attributed tax credits from the Scheme. The PIE tax statement will be provided by 31 May following the end of the respective tax year.

7. Who is involved?

This section provides information about those responsible for providing the Scheme, and their key powers to change the way the Scheme operates under the Trust Deed.

Manager of the Scheme

AMP is the manager of the Scheme. AMP is licensed under the Financial Markets Conduct Act 2013 (**FMCA**). The conditions of the licence imposed by the Financial Markets Authority are published on **fsp-register.companiesoffice.govt.nz**. AMP Services is an authorised body under the licence.

AMP forms part of a group of AMP entities in New Zealand collectively known as AMP Wealth Management New Zealand Limited. AMP Limited, a company incorporated in Australia, is the ultimate holding company of AMP.

AMP has established governance procedures to oversee the activities carried out by members of the group, and make decisions on behalf of members of the group. Those governance procedures apply to AMP.

Related party interests

AMP Limited's Conflicts Management Policy provides principles for managing conflicts of interest within AMP. The key related party interests relating to the Scheme are outlined below.

AMP Services

The administration functions of the Scheme have been delegated to AMP Services. AMP Services is a related company of ours. The terms of the arrangement of the administration function between us and AMP Services is set out in the management services agreement between AMP Wealth Management New Zealand Limited and AMP Services. This agreement has been uploaded to Scheme's offer register entry at **disclose-register.companiesoffice.govt.nz** as a material contract.

Supervisor

The Supervisor of the Scheme is Public Trust (Supervisor). The address of the Supervisor is:

Private Bag 5902
Wellington 6140

The Supervisor has been granted a licence under section 16(1) of the Financial Markets Supervisors Act 2011 to act as a supervisor in respect of debt securities and registered schemes. A copy of the Supervisor's licence, including the conditions on the licence, can be obtained from the Financial Markets Authority's website at **fma.govt.nz** or on the Supervisor's website at **publictrust.co.nz**.

Key powers under the Trust Deed

Under the Trust Deed, AMP and the Supervisor have various powers. These include to change those involved in the operation of the Scheme, change Funds offered, to amend the Trust Deed, and to wind up a Fund, a section, or the Scheme.

AMP can elect to wind up the Scheme or a Fund by giving 90 days' written notice (or such shorter notice as the Supervisor shall agree) to the Supervisor that a Fund or the Scheme is to be wound up. Investors must be notified of any wind up. The proceeds from winding up will be distributed to investors equivalent to their interests in the Fund or Scheme. Wind up proceeds may be met by distributing units in another scheme or fund.

The Manager and the Supervisor can be removed or substituted at any time. The Trust Deed for the Scheme may at any time be amended by a deed executed by the Manager and the Supervisor.

Phone 0800 267 001
Email investments@amp.co.nz
Web **amp.co.nz**
Follow Us On

Want to know more?

For more information about the Scheme, please see the Scheme's current Product Disclosure Statement at **amp.co.nz/forms** or contact us on 0800 267 001.

A little help.