

30 June 2022

# AMP Managed Funds

Statement of Investment Policy and Objectives



*A little help*



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# 1. Description of the Scheme

- 1.1. The AMP Managed Funds (Scheme) is a registered managed investment scheme (MIS) under the Financial Markets Conduct Act 2013 (FMCA).
- 1.2. The Scheme is a managed fund, a type of MIS for the purposes of the FMCA.
- 1.3. The manager of the Scheme is AMP Wealth Management New Zealand Limited (Manager). The Manager has appointed AMP Services (NZ) Limited (AMP Services) as administration manager of the Scheme. The supervisor is The New Zealand Guardian Trust Company Limited (Supervisor).
- 1.4. The Scheme offers pooled investments for the purpose of investment savings and gives investors access to a range of investments. The investments are represented by units in the investor's choice of funds (Fund or Funds). The Funds available in this Scheme are diversified funds (Diversified Funds) which range from Funds that invest in a greater proportion of lower-risk investments, such as cash and cash equivalents and fixed interest, to Funds that invest in a greater proportion of higher-risk investments, such as equities and property.
- 1.5. The Funds are available to investors by way of application to the Manager (please contact the Manager or visit [amp.co.nz/investments/managed-funds](http://amp.co.nz/investments/managed-funds) for further information). All investments and withdrawals will be carried out via Online instruction.
- 1.6. As at the date of this SIPO, the Funds available to Scheme investors are:

## Diversified Funds

[AMP Conservative Managed Fund](#)

[AMP Balanced Managed Fund](#)

[AMP Growth Managed Fund](#)

- 1.7. The Scheme is treated as a single trust for tax purposes and a single MIS under the FMCA.
- 1.8. The beneficial interest in each Fund within the Scheme is divided into units and each unit represents an equal interest in that Fund. The value of an investor's interest in each Fund is determined by multiplying the number of units attributable to the investor in that Fund by the relevant unit price of the Fund. The investor's interest in the Scheme is the aggregate of their interests held in each Fund. No investor acquires an interest in any particular asset of the Funds to which their units in any particular Fund relate.
- 1.9. The Manager may close, wind up, or alter any Fund(s) at any time in accordance with the Trust Deed.

# 2. Investment Philosophy

- 2.1. The Manager seeks to provide investors with a range of investment choices to enable them to tailor a portfolio that suits their unique goals and needs. The Manager has an Investment Philosophy that is based on the following principles.
  - **Sustainable Investing**

The Manager believes investing sustainably will deliver long-term returns in line with or better than the broader market index. The Manager has a clear approach to sustainable investing (see the Sustainable Investment Philosophy, available at [amp.co.nz/si](http://amp.co.nz/si)) that avoids investing in companies that are involved in businesses or sectors that are our focus areas in terms of non-sustainability. These focus areas are informed by what we and our clients determine to be harmful to the world. The Manager will continue to evolve this approach and seek to find opportunities to support positive change through investing in companies that demonstrate strong environmental, social and governance attributes.
  - **Benchmark asset allocation drives returns**

The Manager believes that the Benchmark Asset Allocation (BAA) drives the majority of the returns available in the market. Annually, we will review the medium to long-term risk and return assumptions and ensure diversified portfolios are appropriately positioned for the market outlook over a 5-year timeframe. The Manager believes this will produce better net outcomes than actively tilting portfolios based on shorter-term market views. If there is a significant market correction or disconnect, we will review our long-term assumptions and asset allocations as we believe appropriate.
  - **Index management delivers value**

The Manager will access returns using mainly index management strategies, as we believe that it is difficult to consistently outperform the market via the adoption of short-term active positions, and keeping investment costs down is an important component of returns. We may consider other investment strategies if they can clearly demonstrate that the anticipated outcomes outweigh the additional investment management cost.
  - **Transparency and Simplicity**

The Manager will invest in assets which are transparent, easily understood and accessed via reputable markets, as this will keep our offer simple and will aid client understanding.
  - **Accessibility**

The Manager believes that clients want their funds to be readily accessible. We will make sure that we invest in ways that allow this to happen by keeping a large majority of funds liquid.
  - **Currency**

The Manager does not expect that, over the long-term, taking trading positions in international currency exposures will of itself add value. We will, therefore, not take active positions on currency between our annual BAA reviews. Instead, we will review our currency settings as part of our annual BAA review.
- 2.2. The Manager offers Diversified Funds that provide exposure to a range of asset classes with varying ranges of BAAs and ranges to provide differing balances of risk and return.
- 2.3. The Manager's Investment Committee makes investment decisions for the Scheme. As noted above, the assets of the Funds are invested in underlying funds, which are managed by the Manager.

- 2.4. The Manager determines the investment strategy, objectives and policy of each Fund and sets the BAAs and ranges (where applicable) that reflects that strategy, objectives and policy (as set out in the Schedules).
- 2.5. The Manager is the only underlying fund manager for all Funds available in this Scheme. The Manager has appointed BlackRock Investment Management (Australia) Limited (BlackRock) to provide investment management services for its underlying funds. BlackRock is one of the world's largest fund managers, with extensive experience in portfolio construction and a focus on index investing.

The Manager, in consultation with BlackRock, determines the approach to investing our clients' money, including setting the benchmark asset allocation, selecting appropriate indices, and determining the investment policies of the underlying funds. These funds will adopt a predominantly index-tracking approach to investment management, with a focus on sustainable investment. BlackRock provides key investment services to invest the assets of the funds in accordance with selected indices and investment policies.

For further information on BlackRock, please visit [blackrock.com/au](https://blackrock.com/au)

### Approach to sustainable investment

The Manager has adopted a Sustainable Investment Philosophy. This encompasses three key elements:

#### Sustainable investment exclusions

Exclusions play a role in delivering part of our Sustainable Investment Philosophy. We use a mandate structure which allows certain sectors and securities to be excluded.

The list of exclusions we apply in relation to our Funds and the underlying securities in which they invest is set out below:

Exclusion type	Description
<b>Controversial weapons</b>	All companies that provide components or services used in the manufacturing of controversial weapons, including: <ul style="list-style-type: none"> <li>– Anti-Personnel Mines</li> <li>– Biological and Chemical Weapons</li> <li>– Cluster Weapons</li> <li>– Nuclear Weapons</li> <li>– Depleted Uranium</li> <li>– White Phosphorus</li> </ul>
<b>Civilian firearms</b>	All producers of civilian firearms and any companies that earn more than 5% of their revenue from the distribution, retail and supply of civilian firearms.
<b>Military weapons</b>	All companies deriving 5% or more revenue from the production of conventional weapons, weapons systems, components and support systems and services.
<b>Fossil fuel</b>	All companies that earn revenues from the exploration, extraction, production, refinement, transportation and storage of fossil fuels, including: <ul style="list-style-type: none"> <li>– Arctic oil &amp; gas</li> <li>– Oil &amp; gas</li> <li>– Oil sands</li> <li>– Shale energy</li> <li>– Thermal coal</li> </ul>
<b>Nuclear power</b>	All companies generating (or that have installed capacity to generate) more than 5% of their electricity from nuclear sources.
<b>Tobacco</b>	All producers of tobacco products and all companies that earn more than 5% of their revenue from the distribution, retail and supply of tobacco-related products.
<b>Palm oil</b>	All producers and any companies that earn revenue from the distribution and supply of palm oil.
<b>Whale products</b>	Companies that derive revenue from whale meat production.
<b>UN Global Compact violators</b>	Any companies that are assessed to be non-compliant with the UN Global Compact principles.
<b>Primary industry exclusions</b>	Any companies with Primary Industry Exclusions as defined by GICS codes <sup>1</sup> : <ul style="list-style-type: none"> <li>– Coal</li> <li>– Integrated Oil &amp; Gas</li> <li>– Oil &amp; Gas Drilling</li> <li>– Oil &amp; Gas Equipment</li> <li>– Oil &amp; Gas Exploration and Production</li> <li>– Tobacco</li> </ul>
<b>NZ Super Fund exclusions</b>	Any companies on the NZ Super Fund exclusion list.

1 GICS refers to the Global Industry Classification Standard, which is used to classify major public companies by allocating codes to different business activities. We exclude investments in companies based on their GICS classification.

The exclusions criteria in the table on the previous page identify companies directly involved with each of the areas noted, or if they are the majority owner (50% ownership or more) of other companies involved in any of the criteria we are looking to exclude.

An additional 'significant ownership filter' is used to identify and exclude companies who own between 10% and 50% of any companies with any involvement in one of the exclusions in the table above. In our approach we only apply the significant ownership filter when we have total exclusion of the activity, e.g. controversial weapons, fossil fuel, palm oil, etc.

#### **Integration of environmental, social and governance (ESG) considerations into our investment decisions**

Where possible, the Manager will implement a weighting to the "good" by overweighting our exposures to companies that have a higher ESG rating where we consider it appropriate to do so based on factors such as expected returns, volatility and liquidity.

We seek to achieve this overweighting by preferring indices (where available and appropriate) that re-weight portfolios to companies that have higher ESG ratings relative to others.

#### **Stewardship through voting and engagement with companies**

AMP believes that stewardship is an important aspect of sustainable investing. The stewardship approach has two key aspects: (1) voting through shares held; and (2) engagement with companies.

Stewardship activities will be undertaken by BlackRock exercising its rights or engaging with companies on our behalf or in consultation with us. These activities focus on (1) board quality; (2) environmental risks and opportunities; (3) capital strategy and capital allocation; (4) compensation that promotes long-termism; and (5) human capital management.

#### **Monitoring and compliance**

We monitor underlying investments on an ongoing basis to ensure compliance with our Sustainable Investment Philosophy, including ensuring that BlackRock and custom index providers apply our exclusions. We also have processes in place to help identify any investment in excluded securities and ensure that these are divested promptly.

We use customised indices for some underlying funds, and regularly check that these indices are functioning as intended.

#### **Governance and reporting**

Our Sustainable Investment Philosophy is overseen by our Investment Committee and regularly reviewed and updated. Our areas of focus will continue to evolve and change over time as we consider client and regulator feedback on sustainable investing issues.

We will publish voting and engagement outcomes and make these publicly available on our website no less than six-monthly. In addition, we will provide regular updates on our areas of focus as part of regular communications to clients.

More information on the Manager's approach to sustainable investment is available at [amp.co.nz/si](http://amp.co.nz/si).

- 2.6. The underlying funds or any investments accessed, and the underlying fund manager 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 (when available).
- 2.7. 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 of the Scheme is to provide investors with a range of Funds that individually or in combination will enable investors to meet their short, medium or long-term investment objectives in a manner that is consistent with their own individual risk/return profiles.
- 3.2. The Manager aims to achieve this through the individual investment strategies and objectives for each Fund. These are detailed in the relevant Schedules at the end of this document.
- 3.3. Diversified Funds have income and growth BAA ranges, as well as BAA ranges for each asset class (where available). 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 a Fund may invest in or be exposed to through its underlying investments.
- 3.4. The underlying funds (established or selected by the Manager to achieve investment in the asset classes set out in the relevant Schedules) may be invested either directly or indirectly (such as investment in further underlying funds).

## 4. Investment Policies

### **Currency Hedging Policy and Monitoring Process**

- 4.1. Hedging may be used within each of the Funds, or underlying 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 Manager's underlying funds by BlackRock. To ensure that the underlying funds comply with the currency hedging policy and monitoring process, the Manager will obtain on a quarterly basis a compliance certificate from BlackRock 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 BlackRock.
- 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. The Funds will not themselves 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. The Scheme 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 to not maintain this liquidity tolerance for a Fund where the Manager considers it would not be appropriate. For example where a Fund is building up sufficient assets.

## Asset Valuation Policy

- 4.11. The assets of the Scheme are valued in accordance with the NZWM Asset Valuation Policy which can be found on the Scheme'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 currently invest only in underlying funds managed by the Manager, the Manager's wholesale fund administrator, BNP Paribas Financial Services Australasia Pty Ltd (BNP Paribas), undertakes the initial valuation and pricing for the underlying fund. BNP Paribas has its own pricing and valuation policy. The Manager periodically reviews the valuation and pricing policies of BNP Paribas to ensure those policies align with the NZWM Asset Valuation Policy.

## Taxation Policy

- 4.14. The Scheme is a Portfolio Investment Entity (PIE) and pays tax calculated at each investor's Prescribed Investor Rate (PIR). The highest PIR for individuals is 28%.
- 4.15. The PIE tax rules in the Income Tax Act determine the tax treatment of all income and expenses of the Scheme. More information can also be found in the 'AMP Managed Funds - Tax' document on the Scheme's offer registry entry. 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
New Zealand equities	No	Yes	No
Australian equities <sup>^</sup>	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**

<sup>^</sup>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 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.

- 4.16. More information as to how each investor's share of PIE tax payable is collected or rebated can be found in the Scheme's Trust Deed and in the 'AMP Managed Funds - Tax' document on the Scheme's offer register entry.

## Related Party Transactions

- 4.17.** The Manager conducts all transactions with related parties of the Scheme 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.
- 4.18.** The FMCA provides an exception 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.
- 4.19.** 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](http://fma.govt.nz).

## Conflicts of interest

- 4.20.** 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 Scheme.
- 4.21.** In relation to investment decisions for the Scheme, 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 Scheme:
- 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 Scheme;
  - c. an investment manager of the Scheme; or
  - d. an associated person (as defined in the FMCA) of the Manager (or a director or senior manager of that associated person).
- 4.22.** 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
Directors and employees of AMP Services and directors of the Manager may from time to time hold units in the Scheme.	All Funds.	Decisions made by affected directors and employees may be influenced by their personal interest in the Scheme.

- 4.23.** The Manager has taken, and will take on an ongoing basis, the following steps to manage the above conflicts:
- a. Complying with the requirements of the FMCA for related party transactions, as set out in the ‘Related Party Transactions’ section above.
  - b. Adopting the AMP Limited Conflicts Management Policy (see 4.24 and 4.25 below).
  - c. Monitoring and reviewing the investment performance, investment options, compliance and contractual arrangements of BlackRock, at regular intervals.
- 4.24.** 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 Limited Conflicts Management Policy. This provides guidance on what a conflict of interest is and how to avoid or manage it. It also assists the Manager to:
- a. Ensure it maintains its reputation, integrity and preserves stakeholder confidence in the Manager;
  - b. Maintain practices that will support the ongoing sustainability and stability of the Manager;
  - c. Ensure its business dealings are conducted with diligence, honesty, integrity and proper judgement; and
  - d. Meet its legislative and regulatory obligations.
- 4.25.** The AMP Limited Conflicts Management Policy also details different types of conflict of interest situations (e.g. business/personal conflict of interest, conflict of duty) and provides the following framework for the management of a conflict of interest:
- a. Identify and record;
  - b. Assess;
  - c. Respond by controlling;
  - d. Disclose or avoid; and
  - e. Monitor and report.

# 5. Investment Performance Monitoring and Reporting

- 5.1.** Investment performance for the Scheme is monitored and reviewed at least quarterly by the Investment Committee.
- 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 BlackRock.

## 6. Investment Strategy Review

- 6.1. The Manager oversees the development, implementation, monitoring and performance of the investment strategy of the Funds within the Scheme.
- 6.2. The Scheme invests in a range of wholesale funds. BlackRock provides advice and recommendations on investment management decisions, including asset allocation.
- 6.3. The Investment Committee monitors and reviews the investment performance, investment options and compliance with contractual arrangements of BlackRock quarterly.
- 6.4. BAAs are reviewed from time to time and at least annually by the Investment Committee.

## 7. SIPO Compliance and Review

- 7.1. The Manager monitors compliance with the SIPO. BlackRock is required to report quarterly on the compliance of the underlying funds with each of their SIPOs or investment guidelines. The Manager also directly monitors whether the underlying funds' investment guidelines are being complied with. A quarterly compliance report for the Scheme is prepared and provided to the Supervisor following a review of the underlying fund manager's reports 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 the underlying fund manager.
- 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 BlackRock (as required). Any changes to the SIPO are approved by the Investment Committee and are subject to the restrictions (if any) contained in the Trust Deed.
- 7.4. The Manager will give the Supervisor prior notice of any changes in accordance with the Trust Deed and FMCA.
- 7.5. The AMP Managed Funds' latest SIPO is available on the AMP website at [amp.co.nz/forms](http://amp.co.nz/forms) and on the scheme register at [disclose-register.companiesoffice.govt.nz](http://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](http://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](http://amp.co.nz/indexdisclaimers).



# Glossary

**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.

**BlackRock** means BlackRock Investment Management (Australia) Limited. BlackRock has been appointed by the Manager to provide investment management services for the underlying funds managed by the Manager.

**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 as amended from time to time.

**Funds** means the funds listed on page 3 under 'Description of the Scheme' and **Fund** means whichever one is relevant in the context.

**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.

**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.

**NZWM** means the group of AMP entities in New Zealand collectively known as AMP Wealth Management New Zealand. NZWM comprises all of the New Zealand based wealth management businesses within the AMP Limited group of companies. This includes the Manager and AMP Services.

**Online** means through the MyAMP mobile app (free to download in the App Store and Google Play) or through the MyAMP online portal available at [online.amp.co.nz](https://online.amp.co.nz), depending on the functionality available on those platforms from time to time.

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

**Scheme** means the AMP Managed Funds.

**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 Scheme dated 3 March 2022 (including any subsequent amendments).

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

**Underlying fund manager** means the investment manager of the underlying fund, being AMP Wealth Management New Zealand Limited in respect of all underlying funds of the Funds.

# Schedules

## Schedule 1 - AMP Conservative Managed 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 conservative 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 is found at [amp.co.nz/mf-qfu](http://amp.co.nz/mf-qfu) or [disclose-register.companiesoffice.govt.nz](http://disclose-register.companiesoffice.govt.nz) (when available).

### Current investment:

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

Underlying fund	Underlying Fund Manager
AMP Wholesale Diversified Fund 2	AMP Wealth Management New Zealand Limited

### Performance objective:

To provide a gross return (before tax, fees, and other expenses) that closely tracks the return of the weighted average 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	24%	14 - 34%	– Bloomberg NZBond Bank Bill Index
New Zealand fixed interest	23%	13 - 33%	– 78% Bloomberg NZBond Treasury 0+ Yr Index – 22% Bloomberg NZBond Infl 0+ Yr Index
International fixed interest	29%	19 - 39%	– 62% Bloomberg MSCI Global Aggregate ESG-Weighted Index (100% hedged to NZD) – 21% Bloomberg Global High Yield Corporate DM Index (100% hedged to NZD) – 17% FTSE US Inflation-Linked Securities Index (100% hedged to NZD)
<b>Total Income Assets</b>	<b>76%</b>	<b>66 - 86%</b>	
Australasian equities	6%	0 - 16%	– 67% S&P/NZX 50 Index Gross with Imputation – 33% MSCI Australian Shares All Cap 300 ex Select GICS ex Select Securities Custom ESG 100% Hedged to NZD Index <sup>#</sup>
International equities - Developed markets	14%	4 - 24%	– MSCI World ex Select Countries & GICS ex Select Securities Custom ESG Enhanced Focus 50% Hedged to NZD Index <sup>#</sup>
International equities - Emerging markets	4%	0 - 14%	– MSCI Emerging Markets ex Select GICS ex Select Securities Custom ESG Index <sup>#</sup>
<b>Total Growth Assets</b>	<b>24%</b>	<b>14 - 34%</b>	

<sup>#</sup>A custom index calculated by MSCI based on the stock exclusions provided by AMP Wealth Management New Zealand Limited.

**Currency hedging policy:** The Fund will (or will invest in underlying funds that will) target:

- fully hedging foreign currency exposure from International fixed interest and Australasian equities;
- hedging foreign currency exposure from International equities – Developed markets at 50% hedged to New Zealand dollars; and
- not hedging foreign currency exposure from International equities – Emerging markets.

**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 – AMP Balanced Managed 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 is found at [amp.co.nz/mf-qfu](http://amp.co.nz/mf-qfu) or [disclose-register.companiesoffice.govt.nz](http://disclose-register.companiesoffice.govt.nz) (when available).

### Current investment:

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

Underlying fund	Underlying Fund Manager
AMP Wholesale Diversified Fund 5	AMP Wealth Management New Zealand Limited

### Performance objective:

To provide a gross return (before tax, fees, and other expenses) that closely tracks the return of the weighted average 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	11%	1 - 21%	– Bloomberg NZBond Bank Bill Index
New Zealand fixed interest	13%	3 - 23%	– 77% Bloomberg NZBond Treasury 0+ Yr Index – 23% Bloomberg NZBond Infl 0+ Yr Index
International fixed interest	19%	9 - 29%	– 53% Bloomberg MSCI Global Aggregate ESG-Weighted Index (100% hedged to NZD) – 31% Bloomberg Global High Yield Corporate DM Index (100% hedged to NZD) – 16% FTSE US Inflation-Linked Securities Index (100% hedged to NZD)
<b>Total Income Assets</b>	<b>43%</b>	<b>33 - 53%</b>	
Australasian equities	10%	0 - 20%	– 70% S&P/NZX 50 Index Gross with Imputation – 30% MSCI Australian Shares All Cap 300 ex Select GICS ex Select Securities Custom ESG 100% Hedged to NZD Index <sup>#</sup>
International equities - Developed markets	39%	29 - 49%	– MSCI World ex Select Countries & GICS ex Select Securities Custom ESG Enhanced Focus 50% Hedged to NZD Index <sup>#</sup>
International equities - Emerging markets	8%	0 - 18%	– MSCI Emerging Markets ex Select GICS ex Select Securities Custom ESG Index <sup>#</sup>
<b>Total Growth Assets</b>	<b>57%</b>	<b>47 - 67%</b>	

<sup>#</sup>A custom index calculated by MSCI based on the stock exclusions provided by AMP Wealth Management New Zealand Limited.

**Currency hedging policy:** The Fund will (or will invest in underlying funds that will) target:

- fully hedging foreign currency exposure from International fixed interest and Australasian equities;
- hedging foreign currency exposure from International equities – Developed markets at 50% hedged to New Zealand dollars; and
- not hedging foreign currency exposure from International equities – Emerging markets.

**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 – AMP Growth Managed Fund

### Investment objective and policy:

To achieve medium to high returns – in exchange there will be larger movements up and down in the value of your investments.

To provide a well-diversified portfolio that aims to provide growth, primarily through holding growth assets diversified with a lower 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 is found at [amp.co.nz/mf-qfu](http://amp.co.nz/mf-qfu) or [disclose-register.companiesoffice.govt.nz](http://disclose-register.companiesoffice.govt.nz) (when available).

### Current investment:

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

Underlying fund	Underlying Fund Manager
AMP Wholesale Diversified Fund 6	AMP Wealth Management New Zealand Limited

### Performance objective:

To provide a gross return (before tax, fees, and other expenses) that closely tracks the return of the weighted average 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	5%	0 - 15%	– Bloomberg NZBond Bank Bill Index
New Zealand fixed interest	6%	0 - 16%	– 50% Bloomberg NZBond Treasury 0+ Yr Index – 50% Bloomberg NZBond Infl 0+ Yr Index
International fixed interest	12%	2 - 22%	– 25% Bloomberg MSCI Global Aggregate ESG-Weighted Index (100% hedged to NZD) – 50% Bloomberg Global High Yield Corporate DM Index (100% hedged to NZD) – 25% FTSE US Inflation-Linked Securities Index (100% hedged to NZD)
<b>Total Income Assets</b>	<b>23%</b>	<b>13 - 33%</b>	
Australasian equities	16%	6 - 26%	– 75% S&P/NZX 50 Index Gross with Imputation – 25% MSCI Australian Shares All Cap 300 ex Select GICS ex Select Securities Custom ESG 100% Hedged to NZD Index <sup>#</sup>
International equities - Developed markets	52%	42 - 62%	– MSCI World ex Select Countries & GICS ex Select Securities Custom ESG Enhanced Focus 50% Hedged to NZD Index <sup>#</sup>
International equities - Emerging markets	9%	0 - 19%	– MSCI Emerging Markets ex Select GICS ex Select Securities Custom ESG Index <sup>#</sup>
<b>Total Growth Assets</b>	<b>77%</b>	<b>67 - 87%</b>	

<sup>#</sup>A custom index calculated by MSCI based on the stock exclusions provided by AMP Wealth Management New Zealand Limited.

**Currency hedging policy:** The Fund will (or will invest in underlying funds that will) target:

- fully hedging foreign currency exposure from International fixed interest and Australasian equities;
- hedging foreign currency exposure from International equities – Developed markets at 50% hedged to New Zealand dollars; and
- not hedging foreign currency exposure from International equities – Emerging markets.

**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.

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