

# Specialist Funds

## Product Disclosure Statement

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<b>Issuer and responsible entity</b>	ipac Asset Management Limited (ABN 22 003 257 225, AFSL 234655) – referred to in this PDS as ‘the Responsible Entity’.
<b>Investment manager</b>	National Mutual Funds Management Ltd (ABN 32 006 787 720, AFSL 234652) – referred to in this PDS as ‘NMF’, ‘AMP Investments’, ‘we’, ‘our’ or ‘us’.

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## Specialist Funds

AMP Capital Specialist Australian Share Fund  
ARSN: 089 594 776, APIR code: AMP0681AU  
Unit class: Wholesale (Class O units), referred to in this PDS as the 'Specialist Australian Share Fund'.

AMP Capital Specialist Australian Small Companies Fund  
ARSN: 111 212 483, APIR code: AMP0973AU  
Unit class: A, referred to in this PDS as the 'Specialist Australian Small Companies Fund'.

AMP Capital Specialist Geared Australian Share Fund  
ARSN: 107 656 182, APIR code: AMP0969AU  
Unit class: A, referred to in this PDS as the 'Specialist Geared Australian Share Fund'.

AMP Capital Specialist Diversified Fixed Income Fund  
ARSN: 169 626 475, APIR code: AMP1992AU  
Unit class: A, referred to in this PDS as the 'Specialist Diversified Fixed Income Fund'.

AMP Capital Specialist International Share Fund  
ARSN: 103 660 813, APIR code: AMP0824AU  
Unit class: A, referred to in this PDS as the 'Specialist International Share Fund'.

AMP Capital Specialist International Share (Hedged) Fund  
ARSN: 107 655 854, APIR code: AMP0825AU  
Unit class: A, referred to in this PDS as the 'Specialist International Share (Hedged) Fund'.

Collectively in this Product Disclosure Statement (PDS) the above named funds are referred to as the 'Specialist Funds' or 'Funds'.

### About this Product Disclosure Statement (PDS)

This PDS contains important information about investing in the Funds and may be used by master trusts or platform operators, referred to in this PDS as 'platform operators', to apply for units in the Funds. The platform operators can give this PDS to their customers (indirect investors) to provide them with information to assist them in making a decision about instructing their platform operator to invest in the Funds on their behalf. Platform operators are unit holders in the Funds; their rights differ from the rights of indirect investors, who are not unit holders. Indirect investors invest in a Fund through a master trust or wrap platform (see the 'Other important information' section of this PDS).

Before making a decision about investing or reinvesting in the Funds, all investors should consider the information in the PDS. A copy of the current PDS can be obtained free of charge, on request by contacting us on 133 267 or online at [amp.com.au/investments-pds-wms-a](http://amp.com.au/investments-pds-wms-a).

In addition, indirect investors should also review the Target Market Determination (TMD) for a Fund before making an investment decision to consider whether a Fund is appropriate for them. A TMD in respect of a Fund is available online at [amp.com.au/investments-tmd](http://amp.com.au/investments-tmd).

Information in this PDS can help investors compare the Funds to other funds they may be considering. The information in this PDS is general information only and does not take into account any investor's personal objectives, financial situation or needs. All investors should obtain financial advice that is tailored to their circumstances.

## Important information

ipac Asset Management Limited is the Responsible Entity of the Specialist Funds and issuer of this PDS. National Mutual Funds Management Ltd (NFMF) has been appointed by the Responsible Entity to provide investment management and associated services in respect of the Funds, including the preparation of this PDS on behalf of the Responsible Entity. No company in the AMP Group other than the Responsible Entity is responsible for the preparation and issue of this PDS or for any statements or representations made in this PDS. The Responsible Entity and NFMF are members of the AMP Group.

NFMF has provided consent to the statements about NFMF in this PDS and has not withdrawn that consent prior to the issue of this PDS.

Each of the Funds offered for investment through this PDS is a managed investment scheme structured as a unit trust and registered under the *Corporations Act 2001* (Cth), referred to in this PDS as 'the Corporations Act'. The Funds are subject to investment risks, which could include delays in repayment, and loss of income and capital invested. No company in the AMP Group or any investment manager assumes any liability to investors in connection with the investment in the Funds or guarantees the performance of our obligations to investors or that of the Responsible Entity, the performance of the Funds or any particular rate of return. The repayment of capital is not guaranteed. Investments in the Funds are not deposits or liabilities of any company in the AMP Group.

The offer in this PDS is available only to eligible persons as set out in this PDS, who receive the PDS (including electronically) within Australia. We can only accept applications signed and submitted from within Australia. We cannot accept cash.

Unless otherwise specified, all dollar amounts in this PDS are Australian dollars.

### About NFMF

As the investment manager, NFMF is responsible for managing and investing the Funds' assets and seeking to achieve their investment objectives. This includes determining the mix of asset classes, managing market exposures and researching and appointing specialist investment managers who conduct investment activities on behalf of the Funds. NFMF offers a range of diversified and single sector funds and can be contacted on 133 267 for more information.

# About the Specialist Funds

## Overview

The Funds offered through this PDS comprise of diversified single asset class investment solutions where active specialist investment managers, who demonstrate competitive advantages in their particular field of investment, source investments for the Funds.

The Specialist Funds aim to outperform their respective benchmarks over the long term by taking into account our understanding and analysis of market cycles, behaviours, correlations and themes. We do this by blending a number of specialist investment managers and/or strategies whose investment styles are expected to complement each other.

The NFMF investment management team is responsible for the management of the Funds. The team of investment professionals has extensive experience in manager research, portfolio construction and risk management. The team may at times also draw on the expertise of asset consultants in making investment decisions. Further information about the team is available on request.

## At a glance

	Specialist Australian Share Fund	Specialist Australian Small Companies Fund	Specialist Geared Australian Share Fund
<b>Investment objective</b>	To provide total returns (income and capital growth), after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis.	To provide total returns (income and capital growth) after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis.	To provide high returns over the long term through geared exposure to securities listed (or about to be listed) on the Australian Securities Exchange. The objective of the Fund's portfolio before gearing is applied, is to provide a total return (income and capital growth), after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis.
	The Funds aim to achieve these investment objectives by adopting the investment approach and investing within the relevant asset class allocations and ranges, as outlined within the respective 'Fund profiles'.		
<b>Performance benchmark</b>	S&P/ASX 300 Accumulation Index	S&P/ASX Small Ordinaries Accumulation Index	S&P/ASX 200 Accumulation Index
<b>Risk level</b>	Very high	Very high	Very high
<b>Suggested minimum investment timeframe</b>	7 years	7 years	7 years
<b>Management fees and costs</b>	0.80% pa	1.18% pa	1.11% pa (gross)/2.43% pa (net)
	A performance fee may be payable to some of the underlying funds or investment managers, and is up to 25.65% of a manager's outperformance above their benchmark index (see 'Performance fees' in the 'Fees and other costs' section of this PDS).		
	Please note that fee amounts shown in this PDS are the fees charged to platform operators investing through this PDS. If you are an indirect investor, please contact your financial adviser or platform operator for details of the fee amounts relating to your investment in a Fund.		
	<b>See the 'Fees and other costs' section of this PDS for details of the ongoing annual fees and costs, including management fees and costs, performance fees (if applicable) and transaction costs components, other fees and costs that may apply, and a worked example of ongoing annual fees and costs that may be payable in a year. The total amount of fees you will pay will vary depending on the total value of your investment.</b>		
<b>Who can invest?</b>	<b>Platform operators</b> - investing directly into a Fund <b>Indirect investors</b> - investing in a Fund through a master trust or platform		
<b>Minimum investment amounts</b>	<b>Platform operators</b> Initial - \$10,000,000 Additional - \$5,000	<b>Indirect investors</b> Minimum investment amounts are subject to the arrangements between indirect investors and their platform operators	
<b>Distribution frequency</b>	Half-yearly	Half-yearly	Yearly

See the relevant 'Fund Profile' sections of this PDS for more detailed information about each of the Funds. This includes information on each Fund's investment objective and asset allocation.

## At a glance (continued)

	Specialist Diversified Fixed Income Fund	Specialist International Share Fund	Specialist International Share (Hedged) Fund
<b>Investment objective</b>	To provide a total return (interest income and capital growth) after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis.	To provide total returns (income and capital growth) after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis.	To provide total returns (income and capital growth) after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis.
	The Funds aim to achieve these investment objectives by adopting the investment approach and investing within the relevant asset class allocations and ranges, as outlined within the respective 'Fund profiles'.		
<b>Performance benchmark</b>	60% Bloomberg AusBond Composite 0+ Yr Index 40% Bloomberg Global Aggregate Index (Hedged to AUD)	Morgan Stanley Capital International (MSCI) World (ex Australia) (ex Tobacco) Accumulation Index with Net Dividends Reinvested	Morgan Stanley Capital International (MSCI) World (ex Australia) (ex Tobacco) Accumulation Index with Net Dividends Reinvested, hedged in AUD
<b>Risk level</b>	Medium	Very high	Very high
<b>Suggested minimum investment timeframe</b>	3 years	7 years	7 years
<b>Management fees and costs</b>	0.61% pa	0.96% pa	0.98% pa
	A performance fee may be payable to some of the underlying funds or investment managers, and may be up to 25.65% of a manager's outperformance above their benchmark index (see 'Performance fees' in the 'Fees and other costs' section of this PDS).		
	Please note that fee amounts shown in this PDS are the fees charged to platform operators investing through this PDS. If you are an indirect investor, please contact your financial adviser or platform operator for details of the fee amounts relating to your investment in a Fund.		
	<b>See the 'Fees and other costs' section of this PDS for details of the ongoing annual fees and costs, including management fees and costs, performance fees (if applicable) and transaction costs components, other fees and costs that may apply, and a worked example of ongoing annual fees and costs that may be payable in a year. The total amount of fees you will pay will vary depending on the total value of your investment.</b>		
<b>Who can invest?</b>	<b>Platform operators</b> - investing directly into a Fund <b>Indirect investors</b> - investing in a Fund through a master trust or platform		
<b>Minimum investment amounts</b>	<b>Platform operators</b> Initial - \$10,000,000 Additional - \$5,000	<b>Indirect investors</b> Minimum investment amounts are subject to the arrangements between indirect investors and their platform operators	
<b>Distribution frequency</b>	Quarterly	Half-yearly	Half-yearly

See the relevant 'Fund Profile' sections of this PDS for more detailed information about each of the Funds. This includes information on each Fund's investment objective and asset allocation.

## Benefits of investing in the Funds

The Funds aim to deliver attractive investment returns by investing in specialist managers and strategies. For investors seeking access to a variety of diversified single sector strategies, investment in the Funds provide:

- diversification across a number of investment styles
- active management to take advantage of market trends and forecasts, and
- access to the investment expertise of NFMF's investment team, which is supported by input from research partners.

## Investment risks

All investing involves risk, and you should consider investment risks before making an investment decision. The key risks of investing in the Funds include or are associated with:

- **asset allocation** - the Fund's asset allocation strategy does not guarantee positive investment performance at all stages of the investment cycle.
- **climate** - refers to the financial risks arising from climate change, including physical and transition risks.
- **companies** - factors such as management changes may affect a company's performance.
- **convertible securities** - have the risk characteristics of derivatives, fixed income and share market investments, and may not be able to be readily exchanged for cash or for an equivalent asset value.
- **counterparty and default** - losses can be incurred if an issuer or counterparty defaults on interest payments or the repayment of capital or other financial or contractual obligations.
- **credit** - the value of an asset can change due to changes in the credit quality of its issuer.
- **derivatives** - the use of derivatives may magnify any losses incurred.
- **emerging markets** - securities markets in developing countries are typically smaller and more volatile than those of more developed countries.
- **gearing** - has the effect of magnifying a fund's returns, both positive and negative.
- **listed infrastructure** - may be affected by risks relating to share market investments as well as those associated with direct infrastructure assets.
- **interest rates** - there is a risk of capital loss in a rising interest rate environment.
- **international investments** - the value of offshore investments may be impacted by changes to global economic and market conditions, currency risk and jurisdictional risk.
- **investment management** - there is a risk that an investment manager will not perform to expectations.
- **liquidity** - assets subject to liquidity risk may be difficult to trade and it may take longer for their full value to be realised. In circumstances where a fund's portfolio ceases to be 'liquid' for Corporations Act purposes, there may be significant delays or a freeze on withdrawal requests.
- **listed hybrid securities** - as these are a combination of debt and equity, they carry the risks associated with interest rates and share market investments, as well as derivatives.

- **markets** - the value of the Fund's investments will rise and fall with the prices of the markets in which they are invested.
- **prime broker** - the prime broker, who is the external party engaged to facilitate short selling, may not return equivalent securities or value to a fund, or collateral may not be returned when requested.
- **sectors** - where the Fund has a high exposure to a particular sector, the underperformance of that sector may have a proportionately greater negative effect on overall performance.
- **securities lending** - although engaging in securities lending and borrowing may provide increased returns, there is a risk of capital loss.
- **share market investments** - while listed equity investments have historically produced higher returns than cash or fixed interest over the long term, the risk of capital loss exists, especially over the shorter term.
- **short selling** - the potential amount of loss from short selling may be greater than under a buy and hold or long-only strategy over the long term.
- **small companies** - company risk may be magnified for small companies due to their scale of operations.
- **sovereign default** - investments in government securities carry the risk that a government may default on interest payments, the repayment of capital or both, with regard to its country's debt.
- **unforeseen extraordinary events** - events such as natural disasters or phenomena, changes in government or government policies, political unrest, war and terrorism may affect market and asset prices and give rise to increased or prolonged market volatility.

Risks that are specific to each Fund is outlined in the 'Fund profiles' section of the PDS. The 'Risks of investing' section of this PDS provides further information about some of the risks noted above, as well as information about other investment risks of which you should be aware.

## Further information

For platform operators, if you have questions about investing in the Funds or require further information, please contact our Client Services team on 133 267 between 8.30am and 5.30pm Sydney time, Monday to Friday. Indirect investors should contact their financial adviser or platform operator. Further information about the Funds is also available online at [amp.com.au/investments](http://amp.com.au/investments). This information may include performance reports.

When reading a Fund's performance information, please note that past performance is not a reliable indicator of future performance and should not be relied on when making a decision about investing in the Funds.

# ASIC benchmarks and disclosure principles

The information below provides an overview of the benchmarks and disclosure principles to be included in the PDS or incorporated by reference that relate to the Specialist Geared Australian Share Fund (referred to in this section as the 'Fund') and are required to be disclosed in this PDS under the Australian Securities and Investments Commission (ASIC) Regulatory Guide 240 (RG240) 'Hedge funds: Improving disclosure'.

Further information is provided in the 'ASIC benchmarks and disclosure principles for the Specialist Geared Australian Share Fund' document ('ASIC Disclosure Principles'), which is taken to be included in this PDS and should be read in conjunction with this PDS. The ASIC Disclosure Principles is available online at [amp.com.au/investments/specialist-funds/specialist-geared-australian-share-fund](http://amp.com.au/investments/specialist-funds/specialist-geared-australian-share-fund) and can be obtained free of charge, on request.

Benchmark	Summary - Specialist Geared Australian Share Fund	Further information
Valuation of assets	This benchmark addresses whether the Responsible Entity has and implements a policy that requires valuations of non-exchange traded assets to be provided by an independent administrator or valuation service provider. The Responsible Entity meets this benchmark requirement.	See 'Valuations' in 'Additional information about the Specialist Geared Australian Share Fund' in the 'Further information about the Funds' section of this PDS and Benchmark 1 in the ASIC Disclosure Principles.
Periodic reporting	<p>This benchmark addresses whether or not the Responsible Entity has and implements a policy to provide periodic reporting of certain key information about the Fund, annually and monthly.</p> <p>The Fund does not meet the requirements of this benchmark in full. The Fund meets the benchmark with the exception of the following:</p> <ul style="list-style-type: none"> <li>- In relation to Annual Reporting, the Fund does not report on the following information: <ul style="list-style-type: none"> <li>- the current total net asset value of the Fund and the redemption value of a unit in each class of units as at the date the net asset value was calculated, as this is reported on a monthly basis</li> <li>- the actual asset allocation and investment return information is not provided on an annual basis due to the fact that we report this information more frequently, on a monthly basis.</li> <li>- liquidity profile - this report is not relevant as the assets are highly liquid (are predominantly exchange traded). The Responsible Entity can reasonably expect to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Fund's net asset value, within 10 days, and</li> <li>- maturity profile - this report is not relevant for the reasons noted above under liquidity profile.</li> </ul> </li> </ul> <p>The ASIC Disclosure Principles document provides you with key information in relation to the Fund and is available on our website at (<a href="http://amp.com.au/investments/specialist-funds/specialist-geared-australian-share-fund">amp.com.au/investments/specialist-funds/specialist-geared-australian-share-fund</a>) or upon request (free of charge) by calling us.</p>	See the 'Keeping you informed' section of this PDS and Benchmark 2 in the ASIC Disclosure Principles.

Disclosure principle	Summary - Specialist Geared Australian Share Fund	Further information
Investment strategy	<p>The Fund:</p> <ul style="list-style-type: none"> <li>- invests in a portfolio of Australian companies listed, or about to be listed, on the Australian Securities Exchange (ASX), diversified across sectors (this can also include exchange-traded funds (ETFs))</li> <li>- may hold up to 15% in cash</li> <li>- may invest up to 5% in companies listed on international exchanges, where those securities are also listed on the ASX</li> <li>- may use gearing to fund positions within the Fund</li> <li>- uses derivatives for purposes such as increasing or reducing exposure to markets relative to the underlying physical holdings, with the aim of protecting against risks and enhancing returns, and</li> <li>- has exposure to risks including those associated with share market investments, gearing, companies, derivatives, international investments and liquidity.</li> </ul>	<p>See the following sections of this PDS:</p> <ul style="list-style-type: none"> <li>- 'Fund profiles', and</li> <li>- 'Risks of investing'.</li> </ul> <p>See also Disclosure Principle 1 in the ASIC Disclosure Principles.</p>
Investment management	<p>The Fund's specialist investment team is made up of investment professionals located in Australia with extensive experience.</p>	<p>See the 'Our investment approach' section of this PDS and Disclosure Principle 2 in the ASIC Disclosure Principles. Updated asset allocations are available online at <a href="http://amp.com.au/investments-pds">amp.com.au/investments-pds</a>.</p>
Fund structure	<p>Related party protocols have been established between key entities, and procedures are in place to monitor key service providers.</p>	<p>See 'Fund structure' in 'Additional information about the Specialist Geared Australian Share Fund' in the 'Further information about the Funds' section of this PDS and Disclosure Principle 3 in the ASIC Disclosure Principles.</p>
Valuation, location and custody of assets	<p>The Fund invests primarily in Australian and international securities which are exchange traded and prices are available on exchanges. Derivatives in which the Fund invests are also exchange traded. The Fund's exchange traded assets are valued at least each Business Day<sup>1</sup> using the close price on the relevant exchange.</p> <p>The Fund may also invest in companies which may soon be listed. These securities are valued daily at Initial Public Offer (IPO) cost by the Fund's independent administrator, BNP Paribas Fund Services Australasia Pty Limited (BNP Paribas), in accordance with its Securities Pricing Policy. All valuations for the assets of the Fund are in accordance with the NMFAM Asset Valuation Policy.</p> <p>BNP Paribas is the custodian of the assets of the Fund.</p>	<p>See the following section of this PDS:</p> <ul style="list-style-type: none"> <li>- 'Fund profiles', and</li> <li>- 'Additional information about the Specialist Geared Australian Share Fund' in the 'Further information about the Funds' section.</li> </ul> <p>See also Disclosure Principle 4 in the ASIC Disclosure Principles.</p>
Liquidity	<p>The Responsible Entity can reasonably expect to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Fund's net asset value, within 10 days.</p>	<p>See the 'Accessing your money' section of this PDS and Disclosure Principle 5 in the ASIC Disclosure Principles.</p>
Leverage	<p>The Fund's investment portfolio is geared, which allows it the ability to borrow in order to increase the amount that can be invested. The aim of gearing is to contribute more capital and to provide greater exposure to the Australian share market.</p> <p>The Fund targets a gearing ratio of up to a maximum of 60%, which means that the investment manager will not borrow while the Fund's total borrowings are at a value equal to or greater than 60% of its total assets. This means for every \$1 invested in the Fund, and additional \$1.50 may be borrowed to invest, resulting in a maximum gross exposure to the markets of up to 250%.</p> <p>The Fund is not restricted in the amount that it can borrow to fund the purchase of investments, and may also borrow to meet its short term liquidity needs, subject to certain restrictions.</p>	<p>See 'Gearing' within 'Additional information about the Specialist Geared Australian Share Fund' in the 'Further information about the Funds' section of this PDS and Disclosure Principle 6 in the ASIC Disclosure Principles.</p>

<sup>1</sup> A Business Day for us is any day other than Saturday, Sunday or a bank or public holiday in Sydney, NSW



Disclosure principle	Summary - Specialist Geared Australian Share Fund	Further information
Derivatives	<p>The Fund may use derivatives such as options, futures, forwards and swaps with the aims of:</p> <ul style="list-style-type: none"> <li>- increasing or reducing exposure to markets, relative to the underlying physical holdings and subject to the Fund's investment guidelines</li> <li>- protecting against risks such as unfavourable changes in an investment's price brought about by, for example, changes in interest rates, credit risk, equity prices, currencies or other factors</li> <li>- enhancing returns by taking advantage of favourable mispricings within a market, as a cost- effective alternative to purchasing physical securities, and</li> <li>- implementing the Fund's investment objectives.</li> </ul> <p>We impose restrictions on the use of derivatives within the Fund and monitor the implementation of these restrictions in accordance with the NMFMD Derivatives Risk Statement, which can be obtained online at <a href="http://amp.com.au/investments">amp.com.au/investments</a>, or free of charge by contacting us.</p>	<p>See 'Derivatives' in the 'Further information about the Funds' section of this PDS and Disclosure Principle 7 in the ASIC Disclosure Principles.</p>
Short selling	<p>The Fund does not use short selling.</p>	<p>See 'Short selling' in the 'Further information about the Funds' section of this PDS and Disclosure Principle 8 in the ASIC Disclosure Principles.</p>
Withdrawals	<p>Withdrawal requests are generally processed each Business Day. We aim to process withdrawal requests within 5 Business Days of receipt however payment and processing of withdrawal requests may take up to 30 days, or longer in some circumstances such as if there is insufficient cash available in the Fund to meet withdrawal requests within the 30 day period.</p>	<p>See the 'Accessing your money' section of this PDS.</p>

# Our investment approach

The Funds' aim to outperform their respective benchmarks over the long term whilst managing levels of risk. In structuring the Funds, we take a four-stage investment approach – setting objectives and asset allocation, targeted manager selection, portfolio construction and implementation, and ongoing portfolio and manager review.

## Setting objectives and asset allocation

In setting objectives for the Funds we first consider the appropriate mix of assets. This is monitored on an ongoing basis and rebalanced according to our views on the relative market opportunities, in order to optimise performance.

## Targeted manager selection

For each of the Funds, we expect that most of a portfolio's excess performance will come from manager skill. Consequently, we seek out a range of investment managers. These managers must have clearly identifiable competitive advantages, and be able to achieve returns above relevant targets.

Working with our global research partners, we identify a preferred list of managers.

Our investment team then conducts its own research and quantitative assessment. The team (or our advisers) also carries out formal site visits with managers to gain insight into the organisation's culture, structure, people, processes and track record.

When selecting a manager from the preferred list we look for:

- sustainable and exploitable ideas – managers who demonstrate insights into the market and whose ideas have the potential to work consistently over time
- low correlations between managers – we aim for complementary skills with low duplication, and
- outperformance proportional to the level of risk at both manager and portfolio levels.

We also consider other factors, including the quality of investment personnel, investment philosophy, process integrity, sustainability of competitive advantage, level of conviction in stock selection and assets under management.

## Portfolio construction and implementation

Our portfolio construction methodology blends investment managers, with the objective of maximising returns and diversification.

This takes into account our understanding and analysis of market cycles, behaviours, correlations and themes.

However, the value of obtaining market insights and manager skill can be lost through inefficient implementation and transition management. Consequently, where possible, we will use investment mandates with underlying managers to enable us to cross a portion of the positions held with the exiting manager into the hands of the new manager, with a flow-on reduction in the associated transaction costs.

For each of the Funds, we can also use the cash flow of the Fund to rebalance exposures, and capitalise on NFM's scale and expertise to minimise costs.

## Ongoing portfolio and manager review

The investment team regularly reviews managers, risk and market trends, refining each portfolio where necessary to maintain the blend of managers that will support each Fund's investment objectives.

## Managers

We (or our advisers) regularly meet with each manager's investment team, and carry out formal on-site reviews.

## Risk

We monitor risk at both manager and fund levels to maintain diversification and appropriate risk levels across each portfolio.

## Market trends

As markets are constantly evolving, we regularly review each portfolio design in light of changing market conditions, refining each portfolio as needed to maintain an efficient structure that supports each Fund in achieving its objectives.

# Fund profiles

The Fund profiles in this PDS provide the following information for each of the Funds:

- the Fund's investments
- investment objective
- performance benchmark
- currency management
- risk level
- fund specific risks, and
- asset class benchmarks and ranges.

# Specialist Australian Share Fund

## The Fund's investments

The Specialist Australian Share Fund (referred to in this Fund profile as the 'Fund') primarily invests in a diversified portfolio of securities listed on the ASX. The Fund may also hold up to 5% in international listed securities, where those securities are also listed on the ASX. The Fund may also invest up to 10% in cash. However, in certain market conditions the Fund may hold higher levels of cash.

The Fund diversifies manager risk across a range of investment managers by using a multi-manager approach. Exposures are to managers who demonstrate competitive advantages within the various investment styles that are used when investing in the Australian equity market.

The diversity of exposure by investment style seeks to minimise the risk of underperformance should one particular investment style be out of favour within a particular investment timeframe.

## Investment objective

To provide a total return (income and capital growth), after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis.

**Performance benchmark** S&P/ASX 300 Accumulation Index

## Asset allocation and ranges

We regularly review the Fund's asset mix (long term strategic allocation and strategic ranges), and will rebalance the Fund where necessary to suit market conditions. The table below shows:

- the expected average, long term strategic allocation of the Fund (long term benchmark), and
- the strategic ranges for each asset class.

Asset class	Long term benchmark	Strategic range
Cash	0%	0-10%
Australian equities	100%	90-100%
<b>Total</b>	<b>100%</b>	

If we change the long term strategic allocation, or strategic ranges, as set out above, a PDS update notice will be lodged online at [amp.com.au/investments-pds](http://amp.com.au/investments-pds). This updated information can also be obtained by contacting us.

## Currency management

Predominantly hedged

## Suggested minimum investment timeframe

7 years

## Summary of risk level

### Risk band

1	2	3	4	5	6	7
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### Risk label

Very low	Low	Low to medium	Medium	Medium to high	High	Very high
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The Fund's risk band and risk level are based on an estimation that the number of negative annual returns over any 20 year period would be 6 or greater. Information regarding the methodology used for calculating the risk level can be obtained by contacting us.

## Fund specific risks

Key risks of investing specific to the Fund may include or be associated with:

- companies
- derivatives
- international investments
- investment management
- liquidity
- securities lending
- share market investments, and
- short selling.

The 'Risks of investing' section of this PDS provides further information about some of the risks noted above, as well as information about other investment risks of which you should be aware.

This summary is not a complete description of the risks of investing in the Fund. Consequently, before choosing to invest or reinvest in the Fund, you should read this PDS, and consider factors such as the likely investment return, the risks of investing and your investment timeframe.

# Specialist Australian Small Companies Fund

## The Fund's investments

The Specialist Australian Small Companies Fund (referred to in this Fund profile as the 'Fund') primarily invests in small companies listed on the ASX. 'Small companies' are considered to be those outside the top 100 listed companies, by market value.

The Fund may be invested in unlisted companies that we believe are likely to be listed in the next 12 months on the ASX.

The Fund may also invest up to 10% in cash. However, in certain market conditions the Fund may hold higher levels of cash.

## Investment objective

To provide total returns (income and capital growth) after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis.

**Performance benchmark** S&P/ASX Small Ordinaries Accumulation Index

## Asset allocation and ranges

We regularly review the Fund's asset mix (long term strategic allocation and strategic ranges), and will rebalance the Fund where necessary to suit market conditions. The table below shows:

- the expected average, long term strategic allocation of the Fund (long term benchmark), and
- the strategic ranges for each asset class.

Asset class	Long term benchmark	Strategic range
Cash	0%	0-10%
Australian equities	100%	90-100%
<b>Total</b>	<b>100%</b>	

If we change the long term strategic allocation, or strategic ranges, as set out above, a PDS update notice will be lodged online at [amp.com.au/investments-pds](http://amp.com.au/investments-pds). This updated information can also be obtained by contacting us.

## Currency management

N/A

## Suggested minimum investment timeframe

7 years

## Summary of risk level

### Risk band

1	2	3	4	5	6	7
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### Risk label

Very low	Low	Low to medium	Medium	Medium to high	High	Very high
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The Fund's risk band and risk level are based on an estimation that the number of negative annual returns over any 20 year period would be 6 or greater. Information regarding the methodology used for calculating the risk level can be obtained by contacting us.

## Fund specific risks

Key risks of investing specific to the Fund may include or be associated with:

- derivatives
- investment management
- liquidity
- securities lending
- share market investments
- small companies, and
- short selling.

The 'Risks of investing' section of this PDS provides further information about some of the risks noted above, as well as information about other investment risks of which you should be aware.

This summary is not a complete description of the risks of investing in the Fund. Consequently, before choosing to invest or reinvest in the Fund, you should read this PDS, and consider factors such as the likely investment return, the risks of investing and your investment timeframe.

# Specialist Geared Australian Share Fund

## The Fund's investments

The Specialist Geared Australian Share Fund (referred to in this Fund profile as the 'Fund') primarily invests in a diversified portfolio of securities listed (or about to be listed) on the ASX, including exchange-traded funds (ETFs). The Fund's investment portfolio is geared, which allows it the ability to borrow in order to increase the amount that can be invested. The aim of gearing is to contribute more capital and to provide greater exposure to the Australian share market.

Investment managers are also permitted to purchase up to 5% in international listed securities, where those securities are also listed on the ASX. The Fund may also invest up to 15% in cash. However, in certain market conditions the Fund may hold higher levels of cash.

The Fund diversifies manager risk across a range of investment managers by using a multi-manager approach. Exposures are to managers who demonstrate competitive advantages within the various investment styles that are used when investing in the Australian equity market.

The diversity of exposure by investment style seeks to minimise the risk of underperformance should one particular investment style be out of favour within a particular investment timeframe.

Refer to 'Additional information about the Specialist Geared Australian Share Fund' in the 'Further information about the Funds' section of this PDS for further information on the Fund and its gearing strategy.

## Investment objective

To provide high returns over the long term through geared exposure to securities listed on the ASX.

The objective of the Fund's portfolio before gearing is applied, is to provide a total return (income and capital growth), after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis.

**Performance benchmark** S&P/ASX 200 Accumulation Index

## Asset allocation and ranges

We regularly review the Fund's asset mix (long term strategic allocation and strategic ranges), and will rebalance the Fund where necessary to suit market conditions. The table below shows:

- the expected average, long term strategic allocation of the Fund (long term benchmark), and
- the strategic ranges for each asset class.

Asset class	Long term benchmark	Strategic range
Cash	0%	0-15%
Australian equities	100%	85-100% <sup>1</sup>
<b>Total</b>	<b>100%</b>	

If we change the long term strategic allocation, or strategic ranges, as set out above, a PDS update notice will be lodged online at [amp.com.au/investments-pds](http://amp.com.au/investments-pds). This updated information can also be obtained by contacting us.

## Currency management

Predominantly hedged

## Suggested minimum investment timeframe

7 years

## Summary of risk level

### Risk band

1	2	3	4	5	6	7
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### Risk label

Very low	Low	Low to medium	Medium	Medium to high	High	Very high
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The Fund's risk band and risk level are based on an estimation that the number of negative annual returns over any 20 year period would be 6 or greater. Information regarding the methodology used for calculating the risk level can be obtained by contacting us.

## Fund specific risks

Key risks of investing specific to the Fund may include or be associated with:

- companies
- derivatives
- gearing
- international investments
- investment management
- liquidity
- securities lending
- re-financing, and
- share market investments.

The 'Risks of investing' and 'Additional information about the Specialist Geared Australian Share Fund' sections of this PDS provides information about the risks noted above and other investment risks of which you should be aware.

This summary is not a complete description of the risks of investing in the Fund. Consequently, before choosing to invest or reinvest in the Fund, you should read this PDS and the ASIC Disclosure Principles document, and consider factors such as the likely investment return, the risks of investing and your investment timeframe.

<sup>1</sup> Due to gearing, the effective exposure to Australian equities can be up to 250%.

# Specialist Diversified Fixed Income Fund

## The Fund's investments

The Specialist Diversified Fixed Income Fund (referred to in this Fund profile as the 'Fund') provides exposure to a diversified portfolio of Australian and international fixed income securities including government securities, government-related securities, inflation-linked securities, corporate securities, asset-backed securities, cash, derivatives and foreign currency.

The Fund diversifies manager risk across a range of investment managers by using a multi-manager approach. Exposures are to managers who demonstrate competitive advantages, within the various investment styles that are used when investing in the Australian and international fixed income markets.

The diversity of exposure by investment style seeks to minimise the risk of underperformance should one particular investment style be out of favour within a particular investment timeframe.

## Investment objective

To provide a total return (interest income and capital growth) after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis.

## Performance benchmark

The performance benchmark is the weighted average return of the relevant market indices used to measure the performance of each specific asset class in which the Fund invests.

<b>Australian fixed interest</b>	Bloomberg AusBond Composite 0+ Yr Index	60%
<b>Global fixed interest</b>	Bloomberg Global Aggregate Index (Hedged to AUD)	40%

## Asset allocation and ranges

We regularly review the Fund's asset mix (long term strategic allocation and strategic ranges), and will rebalance the Fund where necessary to suit market conditions. The table below shows:

- the expected average, long term strategic allocation of the Fund (long term benchmark), and
- the strategic ranges for each asset class.

Asset class	Long term benchmark	Strategic range
Cash	0%	0-10%
Australian fixed interest	60%	40-80%
Global fixed interest	40%	20-60%
<b>Total</b>	<b>100%</b>	

If we change the long term strategic allocation, or strategic ranges, as set out above, a PDS update notice will be lodged online at [amp.com.au/investments-pds](http://amp.com.au/investments-pds). This updated information can also be obtained by contacting us.

## Currency management

Hedged

## Suggested minimum investment timeframe

3 years

## Summary of risk level

### Risk band

1	2	3	4	5	6	7
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### Risk label

Very low	Low	Low to medium	Medium	Medium to high	High	Very high
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The Fund's risk band and risk level are based on an estimation that the number of negative annual returns over any 20 year period would be within the range of 2 to less than 3. Information regarding the methodology used for calculating the risk level can be obtained by contacting us.

## Fund specific risks

Key risks of investing specific to the Fund may include or be associated with:

- asset allocation
- interest rates
- credit
- international investments
- sovereign default
- derivatives
- liquidity
- counterparty and default risk
- investment management
- convertible securities
- listed hybrid securities, and
- sectors.

The 'Risks of investing' section of this PDS provides further information about some of the risks noted above, as well as information about other investment risks of which you should be aware.

This summary is not a complete description of the risks of investing in the Fund. Consequently, before choosing to invest or reinvest in the Fund, you should read this PDS, and consider factors such as the likely investment return, the risks of investing and your investment timeframe.

# Specialist International Share Fund

## The Fund's investments

The Specialist International Share Fund (referred to in this Fund profile as the 'Fund') primarily invests in a diversified portfolio of listed international shares and blends specialist investment managers from around the world. The Fund may offer exposure to both large and small companies by market capitalisation size. The Fund offers diversity by region as it may be exposed to both developed and emerging markets.

The Fund may also invest up to 10% in cash. However, in certain market conditions the Fund may hold higher levels of cash.

The Fund diversifies manager risk across a range of investment managers by using a multi-manager approach. Exposures are to managers who demonstrate competitive advantages within the various investment styles that are used when investing in the international equity markets.

The diversity of exposure by investment style seeks to minimise the risk of underperformance should one particular investment style be out of favour within a particular investment timeframe.

## Investment objective

To provide total returns (income and capital growth) after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis.

**Performance benchmark** MSCI World (ex Australia) (ex Tobacco) Accumulation Index, with Net Dividends Reinvested

## Asset allocation and ranges

We regularly review the Fund's asset mix (long term strategic allocation and strategic ranges), and will rebalance the Fund where necessary to suit market conditions. The table below shows:

- the expected average, long term strategic allocation of the Fund (long term benchmark), and
- the strategic ranges for each asset class.

Asset class	Long term benchmark	Strategic range
Cash	0%	0-10%
International shares	100%	90-100%
<b>Total</b>	<b>100%</b>	

If we change the long term benchmark, or strategic ranges, as set out above, a PDS update notice will be lodged online at [amp.com.au/investments-pds](http://amp.com.au/investments-pds). This updated information can also be obtained by contacting us.

## Currency management

Unhedged

## Suggested minimum investment timeframe

7 years

## Summary of risk level

### Risk band

1	2	3	4	5	6	7
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### Risk label

Very low	Low	Low to medium	Medium	Medium to high	High	Very high
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The Fund's risk band and risk level are based on an estimation that the number of negative annual returns over any 20 year period would be 6 or greater. Information regarding the methodology used for calculating the risk level can be obtained by contacting us.

## Fund specific risks

Key risks of investing specific to the Fund may include or be associated with:

- companies
- derivatives
- international investments
- investment management
- liquidity
- securities lending, and
- share market investments.

The 'Risks of investing' section of this PDS provides further information about some of the risks noted above, as well as information about other investment risks of which you should be aware.

This summary is not a complete description of the risks of investing in the Fund. Consequently, before choosing to invest or reinvest in the Fund, you should read this PDS, and consider factors such as the likely investment return, the risks of investing and your investment timeframe.

# Specialist International Share (Hedged) Fund

## The Fund's investments

The Specialist International Share (Hedged) Fund (referred to in this Fund profile as the 'Fund') primarily invests in a diversified portfolio of listed international shares and blends specialist investment managers from around the world. This is achieved through the Fund's direct investment into the Specialist International Share Fund, with the aim of principally hedging the investment back to Australian dollars. The Fund may offer exposure to both large and small companies by market capitalisation size. The Fund further offers diversity by region as it may be exposed to both developed and emerging markets.

The Fund may also invest up to 10% in cash. However, in certain market conditions the Fund may hold higher levels of cash.

The Specialist International Share Fund diversifies manager risk across a range of investment managers by using a multi-manager approach. Exposures are to managers who demonstrate competitive advantages, within the various investment styles that are used when investing in the international equity markets.

The diversity of exposure by investment style seeks to minimise the risk of underperformance should one particular investment style be out of favour within a particular investment timeframe.

## Investment objective

To provide total returns (income and capital growth) after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis

**Performance benchmark** MSCI World (ex Australia) (ex Tobacco) Accumulation Index, with Net Dividends Reinvested, hedged to Australian dollars.

## Asset allocation and ranges

We regularly review the Fund's asset mix (long term strategic allocation and strategic ranges), and will rebalance the Fund where necessary to suit market conditions. The table below shows:

- the expected average, long term strategic allocation of the Fund (long term benchmark), and
- the strategic ranges for each asset class.

Asset class	Long term benchmark	Strategic range
Cash	0%	0-10%
International shares	100%	90-100%
<b>Total</b>	<b>100%</b>	

If we change the long term benchmark, or strategic ranges, as set out above, a PDS update notice will be lodged online at [amp.com.au/investments-pds](http://amp.com.au/investments-pds). This updated information can also be obtained by contacting us.

## Currency management

Hedged

## Suggested minimum investment timeframe

7 years

## Summary of risk level

### Risk band

1	2	3	4	5	6	7
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### Risk label

Very low	Low	Low to medium	Medium	Medium to high	High	Very high
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The Fund's risk band and risk level are based on an estimation that the number of negative annual returns over any 20 year period would be 6 or greater. Information regarding the methodology used for calculating the risk level can be obtained by contacting us.

## Fund specific risks

Key risks of investing specific to the Fund may include or be associated with:

- companies
- derivatives
- international investments
- investment management
- liquidity
- securities lending, and
- share market investments.

The 'Risks of investing' section of this PDS provides further information about some of the risks noted above, as well as information about other investment risks of which you should be aware.

This summary is not a complete description of the risks of investing in the Fund. Consequently, before choosing to invest or reinvest in the Fund, you should read this PDS, and consider factors such as the likely investment return, the risks of investing and your investment timeframe.



# Further information about the Funds

## Investment managers

### Adding, replacing and removing managers

Investment managers can be added, replaced or removed without prior notice to investors. In some instances, where a related party of the Responsible Entity has been selected as an underlying investment manager, it will also be reviewed, replaced and added in accordance with the criteria used for other investment managers. A list of current investment managers can be obtained by contacting us.

## Currency management

Except for the Specialist International Share Fund, in normal circumstances the Funds' international investments are fully hedged back to Australian dollars, with the aim of minimising effects of currency fluctuations within the Funds. However, some of the underlying funds in which the Funds invest may not hedge their international investments back to Australian dollars.

## Borrowing

Except for the Specialist Geared Australian Share Fund, the Funds are not restricted in the amount that they can borrow, and may borrow to meet their short term liquidity needs.

## Gearing

It is not our intention to gear the Funds through the use of borrowing or derivatives, other than the Specialist Geared Australian Share Fund where we may use borrowings to gear the fund.

However, underlying funds and securities in which the Funds invest may be geared through the use of derivatives or borrowing. The Funds will be managed such that their risk characteristics are consistent with their investment objectives.

For further information on gearing specific to the Specialist Geared Australian Share Fund, please refer to 'Additional information about the Specialist Geared Australian Share Fund' below.

## Short selling

The Specialist Australian Share Fund and Specialist Australian Small Companies Fund and some of the underlying funds in which the other Funds invest may use short selling. Short selling involves the sale of an asset not owned by the seller at the time they agree to sell. The aim of short selling is to sell at a high price and buy the asset at a later time, at a lower price. In order to short sell, the seller will typically borrow the asset from another party or use derivatives such as swaps.

## Derivatives

The Funds and/or the underlying managers may use derivatives such as options, futures, swaps or forward currency contracts with the aims of:

- increasing or reducing exposure to markets, relative to the underlying physical holdings and subject to the Fund's investment guidelines
- protecting against risks such as unfavourable changes in an investment's price brought about by, for example, changes in interest rates, credit risk, equity prices, currencies or other factors
- enhancing returns by taking advantage of favourable mispricings within a market, as a cost-effective alternative to purchasing physical assets, and
- implementing the Funds' investment objectives.

We impose restrictions on the use of derivatives within the Fund and monitor the implementation of these restrictions in accordance with the NMF Derivatives Risk Statement, which can be obtained online at [amp.com.au/investments](http://amp.com.au/investments), or free of charge by contacting us.

## Labour standards and Environmental, Social and Governance (ESG) considerations

A Fund's key investment decisions are based primarily on financial and economic factors, including investment style and approach. Some consideration is given to labour standards and ESG factors.

Further details can be found in the 'Labour standards and ESG considerations' in the 'Other important information' section of this PDS.

# Additional information about the Specialist Geared Australian Share Fund

The section provides additional information about the Specialist Geared Australian Share Fund (referred to in this section as the 'Fund').

## The Fund's investments

The Fund primarily invests in a portfolio of Australian companies listed, or about to be listed, on the ASX, and is not restricted in the sectors in which it invests. These sectors may include:

- financials (such as companies within banking and insurance)
- resources (such as companies in the mining industry)
- consumer services (such as supermarkets)
- healthcare
- telecommunications services
- industrials (such as companies primarily focused on the provision of commercial services and supplies, machinery manufacturing or construction engineering), and
- energy.

The Fund may also hold up to 15% in cash. However, in certain market conditions, it may hold higher levels of cash.

## International exposure

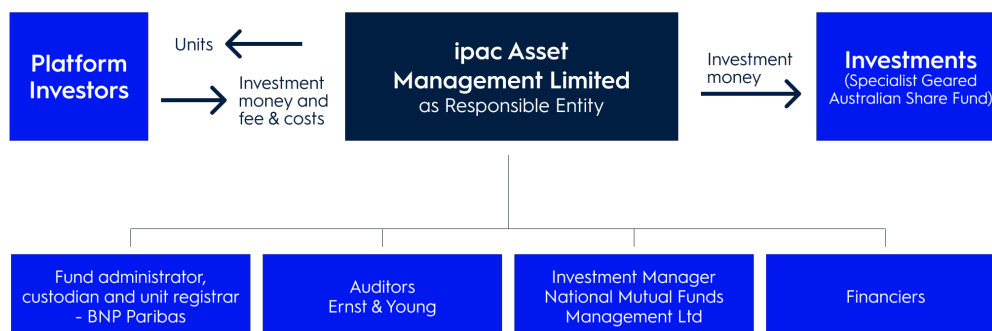
The Fund may also invest up to 5% in companies listed on international exchanges, including Australian companies listed overseas, where these investments are seen to add value and are consistent with the Fund's investment objectives\*.

International exposure may include investment in developed markets such as New Zealand, the United States of America or the United Kingdom.

\* The amount of exposure to international shares may change depending on market opportunities. Current exposure can be obtained by contacting us.

## Fund structure

The diagram below shows the flow of investment money.



## Jurisdictions

The Fund is domiciled in Australia.

The Fund predominately invests in Australian securities but may also consider investing in companies listed on overseas exchanges such as New Zealand, the United States of America or the United Kingdom.

## Fees and costs

In accordance with the Fund's constitution, NMFМ is entitled to receive fees for the provision of services to the Fund and to be reimbursed for certain expenditure incurred in the administration of the Fund.

## Due diligence process

The underlying specialist investment managers research efforts are primarily driven toward obtaining insights into earnings and assessing if a stock is likely to appreciate.

The investment managers due diligence processes may include such things as:

**Company contact** – including face-to-face company contact and includes one-on-one meetings as well as site and operational visits.

**Analysis** - includes the following:

- Fundamental bottom-up stock selection – financial modelling and forecasting (using independent effort and sources to the extent possible), valuation, quantifying their conviction in the investment case.
- Quantitative – financial modelling (using independent effort and sources to the extent possible) to identify pricing anomalies drawn from two families of empirical irregularities, value and momentum.
- Non-consensus information sources – information from non-consensus sources, such as suppliers, competitors, customers, industry bodies, networks and industry contacts, to be of high importance.

**Travel** – travel (both interstate and overseas) to visit related industries and suppliers, as well as the clients of companies in which the Fund invests. This provides investment managers with a broader perspective and, potentially, additional insights.

**Peer review and team meetings** – these are important steps in developing conviction. This process happens both formally (in team meetings) and informally. Investment managers are encouraged to discuss and review ideas and investment thinking internally and with our portfolio managers. This process is aimed at improving the consistency and quality of our investment insights through sharing knowledge, getting different perspectives, identifying risks and so forth. Any major change in views, new stock initiations and sector analysis should undergo a rigorous review.

**ESG Research** – NMFМ encourages the investment managers to consider sustainability, environmental and social responsibility, and corporate governance issues in their research. Inputs to the research process include meetings with company management and a range of other stakeholders (such as non-government organisations (NGOs), unions, government representatives and investors).

**External research** – NMFМ encourages the investment managers to pursue their research independently and foster strong relationships with companies under coverage. Investment managers are also encouraged to minimise the number of broker counterparties used, thus minimising the spread/impact of our brokerage commissions.

**External systems** – investment managers use of a variety of external tools to facilitate the research and portfolio construction process. These may include such systems as: Northfield and Barra risk models, FactSet Analytics, Charles River (CRIMS), IRESS and Bloomberg.

**Key service providers** – BNP Paribas Fund Services Australasia Pty Limited has been appointed to provide certain accounting, custodian and registry services to the Fund.

EY has been appointed as auditor to the Fund.

## Valuations

### Exchange traded assets

The Fund invests primarily in Australian and international securities which are exchange traded and prices are available on exchanges. Derivatives in which the Fund invests are also exchange traded. The Fund's exchange traded assets are valued at least each business day using the close price on the relevant exchange.

### Non-exchange traded assets

The Fund may also invest in companies which may soon be listed. These securities are valued daily at Initial Public Offering (IPO) cost by the Funds' independent administrator, in accordance with its Securities Pricing Policy.

All valuations for the assets of the Fund are in accordance with the NMFМ Asset Valuation Policy.

## Gearing

Gearing provides the Fund with the ability to borrow in order to increase the amount available for investment. The aim of this is to contribute more capital and to provide greater exposure to the Australian share market. NMFМ, as the investment manager, will take out a loan and invest the proceeds together with application money from investors. This means that if the Fund's gearing ratio is 60%, for every \$1 you invest, the Fund will borrow an additional \$1.50 to invest.

The Fund is 'internally geared', which means the Fund borrows the money instead of investors borrowing the money. The advantage of this internal gearing is that the Fund is able to use its capacity to qualify as a large investor and therefore borrow at competitive interest rates, and investors do not need to apply for a loan or offer security in market downturns as all gearing obligations are met within the Fund. The Fund's syndicated loan facility agreement is unsecured.

Gearing can result in significant variations in the value of the investment; consequently an investor can expect magnified returns and losses.

## How gearing works

The example that follows shows how gearing can affect returns in comparison to a fund that is not geared. This example is based on the following assumptions:

- \$10,000,000 initial investment amount
- \$10,000,000 in fund borrowings
- full amount invested \$20,000,000 (which represents a 50% gearing ratio)
- 5% pa interest rate (can be variable), and
- 5.63% pa\* total investment return net of fees and expenses (net investment return).

The return to investors would be:

	Geared	Ungeared
Initial investment	\$10,000,000	\$10,000,000
Asset value (including borrowings)	\$20,000,000	\$10,000,000
Net investment return (x asset value)	\$1,126,000	\$563,000
Less interest on borrowings (\$10,000,000 x 5% pa)	\$(500,000)	-
<b>Return \$</b>	<b>\$626,000</b>	<b>\$563,000</b>
<b>Return %</b>	<b>6.3% pa</b>	<b>5.6% pa</b>

\* The net investment return in the example is representative of the 5 year annualised return for the S&P/ASX 200 Accumulation Index as at 31 December 2024.

In this example there is a total return of 6.3% pa compared to 5.6% pa that would have been the net return if the investment had not been geared. Once the interest on the amount that is borrowed is paid, any surplus represents the return to investors. As interest rates rise, the net return for a geared fund will fall, and as interest rates fall, the net return for a geared fund will rise.

## Gearing management

We aim to manage gearing to a level that enhances returns over the long term. We expect the dividend income to exceed borrowing and other costs, and therefore enable the franking credits to pass through to investors. We aim to use dividend income of the Fund to make loan repayments.

We adhere to guidelines designed to minimise the risks associated with gearing. These include but are not limited to the following:

- the Fund's forecast income (dividend yield) from its investments must exceed the loan's interest expense
- the underlying investments must have a moderate level of tracking risk relative to the Fund's performance benchmark, and
- regardless of the Fund's level of income, the target gearing ratio is up to a maximum of 60%, which means that the investment manager will not borrow while the Fund's total borrowings are at a value equal to or greater than 60% of its total assets. This ratio is calculated by dividing the total interest bearing liabilities by the total assets of the Investment Fund. This means for every \$1 invested in the Fund, and additional \$1.50 may be borrowed to invest, resulting in a maximum gross exposure to the markets of up to 250%.

However, the Fund is not restricted in the amount that it can borrow, and may also borrow to meet its short term liquidity needs.

We review the gearing ratio daily and rebalance regularly in accordance with these guidelines. Additionally the gearing level is managed to ensure continued compliance within the current thin capitalisation safe harbour rules for continual tax deductibility of interest expenses.

## Additional risks

### Gearing and refinancing

Gearing has the effect of magnifying returns, both positive and negative, which means that the risk of loss of capital may be greater than if gearing did not take place.

The Fund has a syndicated facility agreement (agreement) with major banks. This agreement expires from time to time and there is a risk that any new agreement will not be under the same terms and conditions of previous agreements, as the cost and availability of leverage is dependent on the state of the broader credit markets, and increases in interest rates may affect the cost of borrowings and so reduce returns. Additionally, the Fund's ability to achieve its investment objectives may be affected where there are changes to its borrowing capacity, or if it is unable to obtain suitable finance or borrowings.

In connection with the loan taken out to provide the gearing, an event of default by the investment manager includes:

- failure by us to make payments when they are due
- insolvency of us, or the Fund, and
- breach of one of our representations or warranties.

The agreement is an unsecured facility, as such no assets are used as collateral. There is a risk that, if an event of default occurs, the loan providers may exercise their rights to demand the amount owing to be payable on demand or immediately due for payment by the Fund.

## Taxation considerations

As the Fund borrows to invest, it incurs an interest expense that may significantly reduce its taxable income. In the event that interest and other expenses exceed the Fund's assessable income, the Fund may be unable to make a cash distribution and as such may not be able to distribute franking credits that it receives. Regular monitoring and management of the gearing levels of the Fund reduces this risk. Further, any tax loss cannot be passed on to investors. Such a loss remains in the Fund and can only be used to offset future income and gains in the Fund, subject to satisfying certain tests.

## Further information

Information about the Fund's structure is also provided in the ASIC Disclosure Principles which is taken to be included in this PDS and should be read in conjunction with this PDS. This document is available online at [amp.com.au/investments](http://amp.com.au/investments) and can be obtained free of charge, on request.

# Risks of investing

## All investing involves risk

Generally, the higher the expected return, the higher the risk.

Assets with the highest long term returns may also carry the highest level of short term risk, particularly if you do not hold your investment for the suggested minimum investment timeframe. Additionally, different investment strategies may carry different levels of risk, depending on the assets in which a fund invests.

Whilst each Fund is managed with the aim of providing competitive investment returns against that Fund's investment objective and protecting against risk, you should be aware that the Funds are subject to investment risks, which could include delays in repayment, the non-payment of distributions and loss of capital invested.

When you invest in a fund, you should be aware that:

- returns are not guaranteed – future returns may differ from past returns, and the level of returns may vary, and
- the value of your investment may vary, and there may be the risk of loss of invested capital.

Investment risks can affect your financial circumstances in a number of ways, including:

- your investment in a Fund may not keep pace with inflation, which would reduce the future purchasing power of your money
- the stated aims and objectives of a Fund may not be met
- the amount of any distribution you receive from a Fund may vary or be irregular, which could have an adverse impact if you depend on regular and consistent distributions to meet your financial commitments, and
- your investment in a Fund may decrease in value, which means you may get back less than you invested.

The value of your investment in a Fund may be affected by the risks listed in this section and by other risks or external factors such as the state of the Australian and world economies, consumer confidence and changes in government policy, taxation and other laws.

Other factors such as your age, the length of time you intend to hold your investment, other investments you may hold, and your personal risk tolerance will affect the levels of risk for you as an investor. As the risks noted in this section do not take into account your personal circumstances, you should consider the information provided in 'Making an investment decision' at the end of this section, before making a decision about investing or reinvesting in a Fund.

## Risks specific to the Funds

### Asset allocation

There is no guarantee that the asset allocation approach will provide positive investment performance at all stages of the investment cycle.

### Climate

Climate-related risks reflect the potential negative effects of climate change on an entity. These can be categorised as physical or transition risks.

- **Climate-related physical risks**- can be event-driven (acute physical risk) or arise from longer-term shifts in climatic patterns (chronic physical risk). Acute physical risks arise from weather-related events, such as storms, floods, drought or heatwaves, of which there is evidence of increasing severity and frequency. Chronic physical risks can include changes in precipitation and temperature which have been shown to adversely impact sea levels, water availability, biodiversity and soil productivity. Climate-related physical risks may carry financial implications for an entity such as the cost of direct damage to assets or indirect effects of supply-chain disruption.
- **Climate-related transition risks**- are those that arise from efforts to transition to a lower carbon economy. Transition risks include policy, legal, technological, market and reputation risks. These may carry financial implications for an entity such as increased operating costs or asset impairment. An entity's financial performance could also be affected by shifting consumer demands and the development and deployment of new technology.

### Companies

When investing in an individual company, such as one listed on a share market, investors take on risks specific to that company. These may include disappointing profits or management changes, which can affect a company's share price.

### Convertible securities

As convertible securities are a combination of debt and equity, they have the risk characteristics of both fixed income and share market investments, as well as derivatives if applicable. In addition, there is the risk that convertible securities may not be able to be exchanged readily for cash or for an equivalent asset value.

## Counterparty and default

A counterparty is another party in a financial transaction. Counterparties can include the issuers of securities in which a fund invests and participants in financial transactions into which a fund enters. Losses can be incurred if a counterparty fails to honour its financial or contractual obligations. Asset values may be impacted by changes in the credit quality or credit rating of a counterparty. Investments in derivatives, fixed income and credit are subject to counterparty and default risk.

### Credit

Credit risk is the risk that the security issuer may default on interest payments, the repayment of capital, or both. Fixed income securities are subject to credit risk. Asset values may be impacted by changes in the credit quality or credit rating of a security issuer as well as changes in the value of other similar securities. Investments in government, corporate or other securities with a non-investment grade credit rating (that is, Standard & Poor's BB+ rating or equivalent, or less) carry increased default risk.

### Derivatives

There is risk of loss through the use of derivatives, including:

- the value of a derivative may not move in line with the value of its underlying asset
- a derivative position cannot be reversed
- leverage in derivatives may magnify losses
- the party on the other side of a derivative contract may default on financial or contractual obligations.

### Emerging markets

Emerging markets investments are those made in developing countries. As securities markets in developing countries are typically smaller, clearance and settlement procedures may be less sophisticated which could lead to delays in settling trades and registering securities transfers. Emerging markets can be more volatile than developed markets due to factors such as lower political stability, less market transparency and exchange rate uncertainty.

### Gearing

Gearing (borrowing against a fund's assets) has the effect of magnifying returns, both positive and negative. The risk of loss of capital may be greater than if gearing did not take place. Increases in interest rates may affect the cost of borrowing for gearing purposes and so also reduce a fund's returns.

### Listed infrastructure

Listed infrastructure securities are shares in publicly-traded companies that own, develop, manage and operate physical infrastructure assets. In addition to the risk characteristics of share market investments, these securities may also be affected by risks relating to the underlying direct infrastructure assets to which they are exposed. Such factors may include construction and project costs, interest rates and the ability to meet debt commitments, asset usage and regulatory changes.

## Interest rates

Cash and fixed income investments will be impacted by interest rate movements. While capital gains may be earned from fixed income investments in a falling interest rate environment, capital losses can occur in a rising interest rate environment. The potential for capital gain or loss tends to increase as the term to maturity of the investment increases.

### International investments

Changes in global economic and market conditions may affect the value of offshore investments. International investments may also be subject to:

- **Currency risk** - where investments are located overseas, the relative strength or weakness of the Australian dollar against other currencies may influence the value of, or income from, an investment.
- **Currency hedging** - international investments may be hedged to the Australian dollar to protect against currency risk. Even where currency hedging is in place, a fund could still incur losses related to exchange rate movements, and the hedging itself may give rise to risks such as illiquidity or default by the other party to the hedging transaction.
- **Offshore jurisdictional risk** - the laws by which offshore assets are governed may not provide equivalent protection to that of Australian laws and it may be more difficult for a fund to recover the full value of offshore assets.

### Investment management

There is a risk that the investment manager, or underlying managers in which a fund invests, does not perform to expectations. Changes, such as to the choice of underlying manager or within investment teams, may affect fund performance.

### Liquidity

Liquidity refers to the ease with which an asset can be traded (bought and sold). Assets that carry liquidity risk may be more difficult to buy or sell and it may take longer for their full value to be realised. Market conditions may adversely impact asset liquidity and may impact our ability to meet withdrawal requests within the periods specified under the 'Payment times' section of this PDS.

### Listed hybrid securities

As listed hybrid securities are a combination of debt and equity, they have the risk characteristics of both fixed income and share market investments, as well as derivatives if applicable. In addition, there is the risk that they may not be able to be exchanged readily for cash or an equivalent asset value.

### Markets

The value of the Fund's investments will rise and fall with the prices of the markets in which they are invested. All investments carry market risk, though it will vary depending on asset type and time period. Market risk may be influenced by factors specific to a market, such as market sentiment, economic factors, inflation or interest rates, or other events. The past performance or volatility of a market or asset class may not be a reliable indicator of future performance or risk.

### Prime broker

Securities of a fund forming collateral may be used by or transferred to the prime broker for its own purposes or the purposes of any third party. That fund has a contractual right against the prime broker for the return of securities equivalent to such collateral. Cash received by the prime broker constituting collateral will be transferred to the prime broker, and all right, title and interest in such cash, will pass to the prime broker outright. There is a risk that the prime broker may not return equivalent securities or value to a fund, or collateral may not be returned to us when requested, which may have an adverse impact on the value of your investment in that fund. This may occur, for example, where the prime broker becomes insolvent.

### Sectors

Where a fund has a high exposure to a particular sector, the underperformance of that sector may have a proportionately greater negative effect on overall performance.

### Securities lending

A fund, and underlying funds or entities in which it invests, may engage in securities lending and borrowing, which involves transfer of title of eligible securities and other assets. While this may benefit a fund in the form of increased returns, there is a risk of capital loss.

### Share market investments

Share markets can be volatile, meaning they have the potential to rise and fall by large amounts over short time periods. Over the long term, share market investments have historically produced higher returns than cash or fixed interest investments, but there is always the risk of capital loss especially over the shorter term. The value of listed share market securities may fall in response to broad dynamics, such as a slowdown in economic growth, or due to factors specific to individual sectors or companies, such as disappointing profits or management changes.

### Short selling

The investment manager, or underlying managers, may use strategies such as short selling, which aims to sell an asset at a high price and buy it later at a lower price. The nature of short selling means the potential loss to a portfolio that employs this strategy may be greater than for outright purchase and sale transactions, as the potential increase in price of the asset sold (and hence the potential loss) is unlimited.

### Small companies

When investing in an individual company, such as one listed on a share market, investors take on risks specific to that company. These may include disappointing profits or management changes, which can affect a company's share price. In the case of small companies, these specific risks may be magnified due to their scale of operations. In addition, shares in small companies may be traded less frequently and in lower volumes.

### Sovereign default

Investments in government securities carry the risk that a government may default on interest payments, the repayment of capital or both, with regard to its country's debt.

### Unforeseen extraordinary events

Certain events beyond our reasonable control such as natural disasters or phenomena, changes in government or government policies, political unrest, war and terrorism may affect market and asset prices and give rise to increased or prolonged market volatility. It may not be possible to insure assets against some of these events and their duration and potential impact may not be foreseeable.

### Other risks

#### Asset valuation risk

Where the assets are accessed through an underlying fund and valued using the most recent unit price of that underlying fund to determine the market value of the investment, the valuation of the underlying assets is based on the valuation methodology of that fund. Some of these underlying funds currently value their assets at par or acquisition value plus any accrued income up to the valuation date.

Other risks of investing may apply and you should seek appropriate advice before investing.

#### Making an investment decision

As the risks noted in this PDS do not take into account your personal circumstances, you should consider the following before making a decision about investing or reinvesting in a Fund:

- **Obtain professional advice** to determine if a Fund or Funds suit your investment objectives, financial situation and particular needs.
- **Ensure** you have read the most up-to-date Specialist Funds PDS.
- **Consider** the suggested minimum investment timeframe for a Fund or Funds, as set out in this PDS.
- **Regularly review** your investments in light of your investment objectives, financial situation and particular needs.

# Fees and other costs

## Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

## To find out more

If you would like to find out more, or see the impact of fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC) Moneysmart** website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in the 'Taxation' section of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Unless otherwise specified, all dollar amounts are Australian dollars.



**Table 1 - Specialist Funds**

Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs</b>		
<i>Management fees and costs</i> <sup>1</sup> The fees and costs for managing your investment.	Management fees and costs range between 0.61% and 2.43% pa of the Fund's net assets, depending on the Fund (see the 'Ongoing annual fees and costs and buy/sell spreads' table on page 27 for details)	Management fees and costs are comprised of: <ul style="list-style-type: none"> <li>- a <b>management fee</b><sup>2</sup> - calculated daily and paid monthly out of the Funds' assets and reflected in the unit price.</li> <li>- <b>indirect costs</b><sup>3</sup> - calculated on the basis of the Responsible Entity's reasonable estimate of such costs and paid out of the Funds' assets or interposed vehicle's<sup>4</sup> assets once the cost is incurred and reflected in the unit price.</li> </ul>
<i>Performance fees</i> <sup>5</sup> Amounts deducted from your investment in relation to the performance of the product.	Estimated performance fees range between 0.00% and 0.36% pa of the Fund's net assets, depending on the Fund (see the 'Ongoing annual fees and costs and buy/sell spreads' table on page 27 for details)	Paid out of the Fund's assets or interposed vehicle's assets when the costs are incurred and reflected in the unit price.
<i>Transaction costs</i> <sup>6</sup> The costs incurred by the scheme when buying and selling assets.	Estimated transaction costs range between 0.06% and 0.70% pa of the Fund's net assets, depending on the Fund (see the 'Ongoing annual fees and costs and buy/sell spreads' table on page 27 for details)	Paid out of the Fund's assets when the costs are incurred and reflected in the unit price. The amount shown is net of any transaction costs recovered from investors via buy-sell spreads (see below).
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)</b>		
<i>Establishment fee</i> The fee to open your investment.	Nil	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment.	Nil	Not applicable
<i>Buy/sell spread</i> <sup>6</sup> An amount deducted from your investment representing costs incurred in transactions by the scheme.	Buy/sell spread ranges from 0.10% and 0.30%, depending on the Fund (see the 'Ongoing annual fees and costs and buy/sell spreads' table on page 27 for details)	When you invest in or withdraw from a Fund, you may incur buy/sell spreads applicable at that time and this amount is reflected in the unit prices for that Fund. The buy spread is taken out of application amounts. The sell spread is taken out of withdrawal amounts.
<i>Withdrawal fee</i> The fee on each amount you take out of your investment.	Nil	Not applicable
<i>Exit fee</i> The fee to close your investment.	Nil	Not applicable
<i>Switching fee</i> The fee for changing investment options.	Nil	Not applicable

- 1 Management fees and costs are expressed as a percentage of each Fund's net assets. Management fees and costs are made up of a management fee, recoverable expenses and estimated other indirect costs. The sum of these figures may differ to the total management fees and costs, due to rounding. For more information about management fees and costs, see 'Management fees' and Indirect costs' under the heading 'Additional explanation of fees and costs'.
- 2 The management fee may be negotiated with investors who are wholesale clients for the purposes of the Corporations Act. See 'Differential fees' under the heading 'Additional explanation of fees and costs'.
- 3 For more information on the meaning and calculation of indirect costs, see 'Indirect costs' under the heading 'Additional explanation of fees and costs'.
- 4 For more information on the meaning of interposed vehicles, see 'Indirect costs' under the heading 'Additional explanation of fees and costs'.
- 5 The estimated performance fee is based on the average of the actual performance fees charged (including by interposed vehicles) for this unit class over the previous five financial years. This estimate is inclusive of Goods and Services Tax (GST) less reduced input tax credits. It is provided as an estimate only and is not a forecast. The actual performance fee from time to time may be higher, lower or not payable at all. For more information, see 'Performance fees' under the heading 'Additional explanation of fees and costs'. Currently, there are no performance fee arrangements in place for the Specialist Diversified Fixed Income Fund.
- 6 For more information about transaction costs and buy/sell spreads that may apply, see 'Transaction costs' under the heading 'Additional explanation of fees and costs'

## Fee amounts in this PDS

Fee amounts shown in this PDS are the fees the Responsible Entity charges platform operators investing through this PDS. If you are an indirect investor, please contact your financial adviser or platform operator for details of the fee amounts relating to your investment in the Fund.

Fees may be payable to your financial adviser; these fees are additional to the fees and costs noted in Table 1 (refer to the Statement of Advice provided by your adviser).

## Example of annual fees and costs

Table 2 gives an example of how the ongoing annual fees and costs in the Specialist International Share Fund can affect your investment over a one year period. You should use this table to compare this product with other managed investment products. The ongoing annual fees and costs shown in this table are an example only and are not additional to the fees and costs described in Table 1.

**Table 2**

Example – Specialist International Share Fund Balance of \$10,000,000 with a contribution of \$5,000 during the year		
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>Plus</b> Management fees and costs <sup>1</sup>	0.96% pa of the Fund's net assets	<b>And</b> , for every \$10,000,000 you have in the Fund you will be charged \$96,000 <sup>2</sup> each year.
<b>Plus</b> Performance fees	0.08% pa of the Fund's net assets	<b>And</b> , you will be charged \$8,000 <sup>2</sup> in performance fees each year.
<b>Plus</b> Transaction costs	0.09% pa of the Fund's net assets	<b>And</b> , you will be charged \$9,000 <sup>2</sup> in transaction costs.
<b>Equals</b> Cost of the Fund <sup>3</sup>		If you had an investment of \$10,000,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged a fee of <b>\$113,000<sup>3</sup></b>
<b>What it costs you will depend on the fund you choose and the fees you negotiate.</b>		

- 1 Management fees and costs are expressed as a percentage of the Specialist International Share Fund's net assets. Management fee and costs are made up of a management fee of 0.95% pa, recoverable expenses of 0.00% pa and estimated other indirect costs of 0.01% pa. The sum of these figures may differ to the total management fees and costs, due to rounding.
- 2 These fees and costs do not include the management fees and costs, performance fees and transactions costs charged on the additional \$5,000 investment.
- 3 This cost does not include any advice fees paid to your financial adviser (see 'Payments to your financial adviser' in this section).

## Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your investment over a 1-year period for all other Funds. It is calculated in the manner shown in the 'Example of annual fees and costs' (Table 2 above).

The cost of product assumes a balance of \$10,000,000 at the beginning of the year with a contribution of \$5,000 during the year. Additional fees such as an establishment fee or an exit fee may apply: refer to the Fees and costs summary for the relevant Fund.

You should use this figure to help compare this product with other products offered by managed investment schemes.

Fund name	Cost of product <sup>4</sup>
Specialist Australian Share Fund	\$129,000
Specialist Australian Small Companies Fund	\$177,000
Specialist Geared Australian Share Fund	\$349,000
Specialist Diversified Fixed Income Fund	\$67,000
Specialist International Share (Hedged) Fund	\$120,000

- 4 These fees and costs do not include the management fees and costs, performance fees and transaction costs charged on the additional \$5,000 investment.

## Additional explanation of fees and costs

### Ongoing annual fees and costs and buy/sell spreads

The ongoing annual fees and costs shown in Table 1 comprise the following components for each Fund:

- management fees
- indirect costs - recoverable expenses and estimated other indirect costs
- estimated performance fees
- transaction costs, and
- buy/sell spreads.

The sum of these figures may differ to the total management fees and costs, due to rounding. All figures in the table below are expressed as a percentage of the net assets of the Funds.

Fund name	Management fee <sup>1</sup> (% pa)	Indirect costs <sup>1</sup> (% pa)		Estimated performance fees (% pa) <sup>2</sup>		Transaction costs (% pa)	Buy/sell spreads (%) <sup>4</sup>
		Recoverable expenses <sup>3</sup>	Estimated other indirect costs	Performance fees charged to the Fund by underlying managers	Performance fees charged by interposed vehicles		
Specialist Australian Share Fund	0.80	0.00	0.00	0.14	0.14	0.21	0.15/0.15
Specialist Australian Small Companies Fund	1.13	0.05	0.00	0.36	0.00	0.23	0.20/0.20
Specialist Geared Australian Share Fund	1.10 (gross) /2.41 (net)	0.01 (gross) /0.02 (net)	0.00	0.36	0.00	0.70	0.30/0.30
Specialist Diversified Fixed Income Fund	0.59	0.02	0.01	N/A	N/A	0.06	0.10/0.13
Specialist International Share Fund	0.95	0.00	0.01	0.06	0.02	0.09	0.15/0.15
Specialist International Share (Hedged) Fund	0.95	0.02	0.01	0.00	0.07	0.15	0.15/0.15

- 1 Management fees and costs are expressed as a percentage of the relevant Funds' net assets, rounded to two decimal places. Management fees and costs are made up of a management fee and estimated indirect costs. Any management fees, recoverable expenses and indirect costs charged by interposed vehicles are included in the management fees and costs in Table 1 and the table above, they are not an additional cost to you.
- 2 The estimated performance fee is based on the average of the actual performance fees charged (including by interposed vehicles) for this unit class over the previous five financial years. This estimate is inclusive of Goods and Services Tax (GST) less reduced input tax credits. It is provided as an estimate only and is not a forecast. The actual performance fee from time to time may be higher, lower or not payable at all. For more information, see 'Performance fees' under the heading 'Additional explanation of fees and costs'. Currently, there are no performance fee arrangements in place for the Specialist Diversified Fixed Income Fund.
- 3 The recoverable expenses are the expenses reimbursed from the Funds in the previous financial year. Past recoverable expenses reimbursed from the relevant Fund may not be a reliable indicator of future recoverable expenses. See the 'Recoverable expenses' section for further information.
- 4 The buy and sell spreads may change at any time to reflect changing market conditions. Current buy and sell spreads can be obtained online at [amp.com.au/investments-spreads](http://amp.com.au/investments-spreads) or by contacting us.

## Management fee

The management fee is charged by the Responsible Entity for managing and operating the relevant Fund. Other than in relation to the Specialist Geared Australian Share Fund, the management fees stated above are charged on the net value of the assets of the relevant Fund. The fee is calculated and charged in this way even though the constitution for each of the Funds allows management fees to be based on the gross value of the assets (that is, without deducting the value of any borrowings, other liabilities or provisions).

For the Specialist Geared Australian Share Fund, the management fee of 1.10% pa is charged on the value of the gross assets of the Fund. When calculating the value of gross assets of the Fund for this purpose, we may value any interests held by the Fund in underlying assets by reference to the gross assets of the underlying assets (that is, disregarding the value of any borrowings, other liabilities or provisions in those underlying assets) rather than the net asset value. For the purpose of the figures shown in the above table, in relation to the Specialist Geared Australian Share Fund, the figures have been shown with respect to the management fee that is charged on the gross assets and the indirect costs incurred in relation to the gross assets and also states these figures expressed as a percentage of the Fund's net assets.

## Indirect costs

Indirect costs are generally any amount the Responsible Entity knows or estimates will reduce a Fund's returns, that are paid from the Fund's assets or the assets of interposed vehicles.

Generally, an interposed vehicle is a body, trust or partnership in which the Fund's assets are invested. It includes, for example, an underlying fund.

The amount of indirect costs include, but are not limited to:

- recoverable expenses of the Funds
- management fees and costs of an interposed vehicle (including recoverable expenses and any other indirect costs of underlying managers or interposed vehicles in which a Fund invests), and
- a reasonable estimate of the costs of investing in over-the-counter (OTC) derivatives (either at a Fund level or in interposed vehicles), which may be used by the Funds to gain economic exposure to assets (if applicable).

The amount of indirect costs shown in the 'Ongoing annual fees and costs and buy/sell spreads' table is based on the Responsible Entity's knowledge of, or where required, reasonable estimate of, such costs. Indirect costs are generally calculated on the basis of indirect costs paid by a Fund in that Fund's previous financial year. As such, the actual indirect costs may differ from the amount shown in the 'Ongoing annual fees and costs and buy/sell spreads' table. Indirect costs are deducted from the returns on your investment or from the relevant Fund's assets as a whole. They are reflected in the unit price and are not an additional cost to you. Estimated indirect costs are included in the management fees and costs in Table 1.

## Recoverable expenses

Each Fund's constitution entitles the Responsible Entity to be reimbursed from the Fund for any expenses incurred in relation to the proper performance of its duties.

The Responsible Entity may also recover other expenses relating to the operation of the Funds. These expenses include but are not limited to audit and legal fees, tax and accounting services, custody, administration and registry services, regulatory compliance, the cost of preparing disclosure documents and costs associated with a securities lending program (if applicable). Internal expenses we incur in connection with these matters may also be recovered from the Funds. Recoverable expenses are included in the management fees and costs in Table 1.

## Performance fees

The Funds are charged performance fees by **underlying** managers and interposed vehicles in which the Funds invest have charged performance fees, which are shown in the 'Ongoing annual fees and costs and buy/sell spreads' table.

An **underlying** manager may charge a performance fee of up to 25.65% (inclusive of Goods and Services Tax (GST) less reduced input tax credits) of the **underlying** manager's outperformance of the portion of the Funds' assets they are managing, based on the **underlying** manager's outperformance above their relevant benchmark.

Currently, there are no performance fee arrangements in place for the Specialist Diversified Fixed Income Fund.

Investment managers receive performance fees if they meet specific investment performance targets, which means an investment manager may earn a performance fee irrespective of a particular Fund's overall performance.

## Benchmark indices

The performance target that a manager, or an underlying fund in which the Fund invests, must achieve before a performance fee is payable is measured by the performance of the benchmark index and is tailored to the asset class managed by that manager.

## Underlying manager's performance fee example

If you invested \$10,000,000 in a Fund and 20% of the Fund's assets are managed by an underlying manager that has a performance fee and they outperform their performance benchmark index by 1% in a year, the indirect cost to you would be \$5,130. This estimate is inclusive of GST less reduced input tax credits and is provided as an example only and is not a forecast. The actual performance fee may be higher, lower or not payable at all. This is dependent on factors which include the performance fee rate, underlying manager's outperformance and the percentage of assets managed.

## Updated fees and costs information

The fees and costs information are based on the Responsible Entity's actual knowledge, or reasonable estimate, of the particular fee or cost. Estimates may be based on a number of factors, including (where relevant), previous financial year information, information provided by third parties or as a result of making reasonable enquiries, and typical costs of the relevant investment. As such, the actual fees and costs may differ and are subject to change from time to time. Updated information that is not materially adverse to investors will be updated online at [amp.com.au/investments-pds](http://amp.com.au/investments-pds), or you may obtain a paper copy or an electronic copy of any updated information from us, free of charge, on request. However, if a change is considered materially adverse to investors, the Responsible Entity will issue a supplementary or replacement PDS, which will be available online. You can also obtain a copy of these documents free of charge, by contacting us.

## Transaction costs

The Funds incur transaction costs when dealing with the assets of the Funds. Transaction costs may include transactional brokerage, clearing costs, stamp duty, the buy and sell spreads of any underlying fund and the costs of (or transaction costs associated with) derivatives. These costs will differ according to the type of assets in the Funds, or for the purpose for which any derivatives are acquired and will be paid out of Fund assets when incurred.

We estimate the Funds' total gross transaction costs to be approximately:

Fund name	Transaction costs (as % of the net assets of the Fund)
Specialist Australian Share Fund	0.22%
Specialist Australian Small Companies Fund	0.28%
Specialist Geared Australian Share Fund	0.79%
Specialist Diversified Fixed Income Fund	0.07%
Specialist International Share Fund	0.09%
Specialist International Share (Hedged) Fund	0.18%

The transaction costs included in Table 1 are shown net of the buy-sell spreads incurred by investors.

## Buy and sell spreads

Transaction costs associated with dealing with the Funds' assets may be recovered by the Funds from investors.

Investments and withdrawals in the Funds may incur buy and sell spreads, which are designed to ensure, as far as practicable, that any transaction costs incurred as a result of an investor entering or leaving a Fund are borne by that investor, and not other investors.

Buy and sell spreads are calculated based on the actual or estimated costs the Funds may incur when buying or selling assets. They will be influenced by our experience of the costs involved in trading these assets in different market conditions or the costs that the Funds have actually paid, and will be reviewed whenever necessary to ensure they remain appropriate.

When you enter or leave the Funds, any buy or sell spread applicable at that time is a cost to you and is reflected in the unit price. The buy and sell spreads are retained within the Funds, as assets of the Funds; they are not fees paid to the Responsible Entity, NMF or any investment manager.

The buy spread is taken out of application amounts. The sell spread is taken out of withdrawal amounts.

The buy and sell spreads for the Funds are the weighted average buy and sell spreads of the underlying funds in which the Funds invest.

Based on a buy spread of 0.15% and a sell spread of 0.15%, an investment of \$10,000,000 would incur a buy spread of \$15,000, and a withdrawal of \$10,000,000 would incur a sell spread of \$15,000. This is an example only; it is not an estimate or forecast. The actual buy and/or sell spreads may be higher or lower.

Current buy and sell spreads can be obtained by contacting us, or can be obtained at [amp.com.au/investments-spreads](http://amp.com.au/investments-spreads).

If investments and withdrawals in the Funds incur buy and sell spreads, we estimate that the buy and sell spreads shown in the 'Ongoing annual fees and costs and buy/sell spreads' table on page 27 will recover the Funds' transaction costs incurred due to investor activity. However, the balance of the Funds' transaction costs will be borne by the Funds from the Funds' assets without any recovery from individual investors and reflected in the Funds' unit prices.

The following table shows a breakdown of the total estimated transaction costs and how these are borne by investors.

Fund name	Total estimated transaction costs	Estimated transaction costs offset by buy/sell spreads	Estimated transaction costs borne by the Fund
Specialist Australian Share Fund	0.22%	0.01%	0.21%
Specialist Australian Small Companies Fund	0.28%	0.05%	0.23%
Specialist Geared Australian Share Fund	0.79%	0.09%	0.70%
Specialist Diversified Fixed Income Fund	0.07%	0.01%	0.06%
Specialist International Share Fund	0.09%	0.00%	0.09%
Specialist International Share (Hedged) Fund	0.18%	0.03%	0.15%

## Other costs

### Borrowing costs

Borrowing costs (or gearing costs) are the costs associated with borrowing money or securities (such as interest, establishment fees, government charges and stock borrowing fees). Borrowing costs are paid out of the Funds' assets or the underlying fund's assets (as the case may be) and reflected in the unit price. Borrowing costs are additional to the fees and costs noted in Table 1 above.

### Costs related to certain specific assets or activities to produce income

The Fund may also incur costs (related to certain specific assets or activities to produce income) that an investor would incur if they invested directly in a similar portfolio of assets. These costs will be paid out of the Fund's assets and are additional to the fees and costs noted in Table 1 above.

### Liabilities properly incurred

Each Fund's constitution entitles the Responsible Entity to be indemnified from the Funds for any liability properly incurred.

## Maximum fees

The maximum fees that can be charged under the Funds' constitutions (exclusive of GST) are:

- **Contribution fee** - Specialist Australian Share Fund - 6% of the application amount, other Specialist Funds - 5% of the application amount. Currently, no contribution fee is charged.
- **Withdrawal fee** - 5% of the withdrawal amount (there is no withdrawal fee for the Specialist Australian Share Fund). Currently, no withdrawal fee is charged.
- **Management fee** - Specialist Australian Share Fund - 2% per annum of the gross value of the assets of the Fund, other Specialist Funds - 3% per annum of the gross value of the assets of the Fund. For all the Funds other than the Specialist Geared Australian Share Fund, a lower amount is charged, calculated by reference to the net asset value of the Fund. For the Specialist Geared Australian Share Fund, a lower amount is charged by reference to the gross assets of the Fund, increased by any borrowings in underlying assets. See the 'Ongoing annual fees and costs and buy/sell spreads' table on page 27 for the current management fees charged.
- **Trusteeship fee** - Specialist Australian Share Fund - 0.1% per annum of the value of the assets in an amount up to \$50,000,000 and 0.09% per annum of the value of the assets in excess of \$50,000,000, accruing daily and payable on the last business day of each quarter. We currently do not charge a trusteeship fee.

Under the Funds' constitutions, the Responsible Entity is entitled to be paid an additional amount on the above fees, on account of GST, calculated in accordance with the Funds' constitutions.

## **Changes to fees**

The Responsible Entity may change the fees noted in this PDS at its discretion and without the consent of platform operators or indirect investors. For example, fees may be increased where increased charges are incurred due to changes to legislation, where increased costs are incurred, if there are significant changes to economic conditions, or if third parties impose or increase processing charges. However, we will give platform operators 30 days' written notice of any intention of the Responsible Entity to increase the existing fees, or introduce performance fees or contribution or withdrawal fees.

## **Goods and Services Tax**

Unless otherwise stated, the fees and other costs shown in this section are inclusive of GST, less reduced input tax credits or other input tax credits claimable, rounded to two decimal places. For information about the tax implications of investing in the Funds, refer to the 'Taxation' section of this PDS.

## **Differential fees**

A rebate of part of the management fee or a lower management fee may be negotiated with investors who are wholesale clients for the purposes of the Corporations Act or with AMP Group staff. Further information can be obtained by contacting us.

## **Alternative forms of remuneration**

NMFM and the Responsible Entity may provide alternative forms of remuneration, such as professional development, sponsorship, and entertainment for financial advisers, dealer groups and master trust or investor directed portfolio service (IDPS) operators, where the law permits. Where such benefits are provided, they are payable by NMFM or the Responsible Entity and are not an additional cost to you. NMFM and the Responsible Entity maintain a register to record any material forms of alternative remuneration NMFM or the Responsible Entity may pay or receive.

## **Payments to your financial adviser**

Although we do not make any payments to financial advisers whose clients invest in the Funds through this PDS, your financial adviser may receive payments and/or other benefits from the dealer group or organisation under which they operate. These payments and benefits are not a cost to the Fund.

## **Other payments**

Payments may be made to entities such as dealer groups, platform operators, master trusts and investment administration services in relation to the Funds, where the law permits. These payments are not a cost to you.

The amount of these payments may change during the life of this PDS. For further information, please refer to the offer document issued by the relevant entity.

# Taxation

## Taxation treatment of your investment

It is important that you seek professional taxation advice before you invest or deal with your investment, as the taxation system is complex, and the taxation treatment of your investment will be specific to your circumstances and to the nature of your investment.

These comments are for information purposes and are intended for tax paying investors who hold their investment on capital account for income tax purposes and are based on our interpretation of Australian taxation laws and Australian Taxation Office administrative practices at the date of publication of this document.

The Funds are Managed Investment Trusts (MITs) and will be administered as Attribution Managed Investment Trusts (AMITs).

Under the AMIT tax regime, you are taxed on the taxable income that is attributed to you by the Responsible Entity on a fair and reasonable basis and in accordance with each Fund's constitution. You may be entitled to tax offsets, which reduce the tax payable by you, and concessional rates of tax may apply to certain forms of taxable income such as capital gains.

Australian resident individuals are liable to pay tax at their marginal rates on the taxable income attributed to them from each Fund. Generally, tax is not paid on behalf of investors. If you are not an Australian resident for income tax purposes, withholding tax may be payable on the taxable income of each Fund attributed to you at prescribed rates (even if not distributed in cash). Any withholding tax payable may be deducted from cash distributions or redemption proceeds, with any unrecovered withholding tax being a debt owing from you to a Fund.

Please note that at the time of your initial or additional investment there may be unrealised capital gains or accrued income in the Funds. If later realised, these capital gains and income may form part of the taxable income attributed to you. In addition, there may be realised but undistributed capital gains or income in the Funds, which may form part of the taxable income attributed to you.

Any losses generated by the Funds cannot be passed onto investors. However, where specific requirements are satisfied, that Fund should be eligible to offset losses to reduce later year income or capital gains.

You may also be liable to pay capital gains tax on any capital gains in respect of your investment, such as from disposing of your investment. You may instead realise a capital loss in respect of your investment, which may be used to reduce capital gains in the same or later years. The cost base of your investment, which is relevant when calculating any such capital gains or losses, may change over the duration of holding your investment. The cost base of your interest in the Funds may increase or decrease if the taxable income attributed to you differs to the amounts that you have received as a cash distribution.

Each year we will send you an AMIT Member Annual Statement (AMMA Statement), which will contain details of the taxable income attributed to you for the year, together with any net cost base adjustment amount by which the cost base of your interest in the Funds should be increased or decreased.

Taxation laws and administrative practices change from time to time. Such changes may impact the taxation of the Funds and you as an investor. It is your responsibility to consider and monitor the impact of any taxation reforms impacting your investment.

## Providing a Tax File Number (TFN)

You do not have to provide a TFN, exemption code or Australian Business Number (ABN) when you complete an application to invest or reinvest in the Fund. However, if you do not provide any of these, the Responsible Entity is required to withhold an amount equal to the highest marginal tax rate (plus any applicable levies) multiplied by the amount of taxable income attributed to you (even if not distributed in cash). Any such amount may be deducted from cash distributions or redemption proceeds, with any unrecovered amount being a debt owing from you to the Fund.



# Distributions

The Funds aim to pay distributions on the frequency outlined within the applicable sections of the 'At a glance' table in this PDS.

You should be aware that although the Funds' objective is to pay distributions, the amount of each distribution may vary or no distribution may be payable in the period specified.

Unit prices will normally fall after the end of each distribution period. Consequently, if you invest just before the end of a distribution period, some of your capital may be returned to you as income in the form of a distribution.

Any distributions you receive may affect the social security benefits to which you are or may be entitled, and you should consider discussing this with your financial adviser and Services Australia (Centrelink or the Department of Veterans' Affairs) (if applicable) before investing.

Distributions paid are based on the income earned by the relevant Fund and the number of units you hold at the end of the distribution period. For example, if you held 10,000,000 units in a Fund, and that Fund paid a distribution of \$0.02 per unit for the distribution period, you would receive \$200,000 (that is, 10,000,000 units x \$0.02 per unit). Please note that the distribution rate will vary for each distribution.

## Payment of distributions

### Platform operators

You can choose to have distributions:

- paid directly into your current nominated account, or
- reinvested in the Funds

by indicating your selection on your application form. If no selection is made, distributions will be reinvested.

### Indirect investors

Distributions are paid directly to platform operators. Payment of distributions to you is subject to the arrangement between you and the platform operator. Your financial adviser or platform operator can provide you with information about:

- how often distributions are paid, and
- the distribution payment method (eg paid directly into a nominated bank account or reinvested in the Funds).

## Reinvestment

Under the Funds' constitutions, the issue price for reinvested distributions is determined by the net asset value (adjusted by any distribution payable), any transaction costs and the number of units on issue in the unit class as at the last day of the distribution period. However, no buy spread is applied to reinvested distributions (see 'Buy and sell spreads' in the 'Fees and other costs' section of this PDS).

# Investing in the Funds

## Who can invest?

Applications to invest through this PDS can only be made by:

- platform operators, investing directly in the Funds, and
- indirect investors, investing in the Funds through a master trust or platform.

If you are an indirect investor, the platform operator is investing on your behalf (see 'Overview of the Funds' constitutions' in the 'Other important information' section of this PDS).

Please note that we can only accept applications signed and submitted from within Australia.

Further information is provided in the 'Applying for an investment' section of this PDS.

## How to invest

### Initial investment

To invest in the Funds you will need to complete an application form (see the 'Applying for an investment' section of this PDS).

### Additional investments

You will need to complete an application form each time you make an additional investment. Additional investments are made on the basis of the PDS current at the time of the additional investment.

More detailed information about how to invest is provided in 'Applying for an investment' section of this PDS.

## Processing applications

We generally process applications each Business Day<sup>1</sup>, using the close of business issue price for that day.

Currently, if we receive an application after 1.00pm or on a non-Business Day for us, we treat it as having been received before 1.00pm the next Business Day.

## Issue price

The issue price is determined under a Fund's constitution by reference to the net asset value and transaction costs pertaining to the relevant class of units, and the number of units on issue in that unit class.

The market value and net asset value of a Fund are normally determined at least each Business Day, using the market prices and unit prices of the assets in which a Fund is invested.

The Responsible Entity may exercise certain discretions in determining the unit price (see 'Unit Pricing Discretions Policy' in the 'Other important information' section of this PDS).

<sup>1</sup> A Business Day for us is any day other than Saturday, Sunday or a bank or public holiday in Sydney, NSW.

## Cooling off rights

### Platform operators

Cooling off rights do not apply in relation to an investment in a Fund.

### Indirect investors

Cooling off rights do not apply under this PDS. Your financial adviser or platform operator can provide you with the conditions, if any, that apply to returning your investment within the cooling off period set by the platform operator.

## The value of your investment

Investors in a managed investment scheme are issued with 'units', each of which represents a share of the value of the scheme's assets. The Funds have a number of classes of units. Investments made through this PDS relate to On-platform Class A units with the exception of the Specialist Australian Share Fund.

Investments in the Specialist Australian Share Fund made through this PDS relate to Wholesale units.

Unit prices can rise and fall on a daily basis depending on a number of factors, including the market value of the relevant Fund's assets. Consequently, the value of your investment will vary from time to time.

### Platform operators

The value of your investment at any point in time is calculated by multiplying the number of units you hold, by the unit price relevant to the unit class current at that time. Unit prices are updated regularly online at [amp.com.au/investments](http://amp.com.au/investments) and can also be obtained by contacting us.

### Indirect investors

When you invest through this PDS, the platform operator holds units on your behalf. The value of your investment at any point in time is calculated by multiplying the number of units held for you, by the unit price set by the platform operator. Your financial adviser or platform operator can provide you with the current unit price relevant to your investment in the Fund.

## Risk

The Funds are not capital guaranteed and the value of an investment in the Funds can rise and fall. You should consider the risks of investing before making a decision about investing in the Funds (see the 'Risks of investing' section of this PDS).

## Terms and conditions of investing

The offer to invest in the Funds are subject to the terms and conditions described in the Funds' current PDS and as set out in each Fund's constitution (see the 'Other important information' section of this PDS). The Responsible Entity reserves the right to change the terms and conditions (see below) and to refuse or reject an application.

We can only accept applications signed and submitted from within Australia. We cannot accept cash.

## Changes to the information in a PDS

Before making an investment decision, it is important to read a current PDS, as information provided in a PDS may change from time to time. If changes are not materially adverse to investors, the relevant information will be updated online at [amp.com.au/investments-pds](http://amp.com.au/investments-pds). However, if a change is considered materially adverse to investors, the Responsible Entity will issue a replacement or supplementary PDS which will be available online. You can also obtain a copy of the replacement or supplementary PDS free of charge, by contacting us.

The Responsible Entity may change a Fund's investment return objective or investment approach, from time to time, if it considers it to be in the best interests of investors. If it does so, it will advise investors.

## Retaining this PDS

You should keep this PDS and any replacement or supplementary PDS, as you may need to refer to information about a Fund for ongoing investing. We will send you a current PDS and any replacement or supplementary PDS free of charge, on request.

## Questions about your investment

### Platform operators

Please contact our Client Services team on 133 267 if you have questions relating to your investment.

### Indirect investors

You will need to contact your financial adviser or platform operator for information about your investment.

# Accessing your money

## Requesting a withdrawal

### Platform operators

Contact us in writing, telling us how much you wish to withdraw and giving your account details. Withdrawal requests can be submitted by email\* at [ampi\\_transactions@unitregistry.com.au](mailto:ampi_transactions@unitregistry.com.au), by using approved electronic trading systems, or by mail to National Mutual Funds Management Ltd - Unit Registry, GPO Box 804, Melbourne VIC 3001. Withdrawal amounts will be paid to your nominated account.

A balance of \$10,000,000 is generally required to keep your investment open. If your investment falls below this level, the Responsible Entity may redeem your investment and pay the proceeds to you. The Responsible Entity reserves the right, however, to accept lower account balances.

\* Please refer to 'Communicating electronically' in the 'Other important information' section of this PDS.

### Indirect investors

Contact your financial adviser or platform operator for details about:

- how to withdraw money
- how your withdrawal will be paid, and
- the minimum withdrawal amount and account balance set by the platform operator.

## Processing withdrawal requests

Generally, if our office receives a withdrawal request before 1.00pm on a Business Day, your withdrawal will be processed using the withdrawal price for that day. If received and accepted after 1.00pm, it will be processed using the withdrawal price for the next Business Day. If it is a non-Business Day your withdrawal will be processed using the next available withdrawal price.

The proceeds of your withdrawal request will usually be available within five (5) Business Days (see 'Payment times' in this section).

In circumstances where a Fund's portfolio consists of less than 80% in value of liquid assets, for example because of an unexpected fall in the value of those liquid assets against the value of the illiquid assets in a Fund's portfolio, we may not be able to meet withdrawal requests until a Fund's exposure to illiquid assets falls to 20% or less of its portfolio. We may, at our discretion, offer investors the opportunity to make withdrawals during this period. At such times, we will notify investors of the offer, providing details about:

- the period during which the offer will remain open, and
- which assets will be used to satisfy withdrawal requests.

We may also delay the payment and processing of your withdrawals in other circumstances (see 'Payment times').

## Withdrawal price

The withdrawal price is determined under each Fund's constitution by reference to the net asset value and transaction costs pertaining to the relevant class of units, and the number of units on issue in that unit class.

The market value and net asset value of the Fund are normally determined at least each Business Day, using the market prices and unit prices of the assets in which the Fund is invested.

The Responsible Entity may exercise certain discretions in determining the unit price (see 'Unit Pricing Discretions Policy' in the 'Other important information' section of this PDS)

## Payment times

Although we aim to process withdrawal requests within (five) 5 Business Days of receipt, you should be aware that:

- payment and processing of withdrawal requests is dependent on the relevant Fund's cash position, and
- other than the Specialist Diversified Fixed Income Fund\*, each remaining Funds' constitutions allow up to 30 days, or longer in some circumstances, to process withdrawal requests.

These circumstances include:

- where the Responsible Entity is unable to realise sufficient assets due to circumstances beyond its control, such as restricted or suspended trading in the market for an asset, or
- if the Responsible Entity does not consider it is in the best interests of investors to realise sufficient assets to satisfy a withdrawal request.

\* The Specialist Diversified Fixed Income Fund's constitution allows up to 21 days, or longer in some circumstances (shown above), to process withdrawal requests and it may also allow us to suspend our acceptance of withdrawal requests.

## Transfer of units

### Platform operators

Please contact us for all transfer requests.

### Indirect investors

You will need to contact your financial adviser or platform operator for information about the transfer of units.

# Keeping you informed

We will provide platform operators with the information set out below. Platform operators are responsible for forwarding the relevant investment and Funds information to indirect investors.

## Investment information

Confirmation of each transaction will be made available to the platform operator through their online access.

## Online access

Online access allows platform operators to view investment information and statements. To register for online access, please contact us.

## Fund information

We will provide platform operators with the following information free of charge, on request:

- the relevant Fund or Funds annual financial report
- a paper copy of any updated information, and
- any replacement or supplementary PDS.

# Other important information

## Rights attaching to each class of units

Each Fund has a number of classes of units. Under the Funds' constitutions, the different unit classes have different management fees, expenses and distributions, but otherwise all classes of units have similar rights.

## The Funds' constitutions

Each Fund is a managed investment scheme, structured as a unit trust and registered under the Corporations Act. Each Fund's constitution provides the framework for the operation of the Fund and with this PDS, the Corporations Act and other relevant laws, sets out the relationship between the Responsible Entity and unit holders. We will send you a copy of the relevant Fund's constitution free of charge, on request.

## Indirect investors

If you access a Fund through a master trust or wrap platform, you become an 'indirect investor', as the operator of your master trust or wrap platform (the platform operator) is investing on your behalf. Consequently the platform operator (or the custodian of the platform), and not you, holds the units in a Fund and has the rights of an investor (unit holder) in a Fund. For example, indirect investors do not have rights to attend and vote at unit holder meetings, to redeem units or receive distributions. Instead, the platform operator exercises those rights on your behalf in accordance with the arrangements they have with you. For information about your investment, you will need to contact your financial adviser or the operator of the platform through which you have invested.

## Overview of the Funds' constitutions

The following overview of the Funds' constitutions is mainly relevant to platform operators, as they are unit holders under the constitutions.

Some of the provisions of the Funds' constitutions, such as maximum fees, are discussed in this PDS. Further provisions relate to:

- the rights and liabilities of unit holders
- the times when processing of withdrawal requests can be extended, such as if a Fund is illiquid or it is not in the best interests of unit holders
- where taxes or other amounts can be deducted from payments to unit holders
- where transfers and applications may be refused
- the liability of the Responsible Entity to unit holders in relation to a Fund, which is limited to any liability imposed by the Corporations Act, so long as the Responsible Entity acts in good faith and without gross negligence
- the powers, rights and liabilities of the Responsible Entity, including its power to invest the assets of a Fund, to deal with itself and its associates, to be paid fees and to be reimbursed or indemnified out of the assets of a Fund
- the right of the Responsible Entity to be reimbursed by a unit holder or former unit holder for tax or expenses it incurs as a result of the unit holder's request, action or inaction, or to redeem units to satisfy amounts due to the Responsible Entity from a unit holder
- changing a Fund's constitution, including in some cases without unit holder approval, such as to meet regulatory changes
- the ability of the Responsible Entity to terminate a Fund at any time
- when the Responsible Entity can terminate a Fund or retire, and what happens if this occurs, and
- voting rights.

Although the Funds' constitutions limit a unit holder's liability to the value of their units, the courts have yet to determine the effectiveness of provisions like this.

## Related party transactions

Any transaction between NMFm or the Responsible Entity and any of their respective related parties must comply with the Corporations Act, related party protocols and AMP Group policies and procedures. For these purposes, a related party includes certain entities and individuals that have a close relationship with NMFm or the Responsible Entity. Related parties of the Responsible Entity include the Responsible Entity itself, entities that the Responsible Entity controls, funds operated or managed by the Responsible Entity and agents of the Responsible Entity.

As at the date of this PDS, the relevant policies and procedures that apply to related party transactions of NMFm or the Responsible Entity are contained in the AMP Conflicts Management Policy. Under this Policy, the parties must transact on terms that would be reasonable if they were dealing at arm's length, relevant legislative requirements must be satisfied and the interests of investors must be protected. The Policy will be reviewed on a regular basis and may change from time to time.

Further information on how we manage conflicts can be obtained by contacting us.

Under each Fund's constitution, the Responsible Entity may:

- deal with itself, an associate, investor or any other person
- be interested in and receive a benefit under any contract or transaction with itself, an associate, investor or any other person, or
- act in the same or similar capacity in relation to any other fund.

The Funds' constitutions also provide that amounts may be paid to related parties for services provided to NMFm or the Responsible Entity in connection with the Funds and for expenses. These payments are on arm's length terms.

## Compliance plan

The Responsible Entity has a compliance plan for each Fund that it manages, which sets out the measures that will apply in operating the Fund to ensure compliance with the Corporations Act and each Fund's constitution. The compliance plan is lodged with the Australian Securities and Investments Commission (ASIC) and is audited by independent auditors annually to determine compliance with it. The Responsible Entity has the obligation to monitor compliance with the compliance plan and oversight of the effectiveness of the risk and compliance framework.

## Continuous disclosure obligations

Where a Fund has more than 100 unitholders it is subject to regular reporting and disclosure obligations under the Corporations Act. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office or can be obtained free of charge by contacting us. These documents may include:

- each Fund's annual financial report most recently lodged with ASIC, or
- each Fund's half year financial report lodged with ASIC (after the lodgement of the annual financial report and before the date of the current PDS).

Where a Fund has continuous disclosure obligations, the Responsible Entity will meet those obligations by publishing material information online at [amp.com.au/investments](http://amp.com.au/investments).

## Complaints procedure

### Platform operators

NMFM and the Responsible Entity follow an established procedure to deal with complaints. Complaints are very important to us and we are committed to resolving them as quickly as possible. Depending on the type of complaint lodged, different timeframes apply for the resolution of the complaint. You can find out more information regarding timeframes on our website at [amp.com.au/support/complaints](http://amp.com.au/support/complaints).

If you have any concerns relating to your investment in the Fund, please contact us by email on [askamp@amp.com.au](mailto:askamp@amp.com.au), by telephone on 133 267 or in writing to National Mutual Funds Management Ltd, PO Box 300, Parramatta NSW 2124.

If the complaint is privacy related, please refer to our Privacy Policy for more details, which can be obtained online at [amp.com.au/privacy](http://amp.com.au/privacy).

### Indirect investors

You should contact your financial adviser or platform operator if you have a complaint related to your investment in the Fund. If your issue remains unresolved, you can contact the external dispute resolution scheme of which the platform operator is a member.

## Your privacy

### Platform operators

The main purpose in collecting personal information is so that we can set up and administer your investment account. If you do not provide the required information, we may not be able to process your application. If you would like us to not use your personal information for direct marketing purposes, please contact us.

Our Privacy Policy, which can be obtained online at [amp.com.au/privacy](http://amp.com.au/privacy) or by contacting us, sets out our policies on management of personal information. This information may be disclosed to other members of the AMP Group, financial advisers where applicable, to external service suppliers (including suppliers that may be located outside of Australia) who supply administrative, financial or other services that assist us in providing services to you, and to anyone you have authorised or if required by law.

You may access personal information held about you, although there are some exemptions to this. If you believe information held about you is inaccurate, incomplete or out of date, please contact us.

### Indirect investors

Your financial adviser or platform operator will collect personal information from you so that they can set up and administer your investment account. Your financial adviser or platform operator can provide you with information about how they use and disclose this information.

## Communicating electronically

When you communicate with us electronically (for example, by email), it is your responsibility to obtain confirmation from us that we have received your communication. Neither we nor the Responsible Entity are responsible for any loss or processing delay that occurs as a result of us not receiving your communication. Please note that we do not accept a sender's record as evidence that a communication has been received by us. You also indemnify us and the Responsible Entity against any loss or liability arising from us or the Responsible Entity acting on any fraudulent communication received by electronic means.

## Unit Pricing Discretions Policy

The Responsible Entity may exercise certain discretions in determining the unit price of units on application and withdrawal in a Fund. The Unit Pricing Discretions Policy, which can be obtained online at [amp.com.au/investments](http://amp.com.au/investments) or a copy can be obtained, free of charge, by contacting us, sets out the types of discretions that the Responsible Entity may exercise and in what circumstances the Responsible Entity exercises the discretions and the reasons why it considers the policies are reasonable. The Responsible Entity is required to keep a record of any instance where a discretion is exercised in a way that departs from these policies.

## Asset Valuation Policy

The Funds invest by either holding assets directly or by investing into underlying funds. Generally, these assets or underlying funds will be valued each Business Day using latest available market prices or most recent unit prices supplied by the manager of the relevant underlying fund. For particular asset or fund types, including property and infrastructure, these may be valued less frequently eg quarterly. The NMFM Asset Valuation Policy sets out the processes for valuing these particular asset types.

Further information on the NMFM Asset Valuation Policy can be obtained online at [amp.com.au/investments](http://amp.com.au/investments), or free of charge, by contacting us.

## Labour standards and Environmental, Social and Governance (ESG) considerations

Factors informing our investment decisions are primarily financial and economic, including investment style and approach. AMP Investments acknowledges there are links between a company's environmental and social impacts, the quality of its corporate governance and its long-term financial success.

AMP Investments incorporates some consideration of ESG factors into the Funds' investment process, as more fully explained in the sections below.

### Selecting underlying managers

AMP Investments appoints underlying investment managers to invest the Funds' assets. This is structured in either of two ways, as follows:

– Direct holdings: A Fund's assets are held directly under an investment mandate agreement with an underlying manager. In this instance, as Responsible Entity, we are able to influence the manager's ESG considerations.

– Indirect holdings: A Fund's assets are held indirectly via investment in an underlying manager's pooled fund. In this instance, the ESG policies of that manager's pooled fund may apply, and AMP Investments may or may not have influence over ESG considerations.

### The majority of the assets of the Funds offered through this PDS are direct holdings except for the Specialist Diversified Fixed Income Fund.

The amounts of direct and indirect holdings may vary over time, depending on asset and manager allocation decisions, and market movements.

### Selecting, retaining and realising investments

A Fund's underlying managers are responsible for selecting, retaining and realising investments in a Fund. ESG considerations can be incorporated into this process in two ways: restricted investments and active ownership and proxy voting.

#### 1. Restricted investments

Restricted investments are represented in a Restricted investments list, which precludes an underlying manager from investing in certain companies and issuers based on AMP Investments' social and governance considerations.

For direct holdings, which is the majority of each Fund's assets except for the Specialist Diversified Fixed Income Fund, the investment mandate agreement with the underlying manager includes a Restricted investments list. Investment in companies and issuers on this Restricted investments list are restricted. Investment is restricted because AMP Investments' process has identified companies or issuers based on the following business activities:

– Verified involvement in cluster munitions, anti-personnel landmines, biological and chemical weapons (developing, marketing, sales, brokering, operating, stockpiling, testing, training, the upgrade of these types of weapons, and including key components that are specifically designed for these weapons).

– Production of tobacco and nicotine based electronic cigarettes products<sup>1</sup>.

– A company earning more than 50% of its revenue from the sale or distribution of tobacco or nicotine based e-cigarettes to retailers and other distributors (as reported in audited financial statements or, if this information is unavailable, as estimated on a best-efforts basis by our external ESG data and research provider)<sup>1</sup>.

When a new company or issuer is added to the Restricted investments list and an underlying manager already holds that security, AMP Investments will instruct the underlying manager to sell down this security as soon as practicable from when the contravention was identified. While we make every endeavour to exclude those companies and issuers on the Restricted investments list, there may from time to time be unintended exposure due to lack of data, corporate activity, or indirect exposure. The Restricted investments list, together with more detailed information on the screening process, can be found on our website at [amp.com.au/ampi-restrictions-list](http://amp.com.au/ampi-restrictions-list).

For the portion of a Fund invested through indirect holdings, the Restricted investment list **does not apply**. The Restricted investments list also does not apply to cash, sovereign bonds, exchange traded funds and derivatives, whether held directly or indirectly.

#### 2. Active ownership and proxy voting

Active ownership is the use of the rights and position of asset ownership to influence the activities and/or behaviour of investee companies. Where assets are directly held and invested via an investment mandate agreement, as part of its stewardship role the Responsible Entity exercises its rights as a shareholder of companies in which it invests on behalf of a Fund. The Responsible Entity generally delegates these actions to AMP Investments and a Fund's underlying investment managers.

As part of investment research and the proxy voting process, AMP Investments and a Fund's underlying investment managers may engage with the boards and management teams of companies in which a Fund invests.

A Fund's underlying managers are authorised to exercise any right to vote (or abstain) on ownership rights attached to a share or unit forming part of a Fund where there is the voting authority to do so. AMP Investments, on behalf of the Responsible Entity, retains the right to direct voting decisions where the assets are held directly through an investment mandate agreement.

Underlying managers may receive views provided by third parties as part of this process. The degree of reliance placed on such information is at the investment manager's discretion. AMP Investments' Proxy Voting Policy can be found on our website at [amp.com.au/proxy-voting-policy](http://amp.com.au/proxy-voting-policy).

Where assets are indirectly held, through investment manager's pooled funds, the underlying investment manager will exercise its right to vote, based upon its own research, views and policies.

<sup>1</sup> These restrictions do not apply to companies supplying key products necessary and intended for the production of tobacco products, such as tobacco flavouring, cigarette filters, tobacco roll paper, cigarette manufacturing machines, tobacco packaging (includes printing and labelling), speciality cigarette cartons, films, aluminium foil and marketing services or companies that manufacture and operate cigarette vending machines.

## Anti-Money Laundering and Counter-Terrorism Financing Law (AML/CTF), Sanctions Law (Sanctions), United States Foreign Account Tax Compliance (FATCA) and Common Reporting Standards (CRS) obligations

### Platform operators

To comply with our obligations under AML/CTF, Sanctions, FATCA and CRS we must collect certain information about investors, supported by relevant identification documents.

### Indirect investors

The following information is mainly relevant to platform operators. For indirect investors, your financial adviser or platform operator will be able to provide you with information about how AML/CTF, Sanctions, FATCA and CRS may affect you in relation to your investment.

When you apply to invest, we rely on you to comply at all times with Australian, and all other applicable AML/CTF, Sanctions, FATCA and CRS obligations. You need to notify us immediately if you are aware of, or suspect that, any monies used to fund your investment have been or will be derived from, or are related to, any money laundering, terrorism financing or similar activities that would be illegal under applicable laws or regulations or otherwise prohibited under any international convention or agreement ('illegal activities'). We may ask you, your agent or your nominated representative to provide us with additional information and assistance to ensure we are also able to comply with all applicable AML/CTF, Sanctions, FATCA and CRS obligations.

Importantly, you must notify us immediately if you are, or become:

- a 'politically exposed' person or organisation as defined in either the *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007* or as defined by the Financial Action Task Force
- subject of sanctions under the *Charter of the United Nations Act 1945 (Cth)*, *Autonomous Sanctions Act 2011 (Cth)*, Office of Foreign Assets Control (OFAC) sanctions programmes, or other applicable sanctions-related regulator, including
  - ownership or control by persons or entities referred to above, or
  - acting on behalf of or at direction of any persons or entities referred to above, or
  - being located, organised or resident in a country or territory that is the subject of sanctions that broadly prohibit dealings with that country or territory (including Cuba, Iran, North Korea, Syria, Russia and non-government-controlled regions of Ukraine).
- a tax resident in any foreign jurisdiction, or
- commonly known by a name other than the name provided in the form you completed at the time of applying for an investment.

You must notify us as soon as possible of any changes to your name or business name, address (residential or business), occupation or core business activity, or ownership including any beneficial owner changes or controlling person changes.

To ensure we are also able to comply with all applicable AML/CTF, Sanctions, FATCA and CRS obligations, we may:

- decide to delay or refuse any request or transaction, including by suspending the issue or redemption of units, if we are concerned that the request or transaction may breach any obligation of, or cause us to commit or participate in an offence under any AML/CTF, Sanctions, FATCA and CRS obligations, and we will incur no liability to you if we do so
- request further information from you, your agent or your nominated representative which we reasonably believe is necessary for us to comply with AML/CTF, Sanctions, FATCA and CRS obligations. Failing to provide us with this information in a reasonable time may result in restrictions on your account (including closure) in regard to any investment you have with us
- take other action we reasonably believe is necessary to comply with AML/CTF, Sanctions, FATCA and CRS obligations, including disclosing any information held about you to any of our related bodies corporate or service providers whether in Australia or outside Australia, or to any relevant Australian or foreign regulator, and
- collect additional information about you from time to time, from you, your agent or your nominated representative or from other third parties, for the purposes of satisfying AML/CTF, Sanctions, FATCA and CRS obligations, and that any such information may be used and disclosed as described in our Privacy Policy which can be obtained online at [amp.com.au/privacy](http://amp.com.au/privacy) or by contacting us.



# Applying for an investment

## Platform operators

### How to apply

Please contact our Client Services team on 133 267 to obtain an application form.

The application form should only be completed and signed by:

- the person who is, or will become, the unit holder
- an authorised signatory if the application is on behalf of a company, trust or superannuation fund, or
- an agent for the investor, acting under power of attorney or as a legal or nominated representative.

All investments are made on the basis of the PDS current at the time of contributing your investment amount. You can obtain a current PDS free of charge online at [amp.com.au/investments-pds-wms-a](http://amp.com.au/investments-pds-wms-a) or by contacting us.

### Minimum investment amounts

- Initial investment - \$10,000,000
- Additional investment - \$5,000

The Responsible Entity reserves the right to accept lower investment amounts.

### Submitting your application

Application forms should be mailed to:

National Mutual Funds Management Ltd - Unit Registry  
GPO Box 804  
Melbourne VIC 3001

Please include all required identification documentation when submitting your application.

### Indirect investors

Your financial adviser or platform operator will provide you with information about how to apply, including:

- the form you will need to complete
- minimum initial and additional investment amounts, and
- the method of paying your investment amount.

All investments are made on the basis of the PDS current at the time of contributing your investment amount. You can obtain a current PDS from your financial adviser or platform operator.

## Contacting the Responsible Entity and NMFM

For information about investing with the Responsible Entity, please contact NMFM.

### Registered offices

ipac Asset Management Limited  
50 Bridge Street  
SYDNEY NSW 2000

National Mutual Funds Management Ltd  
50 Bridge Street  
SYDNEY NSW 2000

### Mailing address of the Funds

National Mutual Funds Management Ltd - Unit Registry  
GPO Box 804  
MELBOURNE VIC 3001

### Client Services

T: 133 267  
8.30am - 5.30pm Sydney time, Monday to Friday

E: [ampinvestments@amp.com.au](mailto:ampinvestments@amp.com.au)

W: [www.amp.com.au/investments](http://www.amp.com.au/investments)