

Client Communication

19 DECEMBER 2014



Review of AMP Capital's New Zealand Equities Management

As you will be aware, we have been reviewing how best to deliver our New Zealand equity management capability. We thank you for your patience and support as we have worked through this review.

We have now completed the review and have decided the best option for our clients and our business is to outsource active New Zealand equity management to a third-party active equity manager. We expect to transition the portfolios to the appointed manager by 31 March 2015. Our investment philosophy will not change.

The AMP Capital Investment Funds directly affected by this change are the AMP Capital NZ Shares Fund, AMP Capital Strategic NZ Shares Fund, the AMP Capital Responsible Investment Leaders NZ Shares Fund and the AMP Capital Income Generator Fund. More details about the review and rationale for our decision are included below.

Outcome of the review

Based on client and business considerations, AMP Capital has decided to outsource its active New Zealand equity management to a third party active equity manager. The rationale for the decision has been driven by our views on the future growth, profitability and capacity of active equity management in New Zealand. We also took into account the need to have a stable team delivering that capability.

AMP Capital will continue to provide a full range of single sector and multi-sector investment solutions across fixed income, listed property, infrastructure as well as ESG-led approaches, multi-manager solutions and dynamic asset allocation services. There are no changes to how any other asset classes are managed or where these investment teams are based.

AMP Capital's extensive experience in manager selection and manager research will help us to select the right manager for our clients and portfolios. We expect to transition the portfolios to the appointed manager by 31 March 2015.

Changes to investment team

As mentioned, there will be no change to AMP Capital's investment philosophy within New Zealand equities. How we deliver active investment management, however, will change and this means Guy Elliffe, Head of NZ Equities, and Jonathan Davis, Senior Analyst, will leave the business as of 28 January 2015. The decision to outsource New Zealand equity management is not reflective of the performance of the portfolios.

Guy Elliffe has made a significant contribution to the business in leading the New Zealand equity team over the past 10 years. Jonathan Davis joined the business in August this year and has contributed greatly to the team during that time. We thank both Guy and Jonathan for their valuable contribution and wish them well for the future.

Until the portfolios are transitioned, the New Zealand share portfolios will continue to be actively managed by portfolio managers and analysts from the broader AMP Capital group. Michael Price, Co-Head of Australian Fundamental Equities, has overall responsibility for the management of the New Zealand equity portfolios and is supported by other specialist research and analytical resources (please see the last page for further details about Michael).

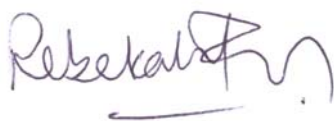
Since Douglas Lau's departure, Mark Ferguson, Senior Portfolio Manager, and other members of the broader AMP Capital Listed Property team, have been managing the AMP Capital NZ Listed Property Securities Fund. We are pleased to confirm that this highly experienced team will now permanently take over the active management of this portfolio. Please see the last page for further details about Mark.

Next steps

Until an external provider is appointed to manage our New Zealand equities portfolios, all the impacted funds will continue to be actively managed according to their existing investment objectives by the broader AMP Capital Group.

Once again, thank you for your patience and support. If you have any questions about these changes or your AMP Capital investments, please contact your Relationship Manager.

Yours sincerely,



Rebekah Swan
Head of Distribution (Acting)
AMP Capital



Mark Beardow
Chief Investment Officer, Global Equities and Fixed Income
AMP Capital

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Biographical information

New Zealand Equities



Michael Price
BEC (Actuarial
Studies), FIA

Co-Head
Australian
Fundamental
Equities

Michael Price joined AMP Capital in January 2012 and is jointly responsible for the management of the investment process, equity research and portfolio management. Additionally, Michael is the portfolio manager of AMP Capital's sustainable share and income-focused strategies. Michael joined AMP Capital from ING Investment Management where he held a range of roles through a tenure of over 17 years including management of a highly regarded Sustainable Share Fund strategy. Michael holds a Bachelor of Economics (Actuarial Studies) from Macquarie University and is a Fellow of the Institute of Actuaries Australia.

New Zealand Listed Property



Mark Ferguson
BEC, MBus
(Banking &
Finance),
GradDipFP,
FINSIA

Senior Portfolio
Manager

Mark Ferguson joined AMP Capital in September 2005. He is based in AMP Capital's Sydney office and heads up the team responsible for the analysis of real estate securities in Australia and New Zealand. In addition, he also covers a number of sectors in the US and Latin America. Mark's experience in the property investment industry dates back to 1994 and he has focused on Australian real estate securities since this time. Throughout his career Mark has worked directly in Australian equities as well as in the banking sector where he gained a strong understanding of bank profitability drivers including margins, cost of funds and interest rate risk. Prior to joining AMP Capital, Mark was a senior portfolio manager within Deutsche Asset Management's Australian equities team for 10 years, where his primary focus was on real estate securities. Mark holds a Bachelor of Economics from Macquarie University, a Master of Business in Banking and Finance from the University of Technology, Sydney and a Graduate Diploma in Financial Planning from the Financial Services Institute of Australasia (FINSIA). He is also a member of FINSIA (non-financial).