

# Life Choices

## Product Disclosure Statement



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ABN 22 003 257 225

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## About this Product Disclosure Statement (PDS)

This PDS contains important information about investing in the ipac Life Choices Investment Options (the Funds) and may be used by platform operators, to apply for units in the Funds. The platform operator 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. The platform operators are unit holders in the Funds; their rights differ from the rights of indirect investors, who are not unit holders (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 1800 658 404.

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 (ABN 22 003 257 225, AFSL 234655), referred to in this PDS as 'ipac' or 'the Responsible Entity', is the Responsible Entity of the Funds and issuer of this PDS.

AMP Capital Investors Limited (ABN 59 001 777 591, AFSL 232497), referred to in this PDS as 'AMP Capital', 'the Portfolio Manager', 'we', 'our' or 'us', has been appointed by the Responsible Entity, under an agreement to provide Fund-related services, including responding to investor enquiries and the preparation of this PDS on behalf of the Responsible Entity. AMP Capital has also been appointed by the Responsible Entity to provide investment management and associated services in respect of the Funds.

The Responsible Entity and AMP Capital are each members of the AMP Group.

AMP Capital has provided consent to the statements made by or about them and have not withdrawn that consent prior to the issue of this document. No company in the AMP Group other than the Responsible Entity is responsible for any statements or representations made in this document.

The Funds are managed investment schemes structured as unit trusts 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 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 or of any investment manager.

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. Applications will only be accepted if they are signed and delivered from within Australia. Payments made in cash will not be accepted. Unless otherwise specified, all dollar amounts in this PDS are Australian dollars.

This offer is subject to the terms and conditions described in this PDS and as set out in the Funds' constitutions. The Responsible Entity reserves the right to change these terms and conditions (see 'Changes to the information in a PDS' on page 28) and to refuse or reject an application (in whole or in part).

## About ipac asset management limited

ipac is one of Australia's largest operators of multi-manager portfolios and has been helping clients achieve their financial goals and chosen lifestyle since 1983. ipac is part of the AMP Group and is the Responsible Entity for each of the Investment Options.

As Responsible Entity of the Investment Options, ipac is responsible for the operation of the Investment Options under their constitutions, the Corporations Act and general laws. The Responsible Entity has appointed AMP Capital Investors Limited (also part of the AMP Group) as the Portfolio Manager of the Investment Options.

The Portfolio Manager is responsible for the management and investment of the Investment Options' assets. It conducts extensive research into, and appoints specialist investment managers to undertake the ongoing investment of the underlying assets of the Investment Options. These managers range from large global firms to boutique managers. The Portfolio Manager blends these managers to construct a portfolio that aims to achieve the investment objectives. The Responsible Entity will pay the Portfolio Manager's fees from the fee it receives - it is not an additional cost to investors.

More information about ipac is available by contacting Client Services on 1800 658 404 or by email [clientservices@ampcapital.com](mailto:clientservices@ampcapital.com).

## About AMP Capital

AMP Capital is a global investment manager with a large presence in Australia. AMP Capital is 85% owned (indirectly) by AMP Limited. As part of the AMP Group, we share a heritage that spans almost 170 years.

Our home strength in Australia and New Zealand has enabled us to grow internationally, and today we have operations established in China, Hong Kong, Dubai, India, Ireland, Japan, Luxembourg, the United Kingdom and the United States. We also collaborate with a network of global investment partners, leveraging our shared capabilities to provide greater access to new investment opportunities.

Our asset class specialists, investment strategists and economists work together with the aim of delivering strong investment outcomes for clients. That is why our clients trust us to invest over A\$200 billion (as at 30 June 2019) on their behalf, across a range of single sector and diversified funds.

AMP Capital has been appointed by the Responsible Entity, under an agreement, to provide other Fund related services, including responding to investor enquiries and the preparation of this PDS on behalf of the Responsible Entity.

More information about AMP Capital is available online at [www.ampcapital.com/aboutus](http://www.ampcapital.com/aboutus).

ipac Life Choices Investment Options	Registered name of fund	ARSN	APIR code	Unit class
<b>Active Investment Options</b>				
ipac Life Choices Active 50	Diversified Investment Strategy No. 6	140 155 184	IPA0156AU	K
ipac Life Choices Active 70	Diversified Investment Strategy No. 2	093 031 479	IPA0155AU	L
ipac Life Choices Active 85	Diversified Investment Strategy No. 3	093 031 344	IPA0154AU	L
ipac Life Choices Active 100	Diversified Investment Strategy No. 4	093 031 111	IPA0153AU	L
<b>Index Investment Options</b>				
ipac Life Choices Index 50	Generations Index Moderately Defensive Trust	140 153 831	IPA0160AU	L
ipac Life Choices Index 70	Generations Index Balanced Trust	140 153 984	IPA0159AU	L
ipac Life Choices Index 85	Generations Index Growth Trust	140 154 294	IPA0161AU	L
<b>Specialist Investment Options</b>				
ipac Life Choices Income Generator	ipac Income Generator	140 154 981	IPA0158AU	K
ipac Life Choices Alternative Balanced	Summit Select - Alternative Balanced Fund	113 946 366	IPA0157AU	K
ipac Life Choices Premium Growth	Classic Enhanced Growth Portfolio	127 360 338	IPA0162AU	L

Collectively in this PDS, the Funds are referred to as 'the Life Choices Investment Options' or 'the Funds'.

# About ipac Life Choices Investment Options

The Life Choices Investment Options are offered in three investment streams:

- Active Investment Options
- Index Investment Options, and
- Specialist Investment Options.

Each Life Choice Investment Option may invest in a variety of asset classes including shares, property, fixed interest, cash and alternative assets – both in Australia and overseas. Investments are managed by specialist investment managers selected for their expertise in each asset class.

Each of the Life Choices Investment Options invests in a different combination of growth and defensive assets and has a different risk profile.

Growth assets (such as shares and property) are expected to generate higher long-term returns than defensive assets (such as cash and fixed interest), but with a higher risk profile. Generally, the higher the amount of growth assets in a Fund, the greater the potential long-term return and the higher the risks associated with that Fund.

ipac Life Choices Income Generator currently has a similar level of risk to the ipac Life Choices Active 50 portfolio. This level of risk may be slightly higher or lower in the future as the portfolio seeks to meet the objective to provide regular income. The Income Generator has been designed for tax payers on a low marginal tax rate. ipac Life Choices Alternative Balanced has a similar expected return to the ipac Life Choices Active 70 portfolio over the medium term, but aims to reduce overall portfolio risk through a significant allocation to alternative assets.

ipac Life Choices Premium Growth has a similar expected return to the ipac Life Choices Active 100 portfolio over the long term, but aims to reduce overall portfolio risk through a significant allocation to non-traditional assets.

Further details on each Fund are provided on pages 5 to 13.

When you invest in the Life Choices Investment Options you are indirectly allocated an interest in units of the respective investment trust (see inside front cover).

The money from individual investors is pooled and invested according to the investment option's investment objective. You do not have any direct ownership of the underlying assets held in the investment options.

The offer of securities made under this PDS is only available to clients accessing it through a master trust or wrap account. For more information about investing through a master trust or wrap account please see page 28.

## Further information

For platform operators, if you have questions about investing in the Life Choices Investment Options or require further information, please contact our Client Services team on 1800 658 404 between 8.30 am and 5.30 pm 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 [www.northonline.com.au](http://www.northonline.com.au). This information may include performance reports.

When reading Fund 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.

## At a glance

The table below shows the key features of the Life Choices Investment Options.

<b>Who can invest?</b>	<b>Platform operators</b> - investing directly in the Funds <b>Indirect investors</b> - investing in the Funds through a master trust or platform
<b>Minimum investment amounts<sup>1</sup></b>	<b>Platform operators</b> Initial - \$500,000 Additional - \$5,000 <b>Indirect investors</b> Minimum investment amounts, fees and costs are subject to the arrangements between indirect investors and their platform operators.
<b>Management costs</b>	<b>Platform operators</b> 0.47% to 1.53% pa See the 'Fees and other costs' section of this PDS for other fees and costs that may apply and a worked example of management costs that may be payable in a year. The total amount of fees you pay will vary depending on the total value of your investment.
<b>Distributions<sup>2</sup></b>	Half-yearly - December and June for all Funds, except: <ul style="list-style-type: none"><li>• Income Generator, which is monthly<sup>3</sup>, and</li><li>• Premium Growth, which is yearly.</li></ul>

1. The Responsible Entity reserves the right to vary these minimums.

2. Under the Funds' constitutions, the Responsible Entity is only required to make a distribution yearly, and can make distributions at any time (see the 'Distributions' section of this PDS).

3. There are up to 13 distributions from the Fund in each financial year (see the 'Distributions' section of this PDS for more information).

# ipac Life Choices Active Investment Options

There are four diversified ipac Life Choices Active Investment Options. They utilise a primarily active approach to investing. Each of the four ipac Life Choices Active Investment Options – Active 50, Active 70, Active 85 and Active 100 – invests in a specially designed combination of growth and defensive assets, giving each portfolio a different risk profile.

Specialist investment managers have been appointed to carry out the day-to-day investment of each Fund. The Portfolio Manager is responsible for conducting extensive research into specialist investment managers. These managers range from large global firms to boutique managers. The Portfolio Manager then blends these managers to construct multi-manager portfolios that aim to achieve the investment objectives of the relevant Fund as outlined on pages 6 and 7 of this PDS.

## Asset allocation

The Portfolio Manager will manage the ipac Life Choices Active Investment Options in line with the target asset allocations. From time to time, ipac will review the target asset allocations to ensure they remain appropriate in light of any changes to the medium to long-term risk and return expectations for the asset classes. These reviews may lead to changes in the target asset allocations, which ipac may change without notice to investors.

The Portfolio Manager will not deviate outside the asset allocation ranges to pursue investment opportunities based on short-term expectations.

**Platform operators** For up-to-date information on the ipac Life Choices Active Investment Options please contact our Client Services team on 1800 658 404.

**Indirect investors** Please contact your financial adviser or platform operator.

## Investment managers

A rigorous monitoring and review process is employed to ensure investment managers continue to manage according to the agreed strategy, with the aim of achieving the investment objectives of each Fund. ipac may change the investment managers or their allocations at any time without prior notice.

**Platform operators** For up-to-date information on the investment managers please contact our Client Services team on 1800 658 404.

**Indirect investors** Please contact your financial adviser or platform operator.

	ipac Life Choices Active 50	ipac Life Choices Active 70																																																																								
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<b>Investment strategy<sup>1</sup></b>	Invests in a diversified mix of growth and defensive assets using a range of specialist investment managers. Growth assets such as shares and property will have an average allocation over time of 50%, with the balance in defensive assets such as cash and fixed income.	Invests in a diversified mix of growth and defensive assets using a range of specialist investment managers. Growth assets such as shares and property will have an average allocation over time of 70%, with the balance in defensive assets such as cash and fixed income.																																																																								
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1. The Responsible Entity may change the Fund's investment objective or investment strategy, from time to time, if it considers it to be in the best interests of investors. If it does so, it will advise investors.
2. The Portfolio Manager aims to manage asset allocations within the asset allocation ranges. However, in certain circumstances, the Portfolio Manager may manage actual allocations outside of the asset allocation ranges. Such circumstances may include but are not limited to where one of the Funds or underlying funds is closed for new applications or withdrawals, during changes to the product structure, asset allocation or manager line-up, or in certain market conditions. ipac will not deviate outside the asset allocation ranges to pursue investment opportunities based on short-term expectations.
3. Includes an allocation to global emerging markets and global smaller companies.
4. Includes an allocation to Australian listed property, global listed property and global listed infrastructure asset classes.
5. The risk band and risk level are based on an estimation of the expected number of negative annual returns over any 20-year period (as outlined in the Risk measure categories table on page 14). Information about the methodology used for calculating the risk level can be obtained by contacting us. This is not a complete description of the risks of investing in the Investment Option. Consequently, before choosing to invest or reinvest in the Investment Option, you should read this PDS, and consider factors such as the likely investment return, the risk of investing and your investment timeframe.

ipac Life Choices Active 85				ipac Life Choices Active 100		
<b>Investment objective<sup>1</sup></b>	To provide moderate to high growth in your investment over the long term with larger fluctuations in value likely when compared to other Active Investment Options (excluding Active 100).			To provide high growth in your investment over the long term with large fluctuations in value likely when compared to other Active Investment Options.		
<b>Investment strategy<sup>1</sup></b>	Invests in a diversified mix of predominantly growth assets using a range of specialist investment managers. Growth assets such as shares and property will have an average allocation over time of 85%, with the balance in defensive assets such as cash and fixed income.			Invests in a diversified mix of growth assets using a range of specialist investment managers, such as shares and property that will have an average allocation over time of 97%, with the balance in defensive assets such as cash and fixed income.		
<b>Suggested minimum investment timeframe</b>	6 years			6 years		
<b>Risk level</b>	High			High		
<b>Risk band<sup>5</sup></b>	6			6		
<b>Asset allocation<sup>2</sup></b>	<b>Asset class</b>	<b>Long-term target %</b>	<b>Range %<sup>2</sup></b>	<b>Asset class</b>	<b>Long-term target %</b>	<b>Range %<sup>2</sup></b>
	Fixed interest	7	0-25	Fixed interest	0	0-15
	Alternative defensive	3	0-10	Alternative defensive	0	0-10
	Cash	5	0-20	Cash	3	0-20
	<b>Total defensive</b>	<b>15</b>		<b>Total defensive</b>	<b>3</b>	
	Australian shares	35	25-45	Australian shares	39	30-55
	Global shares <sup>3</sup>	40	20-60	Global shares <sup>3</sup>	47	30-60
	Listed real assets <sup>4</sup>	7	0-20	Listed real assets <sup>4</sup>	6	0-20
	Unlisted real assets	0		Unlisted real assets	0	
	Alternative growth	3	0-10	Alternative growth	5	0-10
	<b>Total growth</b>	<b>85</b>		<b>Total growth</b>	<b>97</b>	
	<b>TOTAL</b>	<b>100</b>		<b>TOTAL</b>	<b>100</b>	

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# ipac Life Choices Index Investment Options

There are three diversified ipac Life Choices Index Investment Options. They utilise a primarily index approach to investing. Each of the three ipac Life Choices Index Investment Options – Index 50, Index 70 and Index 85 – invests in a specially designed combination of growth and defensive assets, giving each portfolio a different risk profile.

## Asset allocation

The Portfolio Manager will manage the ipac Life Choices Index Investment Options in line with the target asset allocations. From time to time, ipac will review the target asset allocations to ensure they remain appropriate in light of any changes to the medium to long-term risk and return expectations for the asset classes. These reviews may lead to changes in the target asset allocations, which ipac may change without notice to investors. The Portfolio Manager will not deviate outside the asset allocation ranges to pursue investment opportunities based on short-term expectations.

**Platform operators** For up-to-date information on the ipac Life Choices Index Investment Options please contact our Client Services team on 1800 658 404.

**Indirect investors** Please contact your financial adviser or platform operator.

## Investment managers

A rigorous monitoring and review process is employed to ensure investment managers continue to manage according to the agreed strategy, with the aim of achieving the investment objectives of each Fund. ipac may change the investment managers or their allocations at any time without prior notice.

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	ipac Life Choices Index 50	ipac Life Choices Index 70																																																																								
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## ipac Life Choices Index 85

<b>Investment objective<sup>1</sup></b>	To provide moderate to high growth in your investment over the long term with larger fluctuations in value likely when compared to other Index Investment Options.		
<b>Investment strategy<sup>1</sup></b>	Invests in a diversified mix of primarily growth assets. Growth assets such as shares and property will have a target allocation of 85%, with the balance in defensive assets such as cash and fixed income.		
<b>Suggested minimum investment timeframe</b>	6 years		
<b>Risk level</b>	High		
<b>Risk band<sup>4</sup></b>	6		
<b>Asset allocation<sup>2</sup></b>	<b>Asset class</b>	<b>Long-term target %</b>	<b>Range %<sup>2</sup></b>
	Fixed interest	8	0-25
	Alternative defensive	0	0-10
	Cash	7	0-25
	<b>Total defensive</b>	<b>15</b>	
	Australian shares	37	25-45
	Global shares	41	25-50
	Listed real assets <sup>3</sup>	7	0-20
	Unlisted real assets	0	
	Alternative growth	0	0-15
	<b>Total growth</b>	<b>85</b>	
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# ipac Life Choices Specialist Investment Options

There are three ipac Life Choices Specialist Investment Options: Income Generator, Alternative Balanced and Premium Growth. The ipac Life Choices Income Generator aims to deliver regular income with some capital growth, ipac Life Choices Alternative Balanced has an expected medium to long-term return similar to the ipac Life Choices Active 70 portfolio with the aim of reducing overall portfolio risk and ipac Life Choices Premium Growth has an expected long term return similar to the ipac Life Choices Active 100 portfolio with the aim to reduce the overall risk. Specialist investment managers have been appointed to carry out the day-to-day investment of the Funds. The Portfolio Manager is responsible for conducting extensive research into specialist investment managers for these investment options. These managers range from large global firms to boutique managers. The Portfolio Manager then blends these managers to construct multi-manager portfolios that aim to achieve the investment objectives of the relevant investment option as outlined on pages 12 and 13 of this PDS.

## Asset allocation

The Portfolio Manager will manage the ipac Life Choices Specialist Investment Options in line with the target asset allocations. From time to time, ipac will review the target asset allocations to ensure they remain appropriate in light of any changes to the medium to long term risk and return expectations for the asset classes. These reviews may lead to changes in the target asset allocations, which ipac may change without notice to investors. The Portfolio Manager will not deviate outside the asset allocation ranges to pursue investment opportunities based on short-term expectations.

**Platform operators** For up-to-date information on the ipac Life Choices Specialist Investment Options please contact our Client Services team on 1800 658 404.

**Indirect investors** Please contact your financial adviser or platform operator.

## Investment managers

A rigorous monitoring and review process is employed to ensure investment managers continue to manage according to the agreed strategy, with the aim of achieving the investment objectives of each Fund. ipac may change the investment managers or their allocations at any time without prior notice.

**Platform operators** For up-to-date information on the investment managers please contact our Client Services team on 1800 658 404.

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	ipac Life Choices Income Generator	ipac Life Choices Alternative Balanced																																																		
<b>Investment objective<sup>1</sup></b>	To provide regular income with some capital growth over the medium to long term.	To provide moderate growth in your investment over the medium to long term with moderate fluctuations in value likely.																																																		
<b>Investment strategy<sup>1</sup></b>	Invests in a diversified mix of growth and defensive assets, with a focus on income generation. The portfolio invests using a range of specialist investment managers. While open to all investors, this fund has been designed with low marginal tax payers in mind.	Invests in a diversified mix of growth and defensive assets using a range of specialist investment managers. Growth assets such as shares, property and alternative growth strategies will have an average allocation over time of 55%, with the balance in defensive assets such as cash, fixed income and alternative defensive strategies.																																																		
<b>Suggested minimum investment timeframe</b>	5 years	5 years																																																		
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3. May include an allocation to global emerging markets and global smaller companies.
4. Includes an allocation to Australian listed property, global listed property and global listed infrastructure asset classes.
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## ipac Life Choices Premium Growth

<b>Investment objective<sup>1</sup></b>	To provide high growth in your investments over the long term with less fluctuation in value than a traditional high growth portfolio. Broad diversification, including exposure to non-traditional investment strategies, are used to reduce fluctuations.																
<b>Investment strategy<sup>1</sup></b>	Investments are assessed taking into account a range of factors, including return potential and their ability to reduce risk through diversification. The Fund invests in a range of specialist equity, multi-asset and non-traditional investment strategies such as credit, listed real assets and absolute return funds.																
<b>Suggested minimum investment timeframe</b>	5 years																
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# Further information about the Funds

## Borrowing

It is not our intention to gear the Funds, but they may borrow to meet their short term liquidity needs.

The Funds may incur costs through interest expenses and the establishment and maintenance of a borrowing facility.

## Derivatives

The underlying investment managers and the Funds may use derivatives such as options, futures, or forward exchange rate agreements with the aim of:

- increasing or reducing exposure to markets, relative to the underlying physical holdings and subject to the Funds' 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 Funds and monitor the implementation of these restrictions in accordance with the AMP Capital Derivatives Risk Statement, which can be obtained online at [www.ampcapital.com/derivativesriskstatement](http://www.ampcapital.com/derivativesriskstatement), or free of charge by contacting us.

## Currency management

The overall foreign currency exposure of the Funds may be partially hedged back to the Australian dollar.

## Risk measure categories

The table below sets out standard risk measure bands/levels used for each Investment Option based on the estimated number of negative annual returns that a Fund may experience over any 20-year period.

Risk band	Risk level	Estimated number of negative annual returns over an 20-year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very High	6 or greater

## Securities lending

The Funds do not engage in securities lending. However, underlying funds in which the Funds invest, do lend securities.

Securities lending is an investment practice whereby securities of a fund are lent to a third party (the borrower) for a period of time in return for a fee. Title to the securities is transferred to the borrower, but the fund's exposure to capital movements and investment income remain unchanged. For the duration of the loan, the borrower is required to provide collateral in excess of the value of the securities loaned. Collateral is held by the Funds' custodian on behalf of the Funds. Subject to any restrictions deemed necessary by the Investment Manager, up to 95% of each individual security held by the Funds may be lent under the securities lending program.

See the 'Other important information' section for further details on securities lending, including associated risks and how we mitigate and manage them.

## Environmental, social and governance (ESG) considerations

AMP Capital will take account of labour standards, environmental, social, ethical or governance considerations in the selection, retention or realisation of investments across all asset classes (other than those noted below), in the manner set out in the 'Other important information' section of this document. However, where AMP Capital or an investment manager invests in a pooled vehicle or fund managed by an external investment manager and AMP Capital is unable to influence exclusive control over the investable universe of such a vehicle or fund, the negative screening outlined is not applied and such an investment will be subject to whatever ESG policy is adopted by the investment manager of that vehicle or fund.

The negative screening will also not apply to cash, sovereign bonds, derivatives and exchange traded funds.

# 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 minimum suggested investment timeframe. Additionally, different investment strategies may carry different levels of risk, depending on the assets in which the funds invest.

Whilst the Funds are managed with the aim of providing competitive investment returns against the Funds' performance benchmark 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 managed investment scheme, 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 the Funds may not keep pace with inflation, which would reduce the future purchasing power of your money
- the stated aims and objectives of the Funds may not be met
- the amount of any distribution you receive from the Funds 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 the Funds may decrease in value, which means you may get back less than you invested.

The value of your investment in the Funds 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 the Funds.

## Risks specific to the Funds

Some of the main risks of investing in the Funds include:

### Asset allocation

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

### Share market investments

Share market investments have historically produced higher returns than cash or fixed interest investments over the long term. However, the risk of capital loss exists, especially over the shorter term. You should be aware that past share market investment performance is not an indication of future performance.

Specific risks may include a slowdown in economic growth, individual companies reporting disappointing profits and dividends, and management changes. Where a fund is invested in listed securities, the value of these securities may decrease as a result of these and other events.

### International investments

Changes in the state of the world economies may affect the value of your investment in the Funds.

- **Currency exchange rates** – where a Fund's 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.
- **Less protection under laws outside of Australia** – the laws under which assets located outside of Australia operate may not provide equivalent protection to that of Australian laws, which may mean that a Fund is unable to recover the full or part value of an offshore investment.
- **Operational risk** – investing across multiple markets and currencies magnifies risks associated with international investments.
- **Currency hedging** – where international investments are primarily hedged back to Australian dollars, the Funds could still incur losses related to hedging or currency exchange rates. Such losses may affect a Fund's taxable income and its subsequent ability to pay distributions. Risks such as illiquidity or default by the other party to the hedging transaction may also apply.
- **Emerging markets** – securities markets in emerging markets are smaller and have been more volatile than the major securities markets in more developed countries. This is often a reflection of a less developed country's greater political instability or uncertainty, exchange rate uncertainty, lower market transparency or uncertain economic growth. Clearance and settlement procedures in an emerging country's securities market may be less developed which could lead to delays in settling trades and registering transfers of securities.



## Alternative assets

- The degree of transparency for investment in alternative assets is often lower than for investments in traditional asset classes.
- Investment risks such as credit risk (the risk of default by a counterparty) and liquidity risk (risk that a fund cannot easily unwind or offset a particular position, especially in a market downturn), and market impact risk (difficulty entering or exiting positions without unduly affecting the market) may be magnified.
- Positions may be leveraged through the use of derivatives, gearing and short selling.
- Investment returns are often generated by the strategies used by the alternative asset fund manager rather than through exposure to specific markets or assets, which means that these investments may underperform other index-based investments, such as share market investments, particularly in times of strong economic growth.
- The carrying value of the Funds' investments used to generate the Funds' unit price may not reflect their currently realisable value. This may be due to a range of factors, including buy/sell spreads, liquidity pressures, market sentiment at the time of sale, the volume of assets being sold, availability of willing purchasers for an asset and delays between valuation and realisation of an asset.

You should be aware that there are other risks associated with investment in alternative assets which relate directly to the specific type of asset, and you should seek appropriate advice before investing.

### Counterparty or default risk

Entry into some financial transactions, such as swaps, creates counterparty risks. Substantial losses can be incurred if a counterparty fails to deliver on its contractual obligations, or experiences financial difficulties.

- The value of assets within the Funds can change due to changes in the credit quality of the individual issuer, or counterparty, and as a result of changes in the values of other similar securities, which can affect the volatility of the Funds and its returns.
- Where the Funds invest in certain strategies such as derivatives, fixed income, credit or high yield investments, it may be subject to the risk that the credit issuer may default on interest payments, the repayment of capital or both, or that a third party ratings agency downgrades a credit rating, or that a counterparty to a transaction may default on financial or contractual obligations.
- The Funds may also invest in government, corporate or other securities with a non-investment grade credit rating (that is, Standard and Poor's BB+ rating or equivalent, or less) and, as such, there is an increased risk, compared to investment grade securities, that the credit issuer may default on interest payments, the repayment of capital or both.

## Derivatives

There are risks of losses to the Funds through the use of derivatives, and where derivatives are used by underlying funds in which the Funds invest, including:

- the value of a derivative may not move in line with the value of the underlying asset
- a derivative position cannot be reversed
- losses may be magnified, and
- the party on the other side of a derivative contract defaults on financial or contractual obligations.

### 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 risk of capital gain or loss tends to increase as the term to maturity of the investment increases.

### Investment management

There is a risk that the investment manager will not perform to expectation or factors such as changes to the investment team or a change of investment manager may affect a Fund's performance.

### Liquidity

Liquidity refers to the ease with which an asset can be traded (bought and sold). An asset subject to liquidity risk may be more difficult to buy or sell and it may take longer for the full value to be realised.

Where the Funds have exposure to investments which are generally considered to be illiquid, they may be subject to liquidity risk.

We manage the Funds' portfolio with the aim of ensuring that exposure to illiquid assets is no greater than 20%. However, in circumstances where a Fund's portfolio consists of less than 80% in value of liquid assets, we may not be able to meet withdrawal requests within the periods specified under the 'Payment times' section of this PDS, and may suspend processing all withdrawal requests for such period as we determine.

In addition, we will not meet withdrawal requests if a Fund ceases to be 'liquid' for the purposes of the Corporations Act. However, although we are not obliged to, we may offer investors the opportunity to make withdrawals where the Funds are not 'liquid' during this period, as set out under the 'Processing withdrawal requests' section of this PDS.

### Securities lending

Although engaging in securities lending by underlying funds in which the Funds invest may benefit the Funds by providing increased returns, there is a risk of capital loss.

This may arise if the borrower fails to return the borrowed securities, or if some of the collateral provided by the borrower to cover the value of the lending is affected by the share market investments risk listed below, or the insolvency of a party to the arrangement, including where collateral is pooled and/or held under the laws of a foreign country.

The greater volume of securities lent, the greater potential for capital loss.

### Other risks

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 the Funds:

- **Obtain professional advice** to determine if the relevant Fund suits your investment objectives, financial situation and particular needs.
- **Ensure** you have read the most up-to-date Life Choices PDS.
- **Consider** the suggested minimum investment timeframe for the relevant Fund.
- **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 contribution fees and management costs where applicable. 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)** 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 PDS 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 PDS.

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****Life Choices Investment Options**

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the managed investment product</b>		
<b>Establishment fee</b> The fee to open your investment.	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment.	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment.	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment.	Nil	Not applicable
<b>Management costs<sup>1</sup></b>		
The fees and costs for managing your investment.	ipac Life Choices Active 50 ipac Life Choices Active 70 ipac Life Choices Active 85 ipac Life Choices Active 100 ipac Life Choices Index 50 ipac Life Choices Index 70 ipac Life Choices Index 85 ipac Life Choices Income Generator ipac Life Choices Alternative Balanced ipac Life Choices Premium Growth	0.85% pa of the Fund's net assets 0.99% pa of the Fund's net assets 1.08% pa of the Fund's net assets 1.13% pa of the Fund's net assets 0.47% pa of the Fund's net assets 0.47% pa of the Fund's net assets 0.47% pa of the Fund's net assets 0.81% pa of the Fund's net assets 1.49% pa of the Fund's net assets 1.53% pa of the Fund's net assets
		Management costs are comprised of: <ul style="list-style-type: none"> <li>• <b>management fees<sup>2</sup></b> - calculated daily and paid monthly out of the Fund's assets and reflected in the unit price.</li> <li>• <b>indirect costs<sup>3</sup></b> - calculated on the basis of the Responsible Entity's reasonable estimate or knowledge of such costs and paid out of the Fund's assets or interposed vehicle's<sup>4</sup> assets once the cost is incurred and reflected in the unit price.</li> </ul>
<b>Service fees</b>		
<b>Switching fees</b> The fee for changing funds.	Nil	Not applicable

1. This amount comprises the management fee and estimated indirect costs. The sum of these figures may differ to the total management costs, due to rounding. For more information about management costs, see 'Management 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'.

## 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 Life Choices Investment Options.

Fees may be payable to your financial adviser; these fees are additional to the fees 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 fees and costs in the ipac Life Choices Active 70 can affect your investment over a one year period. You should use this table to compare this product with other managed investment products. The 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**

<b>Example – ipac Life Choices Active 70</b>		
<b>Balance of \$500,000 with a contribution of \$5,000 during the year</b>		
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>Plus</b> Management costs <sup>1</sup>	0.99% pa of the Fund's net assets	<b>And</b> , for every \$500,000 you have in the Fund you will be charged \$4,950 <sup>2</sup> each year.
<b>Equals</b> Cost of the Fund <sup>3</sup>		If you had an investment of \$500,000 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>\$4,950<sup>2</sup></b>
<b>What it costs you will depend on the fund you choose and the fees you negotiate.</b>		

1. Management costs are expressed as a percentage of the ipac Life Choices Active 70's net assets. Management costs are made up of a management fee of 0.87% pa and estimated indirect costs of 0.11% pa. The sum of these figures may differ to the total management costs, due to rounding.
2. This cost does not include the management costs charged on the additional \$5,000 investment. The additional management costs would be \$49.50 if you had invested the \$5,000 for a full 12 months.
3. This cost does not include any advice fees paid to your financial adviser.

## Additional explanation of fees and costs

### Management costs

Management costs are expressed as a percentage of the Funds' net assets, rounded to two decimal places. Management costs are made up of a management fee and estimated indirect costs. Any management fees, performance fees, recoverable expenses or indirect costs charged by interposed vehicles are included in the management costs in Table 1; they are not an additional cost to you.

### Management costs components

The management costs shown in Table 1 comprise the following components. The sum of these figures may differ to the total management 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	Indirect costs		
		Recoverable expenses <sup>1</sup>	Estimated performance-related fee	Estimated other indirect costs
ipac Life Choices Active 50	0.77% pa	0.01% pa	0.01% pa	0.06% pa
ipac Life Choices Active 70	0.87% pa	0.00% pa	0.02% pa	0.09% pa
ipac Life Choices Active 85	0.97% pa	0.00% pa	0.02% pa	0.08% pa
ipac Life Choices Active 100	1.08% pa	0.01% pa	0.01% pa	0.03% pa
ipac Life Choices Index 50	0.45% pa	0.02% pa	0.00% pa	0.00% pa
ipac Life Choices Index 70	0.45% pa	0.01% pa	0.00% pa	0.00% pa
ipac Life Choices Index 85	0.45% pa	0.02% pa	0.00% pa	0.00% pa
ipac Life Choices Income Generator	0.79% pa	0.01% pa	0.00% pa	0.02% pa
ipac Life Choices Alternative Balanced	1.10% pa	0.03% pa	0.06% pa	0.30% pa
ipac Life Choices Premium Growth	1.39% pa	0.03% pa	0.04% pa	0.07% pa

1. The recoverable expenses are the expenses reimbursed from the Funds in the previous financial year. Past recoverable expenses reimbursed from the Funds may not be a reliable indicator of future recoverable expenses. See the 'Recoverable expenses' section on page 21.

### Management fee

The Responsible Entity receives a management fee for providing both responsible entity and portfolio management services. Management fees payable to the underlying investment managers are paid from the management fee.

Except for ipac Life Choices Active 50, the ipac Life Choices Index Investment Options and the ipac Life Choices Income Generator, the management fee is charged on the value of the gross assets of the Funds. When calculating the value of the gross assets of the Funds for this purpose, we may value any units held by the Funds in underlying funds by reference to the gross assets of the underlying funds (that is, disregarding the value of any borrowings, other liabilities or provisions in those underlying funds) rather than the net asset value. For the purposes of the management costs calculation in Table 1, the management fee has been expressed as a percentage of the Funds' net assets.

For the ipac Life Choices Active 50, the ipac Life Choices Index Investment Options and the ipac Life Choices Income Generator, the management fee is charged on the value of the net assets of the Funds. For the purposes of the management costs calculation in Table 1, the management fee has been expressed as a percentage of the Funds' net assets.

### Indirect costs

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

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

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

- recoverable expenses of a Fund
- management costs of an interposed vehicle (including recoverable expenses, performance-related fees and any other indirect costs of underlying managers or interposed vehicles in which the Funds invest), 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 a Fund to gain economic exposure to assets.

The amount of indirect costs shown in the 'Management costs components' 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 the Funds in the previous financial year. As such, the actual indirect costs may differ from the amount shown in the 'Management costs components' table. Indirect costs are deducted from the returns on your investment or from the Funds' 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 costs in Table 1.

#### **Recoverable expenses**

The Funds' constitutions entitle the Responsible Entity to be reimbursed from the Funds for any expenses incurred in relations 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 incurred in connection with these matters may also be recovered from the Funds. Recoverable expenses are included in the management costs in Table 1.

#### **Estimated performance-related fee of underlying fund(s)**

The Funds do not charge a performance fee. However, a performance-related fee of up to 25.65% (inclusive of Goods and Services Tax (GST) less reduced input tax credits) of an underlying manager's outperformance of the portion of the Funds' assets they are managing may be charged, based on the underlying manager's outperformance above their relevant benchmark.

#### **Underlying manager's performance-related fee example**

If you invested \$500,000 in a Fund and 20% of that Fund's assets are managed by an underlying manager that has a performance related fee and they outperform their performance benchmark index by 1% in a year, the indirect cost to you would be \$256.50. 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-related 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 management costs components 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 [www.ampcapital.com/feesandcosts](http://www.ampcapital.com/feesandcosts), or you may obtain a paper copy or an electronic copy of any updated information from us, free of charge, on request. You should read the updated information before making a decision. 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.

## Transactional and operational costs

The Funds incur transactional and operational costs when dealing with the assets of the Funds. Transactional and operational costs may include transactional brokerage, clearing costs, stamp duty, the buy and sell spreads of any underlying fund and the costs of (or transactional and operational 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 the Funds' assets.

Transactional and operational costs also include property management costs in relation to the management of real estate assets of the Fund or underlying funds, including the costs of rates and utilities and other property operating costs and maintenance costs relating to those assets, excluding those costs recovered from tenants for their benefit.

We estimate the Funds' transactional and operational costs to be approximately:

Fund name	Transactional and operational costs (as % of the net assets of the Fund)
ipac Life Choices Active 50	0.24%
ipac Life Choices Active 70	0.23%
ipac Life Choices Active 85	0.20%
ipac Life Choices Active 100	0.17%
ipac Life Choices Index 50	0.05%
ipac Life Choices Index 70	0.05%
ipac Life Choices Index 85	0.04%
ipac Life Choices Income Generator	0.10%
ipac Life Choices Alternative Balanced	0.36%
ipac Life Choices Premium Growth	0.21%

## Buy and sell spreads

Transactional and operational costs associated with dealing with the Funds' assets may be recovered by the Funds from investors, in addition to the fees noted in Table 1.

Investments and withdrawals in the Funds may incur buy and sell spreads, which are designed to ensure, as far as practicable, that any transactional and operational 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 or the costs that a Fund has 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, additional to the fees noted in Table 1, 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, AMP Capital or any investment manager.

The buy spread is taken out of application amounts. The sell spread is taken out of withdrawal amounts. As at the date of this PDS, the buy/sell costs for each Fund are shown in the table below.

Fund name	Buy/sell spread (%)	
	On application	On withdrawal
ipac Life Choices Active 50	0.18	0.17
ipac Life Choices Active 70	0.19	0.17
ipac Life Choices Active 85	0.19	0.17
ipac Life Choices Active 100	0.20	0.17
ipac Life Choices Index 50	0.10	0.09
ipac Life Choices Index 70	0.12	0.11
ipac Life Choices Index 85	0.13	0.12
ipac Life Choices Income Generator	0.11	0.12
ipac Life Choices Alternative Balanced	0.18	0.17
ipac Life Choices Premium Growth	0.13	0.13

Based on the buy and sell spreads for the ipac Life Choices Active 70 Fund, an investment of \$500,000 would incur a buy spread of \$950, and a withdrawal of \$500,000 would incur a sell spread of \$850. 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 online at [www.ampcapital.com/spreads](http://www.ampcapital.com/spreads) or by contacting us.

If investments and withdrawals in the Funds incur buy and sell spreads, we estimate that these buy and sell spreads will recover the Funds' transactional and operational costs incurred due to investor activity. However, the balance of the Funds' transactional and operational 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 transactional and operational costs and how these are borne by investors.

Fund name	Total estimated transactional and operational costs	Estimated transactional and operational costs offset by buy/sell spreads	Estimated transactional and operational costs borne by the Fund
ipac Life Choices Active 50	0.24%	0.05%	0.19%
ipac Life Choices Active 70	0.23%	0.05%	0.18%
ipac Life Choices Active 85	0.20%	0.04%	0.16%
ipac Life Choices Active 100	0.17%	0.03%	0.14%
ipac Life Choices Index 50	0.05%	0.03%	0.02%
ipac Life Choices Index 70	0.05%	0.03%	0.02%
ipac Life Choices Index 85	0.04%	0.03%	0.02%
ipac Life Choices Income Generator	0.10%	0.05%	0.06%
ipac Life Choices Alternative Balanced	0.36%	0.06%	0.30%
ipac Life Choices Premium Growth	0.21%	0.05%	0.16%

## 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 Fund's assets or the underlying fund's assets (as the case may be) and reflected in the unit price.

We estimate these borrowing costs to be:

Fund name	Borrowing costs (as % of the net assets of the Fund)
ipac Life Choices Active 50	0.02%
ipac Life Choices Active 70	0.03%
ipac Life Choices Active 85	0.03%
ipac Life Choices Active 100	0.00%
ipac Life Choices Index 50	0.00%
ipac Life Choices Index 70	0.00%
ipac Life Choices Index 85	0.00%
ipac Life Choices Income Generator	0.00%
ipac Life Choices Alternative Balanced	0.14%
ipac Life Choices Premium Growth	0.22%

These costs will be paid out of the Fund's assets and are additional to the fees and costs noted in Table 1 above.

### Costs related to a specific asset or activity to produce income

The Funds may also incur costs (related to a specific asset or activity 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 Funds and are additional to the fees and costs noted in Table 1 above.

### Liabilities properly incurred

The Funds' constitutions entitle 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:** 2% of the application amount for the ipac Life Choices Active Investment Options (other than the ipac Life Choices Active 50), ipac Life Choices Premium Growth and ipac Life Choices Alternative Balanced. 5% of the application amount for the ipac Life Choices Index Investment Options, ipac Life choices Active 50 and the ipac Life Choices Income Generator. Currently, no contribution fees are charged.
- **Withdrawal fee:** 2% of the withdrawal amount. Currently, no withdrawal fees are charged.
- **Switching fee:** 2% of the switching amount. Currently, no switching fees are charged.
- **Management fee:** 2% per annum of the net asset value of the ipac Life Choices Active Investment Options (other than the ipac Life Choices Active 50). 5% per annum of the net asset value of the ipac Life Choices Index Investment Options, ipac Life Choices Active 50 and ipac Life Choices Income Generator. 5% per annum of the gross asset value of the ipac Life Choices Premium Growth and ipac Life Choices Alternative Balanced. The current management fees are shown in Table 1.

Under each Fund's constitution, 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, introduce performance fees or introduce contribution or withdrawal fees.

## Goods and Services Tax (GST)

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

We may provide alternative forms of remuneration, such as professional development, sponsorship, and entertainment for financial advisers, dealer groups and master trust or IDPS operators where the law permits. Where such benefits are provided, they are payable by us and are not an additional cost to you. We maintain a register to record any material forms of alternative remuneration they may pay or receive. We will provide you with a copy of our register free of charge, on request.

## 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 Funds.

## 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 Trust (MIT) and will be administered as Attribution Managed Investment Trusts (AMIT).

The AMIT tax regime seeks to improve the operation of the taxation law for MITs by increasing certainty for responsible entities and unit holders and allowing greater flexibility around how MITs are administered.

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 deducted from the taxable income of each Fund attributed to you at prescribed rates, dependent on the components of the Fund's taxable income.

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 Funds. However, if you do not provide any of these, the Responsible Entity is required to deduct tax from distributions, including where those distributions are reinvested, at the highest marginal tax rate, plus any applicable levies.

# Distributions

The Funds aim to pay distributions:

- **ipac Life Choices Active Investment Options, ipac Life Choices Index Investment Options and ipac Life Choices Alternative Balanced** - half-yearly, after the periods ending 30 June and 31 December.
- **ipac Life Choices Income Generator** - monthly
- **ipac Life Choices Premium Growth** - yearly, after the year ending 30 June.

You should be aware that although the Funds' objectives are to pay distributions as outlined above, the amount of each distribution may vary or no distribution may be payable in a distribution period.

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.

Distributions will normally be paid within 30 days of the end of the period and must be paid within the time period allowed by each Fund's constitution. The June income distribution will be paid to investors in a Fund as at 29 June or the previous business day if 29 June is not a business day in Sydney (see 'Distributions in June summary').

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, Centrelink or the Department of Veterans' Affairs before investing.

Distributions paid are based on the income earned by the Funds and the number of units you hold at the end of the distribution period. For example, if you held 500,000 units in the Funds, and the Funds paid a distribution of \$0.02 per unit for the distribution period, you would receive \$10,000 (that is, 500,000 units x \$0.02 per unit). Please note that the distribution rate will vary for each distribution.

## Calculation of distributions

Each ipac Life Choices Investment Option can earn income from its investments. It may also earn net realised capital gains.

The amount to be distributed by each Fund is calculated by deducting all expenses and fees incurred in respect of that Fund from the income and realised gains. The Responsible Entity may include a return of capital in the distribution.

The distribution amount is divided by the number of units on issue on the last day of the distribution period to provide a cents per unit distribution amount.

The amount each unitholder receives is calculated by multiplying the cents per unit distribution amount by the number of units held at the end of the last day of the distribution period. Each unit receives the same distribution amount, regardless of how long it has been held.

The distribution amount will vary at each distribution. The total distributions for a financial year will be no less than the net income of the Funds for tax purposes.

Distributions are not guaranteed. Unit prices normally fall immediately after a distribution has been declared, because the net assets of the Funds have been reduced by the amount of the distribution.

## Payment of distributions – Platform operators

### ipac Life Choices Active Investment Options, ipac Life Choices Index Investment Options and ipac Life Choices Alternative Balanced

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.

### ipac Life Choices Income Generator

ipac Life Choices Income Generator will normally distribute income monthly in cash, but can make additional distributions at any time. The monthly distributions will be based on an estimate of the fund's annual income in the current financial year.

A key consideration if an investor is to maintain the purchasing power of their capital, and therefore the income their capital can potentially generate, is the need to maintain capital in the ipac Life Choices Income Generator. To facilitate this outcome, ipac Life Choices Income Generator will pay, when necessary, any realised capital gains and any other distributable income as a separate distribution as at 30 June each year. This distribution will be automatically reinvested in Income Generator on your behalf. You will therefore see the number of units you have in ipac Life Choices Income Generator increase following the reinvestment of this distribution. You will not be charged a buy spread for the reinvestment of this distribution.

Investors can draw down on capital at any time. It should be noted that any reduction in capital and therefore the number of units, potentially reduces the level of income provided to you by ipac Life Choices Income Generator. In a similar way, any new investments to ipac Life Choices Income Generator increase the number of units you own and potentially increase the income that can be delivered.

Distributions for ipac Life Choices Income Generator will normally be paid within 30 days of the end of the period and must be paid within three months of the end of the period. The June income distribution will be paid to investors in ipac Life Choices Income Generator as at the Distribution Date. The Distribution Date will be a date up to 5 Business Days prior to 30 June, as determined each year by ipac (see 'Distributions in June summary').

#### *Distributions in June summary*

There may be two distributions made in June:

- a distribution representing a portion of the forecastable income earned by ipac Life Choices Income Generator for the financial year. This distribution will be paid on the Distribution Date.
- a distribution representing realised capital gains and any other distributable income for the financial year. This distribution will be paid with an effective date of 30 June.

Please note that investors who invest after the Distribution Date but on or 30 June will not receive the income distribution paid as at the Distribution Date. Investors will receive the 30 June distribution which will be reinvested on their behalf.

#### **ipac Life Choices Premium Growth**

All distributions will be reinvested in ipac Life Choices Premium Growth on your behalf. You will therefore see the number of units you have in the ipac Life Choices Premium Growth increase following the reinvestment of distributions.

## **Payment of distributions – Indirect investors**

### **ipac Life Choices Active Investment Options, ipac Life Choices Index Investment Options and ipac Life Choices Alternative Balanced**

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).

### **ipac Life Choices Income Generator**

Distributions are paid directly to platform operators, except any 30 June distribution, which will be automatically reinvested. 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).

### **ipac Life Choices Premium Growth**

Distributions are automatically reinvested for ipac Life Choices Premium Growth.

## **Reinvestment**

In the case of reinvested units, the Responsible Entity will subscribe on the unitholder's behalf for additional units in the same Life Choices Investment Option at the end of each distribution period. The additional units will be issued on the first day after the end of the distribution period. Unitholders will receive details of the number and issue price of units in the Funds issued in this way. The Responsible Entity can withdraw or modify this facility at any time. You will not be charged a buy spread for the reinvestment of the distributions.

# 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 '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

The offer to invest in the Funds is subject to the terms and conditions described in the PDS current at the time of contributing any investment amount. A current PDS can be obtained free of charge online at [www.northonline.com.au](http://www.northonline.com.au) or by contacting us.

### Platform operators

You will need to complete an application form when applying for an initial or additional investment in the Funds. An application form can be obtained free of charge by contacting us on 1800 658 404.

### Indirect investors

Your financial adviser or platform operator can provide you with a current PDS and 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.

## Terms and conditions of investing

The offer to invest in the Funds is subject to the terms and conditions described in the Funds' current PDS and as set out in the Funds' 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 [www.northonline.com.au](http://www.northonline.com.au). 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.

## Processing applications

We generally process applications each Business Day, using the close of business issue price for that day. A Business Day for us is any day other than Saturday, Sunday or a bank or public holiday in Sydney, NSW.

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

## Issue price

The issue 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 Funds 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 document).

## Cooling off rights

### Platform operators

Cooling off rights do not apply in relation to an investment in the Funds.

### 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. Unit prices can rise and fall on a daily basis depending on a number of factors, including the market value of the Funds' 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 [www.northonline.com.au](http://www.northonline.com.au) and can also be obtained by contacting the AMP Capital Client Services Team on 1800 658 404.

### 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 Funds.

## 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).

## Retaining this PDS

You should keep this PDS and any replacement or supplementary PDS, as you may need to refer to information about the Funds 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 1800 658 404 if you have questions.

### 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 fax<sup>(1)</sup> to 1800 630 066 or by mail to AMP Capital - Unit Registry, GPO Box 804, Melbourne VIC 3001. Withdrawal amounts will be paid to your nominated account.

A balance of \$500,000 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.

### 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

If our Sydney 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 in Sydney, 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).

The unit price used to calculate your withdrawal value will generally be the price calculated on the last valuation date before we process the payment of your withdrawal request.

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 that 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.

1 Please refer to 'Communication by fax' in the 'Other important information' section of this PDS.

## Total withdrawals

Where the total withdrawals exceed 5% of the net assets of a Fund on any one day, we may determine that part of the withdrawal amount payable consists of income.

## 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 Funds are normally determined at least each Business Day, using the market prices and unit prices of the assets in which the relevant 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 the proceeds of your withdrawal request will usually be available within five (5) Business Days of receipt, you should be aware that:

- payment and processing of withdrawal requests is dependent on the Funds' cash position, and
- the Funds' constitutions allow up to 30 days (except for the ipac Life Choices Premium Growth investment option, which allows up to 60 days and the ipac Life Choices Income Generator investment option which allows up to 365 days), or longer in some circumstances, to process withdrawal requests. These circumstances include but are not limited to:
  - 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.

## Switching

Please contact your platform operator to switch part or all of your investment from one Life Choices Investment Option to another. When you switch between Funds, the unit prices you obtain may include allowances for the buy/sell spreads shown on page 22.

The Responsible Entity has the right to refuse a switch request.

## 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 Fund information to indirect investors.

## Investment information

We will send platform operators confirmation of each transaction.

## Online access

Online access allows platform operators to view investment information and statements at any time. 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's annual financial reports
- a paper copy of any updated information, and
- any replacement or supplementary PDS.

## 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 Funds may be obtained from, or inspected at, an ASIC office or can be obtained by contacting us on 1800 658 404. These documents may include:

- a Fund's annual financial report most recently lodged with ASIC, and
- a Fund's half year financial report lodged with ASIC (after the lodgment 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 [www.northonline.com.au](http://www.northonline.com.au).

# Other important information

## The Responsible Entity

The Responsible Entity for the Funds must ensure that it complies with the duties of a Responsible Entity under the Corporations Act, the Constitutions and the Compliance Plan. These duties include maintaining an Australian Financial Services Licence, acting honestly, exercising due care, skill and diligence, and acting in the best interests of the unit holders.

## The Constitution

The constitution for each Fund provides the framework for the operation of that Fund. The constitutions are regulated by the Corporations Act and set out the Responsible Entity's legal relationship with unit holders. The constitutions, as amended, were lodged with ASIC and may be read by prospective investors. They are also available free of charge by contacting us.

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 the Funds, to deal with itself and its associates, to be paid fees and to be reimbursed or indemnified out of the assets of the Funds
- 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 the 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 the Funds at any time
- when the Responsible Entity can terminate the Funds 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.

## Compliance plan

The Responsible Entity has a compliance plan for the Funds, which sets out the measures that will apply in operating the Fund to ensure compliance with the Corporations Act and the Funds' constitutions. 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.

A compliance committee monitors the operation of the Funds and overall compliance with the compliance plan. The majority of the members of the compliance committee must be, and are, independent of both AMP Capital and the Responsible Entity. The compliance committee has the obligation to monitor compliance with the compliance plan and to report certain breaches of the Corporations Act and the compliance plan to ASIC.

## Related party transactions

Any transaction between the Responsible Entity, AMP Capital or another member of the AMP Group and their respective related parties must comply with 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 the AMP group or the Responsible Entity. Related Parties of the Responsible Entity include the Responsible Entity itself, entities that the Responsible Entity controls, entities within the AMP Group, Funds operated or managed by the Responsible Entity or an AMP group entity and agents of the Responsible Entity.

As at date of this document, the relevant policies and procedures that apply to related party transactions of the AMP group or the Responsible Entity are contained in the AMP Conflicts of Interest 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.

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 a 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 the Responsible Entity in connection with the Funds and for expenses. These payments are on arm's length terms.



## Complaints procedure

### Platform operators

AMP Capital and the Responsible Entity follow an established procedure to deal with complaints. We are committed to providing you with a high level of service, but sometimes things go wrong. If this happens, we will help you resolve the issue. If you have concerns relating to your investment in the Funds, please contact us by telephone on 1800 658 404 or in writing to AMP Capital Investors Limited, GPO Box 5445, Sydney NSW 2001.

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

### Indirect investors

You should contact your financial adviser or platform operator if you have a complaint related to your investment in the Funds. 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 [www.ampcapital.com/privacy](http://www.ampcapital.com/privacy) or by contacting us, sets out the AMP Capital's 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.

## Communication by fax

When you communicate with us by fax, it is your responsibility to obtain confirmation from us that we have received your fax. Neither we nor the Responsible Entity are responsible for any loss or processing delay that occurs as a result of us not receiving a faxed communication. Please note that we do not accept a sender's fax transmission 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 fax.

## Unit Pricing Discretions Policy

The Responsible Entity may exercise certain discretions in determining the unit price of units on application and withdrawal in the Funds. The Unit Pricing Discretions Policy, which can be obtained online at [www.ampcapital.com](http://www.ampcapital.com) 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 policies on how 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

Assets in which the Funds invest are held directly by the Funds or through underlying funds in which the Funds invest. Generally, these assets are valued at least each business day using market prices in accordance with the AMP Capital Asset Valuation Policy, with the exception of the following:

- **direct assets** are valued by us at least twice a year
- **units in unlisted infrastructure funds** are valued at the most recent unit price supplied by the manager of the relevant fund, and
- **investments in underlying funds** are valued by an independent administrator
- **direct property** valuations are determined by independent property valuers annually, or more frequently to comply with certain scheme mandates as required.

For further information on AMP Capital's Asset Valuation Policy, please go to [www.ampcapital.com](http://www.ampcapital.com) or a copy can be obtained, free of charge, by contacting us.

## Securities lending

Securities lending exposes a fund to additional risks which may cause a loss of capital, in particular the risk that the borrower defaults by failing to return the securities. However, processes are in place to manage and substantially mitigate these risks, including:

- loans may only be made to approved borrowers, who are carefully selected taking into account credit risk
- aggregate borrowing limits are set and monitored
- acceptable collateral must be high quality and highly liquid, including cash, shares in larger companies and government bonds; in the event of default, collateral may be liquidated to fund the purchase of replacement securities
- borrowers are required to maintain collateral equal to the value of the securities on loan plus a margin of 5-10% depending on type of collateral
- market movements of both securities on loan and collateral are monitored on a daily basis and adjustments made where necessary to ensure that loans remain fully collateralised
- restrictions may be placed on which securities are available to be loaned and limits on the proportion of securities that may be loaned, and
- loans may be recalled at any time at the discretion of the Responsible Entity and the securities lending agreement may be terminated at short notice should market conditions warrant such action.

In addition, these funds have further risk mitigation in place against possible capital loss resulting from insolvency of a borrower by a legally enforceable indemnity from the securities lending agent (a related party of these fund's custodian), who would make up any shortfall between the collateral and the cost to repurchase a loaned security.

Income earned from securities lending is returned to the fund after the deduction of operational costs and fees payable to the securities lending agent (for operation of the program and the provision of the indemnity) and to AMP Capital for monitoring, governance and oversight. These fees are 30% and 10% of securities lending revenue respectively which are in line with normal commercial rates.

## Environmental, social and governance (ESG) considerations

AMP Capital 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 Capital has an ESG and Responsible Investment (RI) Philosophy describing our approach to considering these issues in our investment decision making which is available at [www.ampcapital.com/esg-and-responsible-investment](http://www.ampcapital.com/esg-and-responsible-investment).

### Selecting investment managers

Decisions made by us about whether to select, appoint or remove investment managers are based primarily on financial and economic factors, including investment style and approach. AMP Capital conducts due diligence in the selection, appointment and removal of investment managers. As part of the due diligence process, we may ask these managers how they incorporate ESG considerations in their investment analysis to develop a more comprehensive view of an investee company's key business risks, how they approach corporate governance issues and how they consider both of these matters are related to overall management quality.

### Selecting, retaining and realising investments

Decisions made by us and the Funds' underlying investment managers about whether to buy, hold or sell investments will still be based primarily on financial and economic factors. ESG issues may be taken into account by us and the underlying investment managers where we/they believe these factors may have a financially material impact on the value and performance (risk and/or return) of the investment.

Any additional or replacement investment manager appointed to the Funds may also take these matters into account in line with their own ESG policy.

AMP Capital may also consult with our underlying investment managers from time to time to ascertain the extent to which they incorporate ESG considerations in their decision-making and stock selection processes. This may be undertaken through one-on-one meetings with these managers, issuing ESG surveys, obtaining and reviewing ESG policies from them and AMP Capital's monitoring of their proxy voting activities.

However, in addition to consideration of financial and economic factors as noted above, AMP Capital may, in exceptional circumstances, also exclude or divest (negatively screen), and instruct its underlying investment managers to exclude or divest, companies, asset types or industry sectors from the Funds where they have been determined as contravening the following ethical principles as defined in AMP Capital's ESG and RI Philosophy. In making such a decision, AMP Capital will take into account the extent (if any) to which a company's activities (conduct), products or services:

- violate the principle of respect for persons which affirms the intrinsic dignity of all people irrespective of age, gender, race, religion and prohibits the treatment of any human being merely as a means to an end, and/or
- can be used without causing harm to others including those who may choose to make use of the relevant goods or services.

In undertaking its assessment AMP Capital will consider (without limitation):

- whether activities (conduct), products or services contravene principles accepted under international human rights laws including but not limited to UN conventions
- the principle of 'double effect' – which may allow conduct that is not intrinsically wrong and is undertaken for an ethically justified 'principal effect' even if it has an unintended harmful 'secondary' (double) effect. Where a form of conduct may have a harmful 'double effect', AMP Capital will assess the extent to which the company is actively engaged in minimising and mitigating the unintended harm
- the extent to which the relevant activity, product or service is material to the conduct of the company in which the investment is to be made, and
- any reasonable argument or rebuttal submitted in good faith, as to why an adverse assessment may be based on an error of fact or assumption.

In summary, at present the application of the ethical principles outlined above will result in the negative screening of companies that AMP Capital believes have:

- known involvement in the production and manufacture of, or essential or significant involvement in the distribution and sale of, tobacco, or
- material involvement in the manufacture, maintenance or delivery of cluster munitions, anti-personnel mines, chemical or biological weapons.

We may update or vary these exclusions from time to time, following review and approval by AMP Capital's Investment Committee. Further information and detail on the application and scope of AMP Capital's ESG and RI Philosophy and a current list of sectors and individual companies subject to exclusion are available at

[www.ampcapital.com/esg-and-responsible-investment](http://www.ampcapital.com/esg-and-responsible-investment).

Where AMP Capital has an investment management agreement with an investment manager regarding investments held in the Funds and AMP Capital has determined that certain investments or sectors contravene these ethical criteria, that manager will be directed by us to exclude or divest those securities using a process of negative screening and will not include those securities in the Funds. Where an existing investment is identified as contravening the ethical criteria, it will be sold down by the underlying investment manager generally within a period of up to twelve months.

AMP Capital's Investment Committee is responsible for ensuring that any decision to negatively screen a company, asset type or industry sector from the investable universe of the Funds takes into account fund investment objectives and strategy and recommendations from AMP Capital's research and investment teams.

Adherence to and monitoring of any excluded (negatively screened) investments is overseen by AMP Capital's Investment Committee in consultation with AMP Capital's ESG and compliance monitoring functions and is generally reviewed annually. The underlying investment manager is responsible for ensuring the Funds are invested in line with the investment restrictions advised to it by AMP Capital in accordance with its investment management agreement.

More generally, except to the extent disclosed above in relation to consideration of ESG issues where it is believed these factors may have a financially material impact on the value and performance of the investment, and negative screening in exceptional circumstances on an ethical basis, AMP Capital has no predetermined view about what we regard to be a labour standard, environmental, social or governance consideration or how far they will be taken into account in the selection, retention or realisation of investments relating to the Funds.

# Applying for an investment

## Platform operators

### How to apply

Please contact our Client Services team on 1800 658 404 to obtain an application form.

The application form should only be completed and signed by:

- the person who is, or will become, the unitholder
- 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 [www.northonline.com.au](http://www.northonline.com.au) or by contacting us.

### Minimum investment amounts

- Initial investment – \$500,000
- Additional investment – \$5,000

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

### Submitting your application

Application forms should be mailed to:

AMP Capital - 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.

# Contact us:

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**Registered office**

ipac asset management limited  
33 Alfred Street  
Sydney NSW 2000

**Mailing address**

AMP Capital - Unit Registry  
GPO Box 804  
Melbourne VIC 3001

**Client Services**

phone 1800 658 404  
fax 1800 630 066  
8:30am – 5:30pm  
Sydney time, Monday to Friday  
[clientservices@ampcapital.com](mailto:clientservices@ampcapital.com)