

Flexible Lifetime[®] – Investments

Product disclosure statement (PDS) update



This is a product disclosure statement update for Flexible Lifetime - Investments issued by AMP Capital Funds Management Limited ABN 15 159 557 721, AFSL 426455 and ipac asset management limited ABN 22 003 257, AFSL 234655.

You should read this product disclosure statement update in conjunction with the Flexible Lifetime – Investments product disclosure statement (Original PDS) dated 20 December 2019 and the Supplementary PDS (SPDS) dated 1 September 2020 and SPDS dated 22 October 2020. The Original PDS and SPDS are available by calling us on 133 267.

Change in method of fee calculation - same or lower costs

As part of AMP Capital's initiative to simplify the fee structure for its investment products, the Responsible Entitys have decided that for all investment options in the Original PDS, other than the Specialist Geared Australian Share investment option, the management fees will be charged based on the net asset value of the investment option, even though the constitutions for many of the investment options allow fees to be charged based on gross asset value. As these investment options do not normally borrow or otherwise gear the investment option's investments, the change from charging fees based on gross assets to net assets will not make a significant difference to fees and costs, but will always either be neutral or positive for investors.

Following this change of policy, which has been implemented with effect from 1 November 2020, the figure used as the basis for calculating fees will no longer include items such as cash not yet paid for distributions or redemptions, amounts of management fee which have been accrued and not yet paid or, possibly in some cases, short term borrowing to meet cash flow needs.

Under the new policy, the amount we charge will either be the same as it is now, or slightly lower. The exact amount of any reduction will depend on the income and expenses of the particular investment option, but where the fee is lower as a result of the new policy the reduction is expected to be a small amount so that the statement about fees and costs in the Original PDS, where the figures are rounded to two decimal places, will not materially change.

In relation to the Specialist Geared Australian Share investment option, the management fee will continue to be charged on the gross asset value (that is, without deducting the value of any borrowings, other liabilities or provisions). For the purposes of Table 1 in section 'Investment options and fees' in the Investment Choices Catalogue (Part 2 of the Original PDS), we have shown both the management fee we charge on the gross value of assets and have also expressed this as a percentage of the net assets, which excludes the gearing of the fund.

All other information about the funds remains unchanged.

The information contained in this product disclosure statement update is general only and does not take into account any investor's personal objectives, financial situation or needs. All investors should read the product disclosure statement update carefully (together with the Original PDS and SPDS) and should obtain financial advice that is tailored to their circumstances.

Issue date 1 December 2020

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