

AMP Investments Restricted Investments

September 2023

AMP Investments appoints underlying investment managers, on behalf of National Mutual Funds Management Ltd (NMF) and ipac Asset Management Ltd (IAM) as the Trustee / Responsible Entity for our funds, to invest the funds' assets.

Decisions made by AMP Investments and the underlying investment managers about whether to buy, hold or sell investments will be based primarily on financial and economic factors which support the investment strategy and the best interests of investors.

How AMP Investments applies restricted investments

When AMP Investments appoints underlying investment managers to invest the funds' assets, the funds' investments can be structured in either of two ways, which are as follows:

1. Direct holdings: The funds' assets are held directly under an investment mandate agreement with an underlying manager. In this instance, as the Trustee / Responsible Entity, we are able to influence the manager's ESG considerations.
2. Indirect holdings: The funds' assets are held indirectly via investment in an underlying manager's pooled fund. In this instance, the ESG policies of that manager's pooled fund may apply, and AMP Investments may or may not have influence over ESG considerations.

AMP Investments restricts investment in specific companies, which are listed in the Restricted Investments list. Restrictions apply to all securities (including all equity and bond issues, whether or not currently publicly traded) issued by a company on the Restricted Investments list. AMP Investments instructs its managers appointed under an investment mandate (direct holdings) to apply the Restricted Investments list to their current and future investments.

The proportion of the assets of a fund subject to the investment restrictions will be dynamic with both market movements and asset allocation changes and will differ due to the different levels of exclusive control and the varying allocations to assets where restrictions do not apply (indirect holdings, cash, sovereign bonds, exchange traded funds and derivatives).

Restricted investments

For direct holdings, AMP Investments restricts investment in companies and issuers identified through the screening process based on the following business activities:

- Involvement in cluster munitions, anti-personnel landmines, and biological and chemical weapons.
- Involvement in the production and manufacture of tobacco and electronic cigarettes products.
- Companies which earn more than 50% of their revenue (as reported in their audited financial statements) from the sale or distribution of tobacco or electronic cigarettes, (or if this information is unavailable, company revenue is estimated on a best-efforts basis by our external ESG data and research provider).

While we exercise reasonable care to implement the investment restrictions, from time to time there may be a small level of unintended exposure due to reasons such as data gaps arising, corporate activity, indirect exposure, or timing differences between activities of a company or issuer (for example, where there has been an acquisition or divestment) and the update to the Restricted Investments list. The Restricted Investments list (shown below for publicly tradeable securities) is reviewed at least annually. To further understand our methodology, please see Section 3 below titled 'Frequently asked questions and answers'.

Restricted Investments list

In preparing the Restricted Investments list, we have partnered with external ESG data and research providers for company research.

Where an underlying investment manager has been appointed and operates under an investment management agreement (direct holdings), they will be directed by AMP Investments to divest and apply restrictions to all securities issued by a restricted company. Where an investment is identified as contravening the Restricted Investments list, it will be sold down by the underlying investment manager in an orderly fashion as soon as practicable from when the contravention was identified. Normally, this occurs within a period of up to six months.

Investment screening introduces investment risk, which is the potential that the removal of companies or issuers from the investment universe will result in the fund underperforming the market as a whole or trailing the returns of other funds. Any changes to the restrictions criteria take into account fund investment objectives and strategy.

AMP Investment's Restricted Investments list September 2023*

Cluster munitions, anti-personnel landmines, biological and chemical weapons.

AAI Corp.

Aeroteh SA.

Anhui GreatWall Military Industry Co., Ltd.

Anhui Military Industry Group Holding Co. Ltd.

Aryt Industries Ltd.

Avco Corp.

Bharat Dynamics Ltd.

China Aerospace Science & Industry Group Corp.

China Aerospace Science & Technology Corp.

China North Industries Corp.

China North Industries Group Corp., Ltd.

China North Industries Investment Ltd.

China Poly Group Co., Ltd.

China South Industries Group.

Elbit Systems Ltd.

LIG Corp.

LIG Nex1 Co., Ltd.

Lockheed Martin Corporation.

Motovilicha Plants PJSC.

Northrop Grumman.

Northrop Grumman Innovation Systems, Inc.

Poongsan Corp.

Poongsan Holdings Corp.

S&T DYNAMICS Co., Ltd.

S&T Holdings Co., Ltd.

Sandhar Technologies Ltd.

Solar Industries India Limited.

Textron Financial Corp.

Textron Inc.

United Industrial Corp.

Synthetic Moulders Ltd.

Economic Explosives Ltd.

JMV LPS Ltd.

JBJ Technologies Ltd.

Tobacco and electronic cigarettes

All securities issued by an entity either:

- (a) assigned to the Tobacco sub-industry GICS*** classification 30203010; or
 - (b) identified in the list below,
- are Restricted Securities.

Tobacco and electronic cigarettes - non GICS

A-1 Group, Inc.

AMCON Distributing Company.

Arcis Resources Corp.

B.A.T Capital Corp.

B.A.T. Finance BV.

B.A.T. International Finance Plc.

Bellatora, Inc.

British American Tobacco Holdings (The Netherlands) B.V.

Carmila SA.

Carreras Ltd.

Cerealcom SA Alexandria.

China Boton Group Co., Ltd.

Compania de Distribucion Integral Logista Holdings SAU.

Core-Mark Holding Company, Inc.

Dupnitsa-Tabak AD.

Duvanski Kombinat ad Podgorica.

Fabrika Duvana Banja Luka AD.

Gemini Group Global Corp.

Gilla Inc.

Greenlane Holdings, Inc.

Haci Omer Sabanci Holding AS.

Harrys Manufacturing, Inc.

Hoang Long Group.

Huabao International Holdings Ltd.

Imperial Brands Finance Plc.

JT International Financial Services BV.

LT Group, Inc.

Tobacco and electronic cigarettes - non GICS

Press Corporation PLC.

Reinet Investments SCA.

Schweitzer-Mauduit International, Inc.

Shanghai Industrial Holdings Limited.

Shanghai Shunho New Materials Technology Co., Ltd.

Sila Holding AD.

Swan Group of Cos., Inc.

TSL Ltd.

Tutunski Kombinat AD Prilep.

Veles Tabak AD.

Vapor Hub International, Inc.

Old Holdco, Inc.

MediGreen Holdings Corp.

Altadis Emisiones Financieras SA.

Shenzhen Jinjia Group Co., Ltd.

Starfleet Innotech, Inc.

Shantou Dongfeng Printing Co., Ltd.

Imperial Brands Finance Netherlands BV.

I.M.A. Industria Macchine Automatiche SpA.

Essentra PLC.

China Tobacco International (HK) Co., Ltd.

AFGRI Ltd.

Strumica Tabak AD.

* The screening analysis for the companies on this list was completed in December 2022 and there have been no changes made to the restricted investments since then. In September 2023, additional information was added outlining more information on the screening process.

** ISIN: International Securities Identification Number.

*** GICS: Global Industry Classification Standard.

Frequently asked questions and answers

1. Why do you apply restrictions to Tobacco and electronic cigarettes?

Tobacco and electronic cigarette products lead to significant health issues, increased mortality, and result in extremely high health costs to society. There is no safe level of cigarette smoking, and it is addictive. Furthermore, there is increasing evidence of the negative health impacts of second-hand smoking.

2. On what basis do you choose to apply a 50% revenue earned threshold for restricting investing in companies involved in the sale and distribution of Tobacco and electronic cigarettes?

The basis upon which we choose the 50% revenue earned threshold for restricting companies involved in the sale or distribution of tobacco or electronic cigarettes is because we consider that 50% is a significant part of a company's or issuer's business.

3. What is the GICS sub-industry classification?

The Global Industry Classification Standard (GICS®) is an industry analysis framework which helps investors to understand the key business activities for companies globally. We identify tobacco producers and manufacturers through identifying all securities with the GICS sub-category Tobacco classification 30203010.

4. What weapons restrictions apply to our screening process?

Restrictions are applied to investments in cluster munitions, anti-personnel landmines, and biological and chemical weapons. This refers to companies identified as having verified involvement through our screening process in developing, marketing, sales, brokering, operating, stockpiling, testing, training, and upgrade of these types of weapons, and including key components that are specifically designed for these weapons.

- In carrying out this screening process the following international conventions are referenced:
- Biological Weapons Convention
- Chemical Weapons Convention
- Convention on Cluster Munitions
- The Anti-Personnel Mine Ban Convention

What you need to know:

This document has been prepared by National Mutual Funds Management Ltd (ABN 32 006 787 720, AFSL 234652) (NMF) and is general in nature only. While every care has been taken in the preparation of this document, NMF makes no representation or warranty as to the accuracy or completeness of any statement in it including, without limitation, any forecasts. Past performance is not a reliable indicator of future performance. This document has been prepared for the purpose of providing general information, without taking account of any particular investor's objectives, financial situation, needs, and ESG values. An investor should, before making any investment decisions, consider the appropriateness of the information in this document, and seek professional advice, having regard to the investor's objectives, financial situation, needs, and ESG values.