

# AMP CAPITAL CORPORATE BOND FUND

ARSN: 087 391 311 APIR CODE: AMP0557AU

17 DECEMBER 2018

## Product Disclosure Statement changes

We are writing to advise you of changes to the AMP Capital Corporate Bond Fund ('Fund') that will be reflected in the new Product Disclosure Statement ('PDS') for Platform (Class A unit) investors, available on [ampcapital.com/pricingandperformance](http://ampcapital.com/pricingandperformance) from 21 December 2018. Key changes include, but are not limited to:

- > Refreshed indirect costs
- > Introduction of securities lending
- > Removal of ability to enter into repurchase agreements.

Details of the changes are provided below. Before making any investment decisions, we recommend you read the information in the PDS about the benefits and risks of investing, and the other features of the Fund.

### Refreshed indirect costs

Following our latest review, indirect costs of the Fund will be refreshed to reflect the costs of managing the Fund. **Please note there is no increase in the management fee.**

### Introduction of securities lending

The Fund can engage in securities lending. Securities lending is a practice whereby the securities of an investment are lent to a third party (the borrower) for a period of time in return for a fee. Securities lending can increase overall portfolio returns and therefore, overall returns to investors.

Any income earned from securities lending is returned to the Fund. This income is accrued in the unit price of the Fund, once operational costs and fees payable to the securities lending agent (for the operation of the program) and AMP Capital (for monitoring, governance and oversight) have been deducted. The fees are 30% and 10% of securities lending revenue, respectively, which are in line with normal commercial rates.

Securities lending does expose the Fund to some additional risks which could cause a loss of capital. A full breakdown of these risks can be found in the updated PDS. However, robust processes are in place to substantially mitigate these risks. These processes include the careful selection of approved borrowers, borrowing limits and collateral requirements (which are monitored daily and have a number of restrictions).

### Removal of ability to enter into repurchase agreements

The Fund will no longer have the ability to enter into repurchase agreements, where it could sell bonds and agree to purchase them back at a later date. This change removes the risk of repurchase liabilities which could cause a loss of capital.

### Further information

If you have any questions about this update, please contact your Client Account Manager or our Client Services Team on 1800 658 404, between 8.30am and 5.30pm (Sydney time) Monday to Friday or via email at [clientservices@ampcapital.com](mailto:clientservices@ampcapital.com).

Yours sincerely,



David Richardson

**Global Head of Client Services and Business Improvement**

AMP Capital Investors Limited

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**Important note:** Investors should consider the Product Disclosure Statement (PDS) available from AMP Capital Investors Limited (ABN 59 001 777 591, AFSL 232497) (AMP Capital) before making any decision regarding the Fund. AMP Capital Funds Management Limited (ABN 15 159 557 721, AFSL 426 455) is the responsible entity of the Fund and the issuer of units in the Fund. The PDS contains important information about investing in the Fund and it is important investors read the PDS before making a decision about whether to acquire, continue to hold or dispose of units in the Fund. Neither AMP Capital, nor any other company in the AMP Group guarantees the repayment of capital or the performance of any product or any particular rate of return referred to in this document. Past performance is not a reliable indicator of future performance. While every care has been taken in the preparation of this document, AMP Capital makes no representation or warranty as to the accuracy or completeness of any statement in it including without limitation, any forecasts. This letter has been prepared for the purpose of providing general information, without taking account of any particular investor's objectives, financial situation or needs. Investors should, before making any investment decisions, consider the appropriateness of the information in this fact sheet, and seek professional advice, having regard to their objectives, financial situation and needs.