

Notice to Members

17 May 2022

Proposed change of Responsible Entity

1. What is the notice, and why am I receiving it?

AMP Capital Funds Management Limited (ABN 15 159 557 721, AFSL 426455) (**AMPCFM, we, us**) is proposing to retire as responsible entity of the AMP Capital Australian Equity Income Fund¹ (also known as AMP Capital Equity Income Generator) (the **Fund**), as shown in the "Request for Vote Form" (**Form**) enclosed with this notice and proposes that ipac Asset Management Limited (ABN 22 003 257 225, AFSL 234655) (**IAM, proposed responsible entity**) be appointed as the replacement responsible entity² (the **Proposal**). AMPCFM and IAM are both members of the AMP Group.

The purpose of this notice is to:

- Outline the reasons why AMPCFM proposes to retire as responsible entity and why it proposes that IAM be appointed as the new responsible entity of the Fund.
- Explain why we recommend investors in the Fund (**Members**) support the Proposal to replace the responsible entity.
- Provide the opportunity for Members to consider the Proposal and request a Member vote on the appointment of IAM as replacement responsible entity for the Fund, should they believe a vote is necessary.
- Inform Members how they can access current information on the AMPCFM website (ampcapital.com/au/en/capabilities/equities) about the proposed timing of the retirement of AMPCFM as responsible entity and the manner in which that retirement will occur.

Key information, events and dates that relate to this notice

Notice information	Dates
Notice of Proposal. This notice together with a form to request a vote is issued to Members. If requested by the requisite number of Members who are eligible to vote or by Members eligible to vote and holding the requisite value of units in the Fund, a vote would be held via a meeting of Members or postal vote.	17 May 2022
Date/time by which any requests for a vote on the proposed change in responsible entity must be received. Whether a vote on the proposed change in responsible entity for the Fund must be held (at a meeting of Members or by postal vote) will be determined based on the number of eligible vote requests received for the Fund or the value of units held in the Fund by the eligible Members making the request ³ .	5pm (Sydney time), 8 June 2022
If a sufficient number of Members request a vote, then as soon as possible after the date by which requests for a vote must be received, we will arrange a meeting or postal vote.	
Proposed date of change of responsible entity. This is the intended effective date of the change in responsible entity. It assumes that a vote does not need to be held in relation to the Proposal. If a meeting of Members, or a postal vote, is held for the Fund, the effective date (if Members approve the change in responsible entity) would be after this date.	14 June 2022

As well as providing you with this notice⁴, Members in the Fund who are not considered associates of AMPCFM are given an opportunity to request that the proposed appointment of IAM as responsible entity of the Fund in which they are a Member be approved by a vote of Members.

¹ AMP Capital Australian Equity Income Fund (ARSN 165 631 818) APIR AMP1905AU (Class A) AMP1931AU (Class H) AMP9025AU (Class R) APIR AMP2044AU (Series 2)

² IAM has consented to act as the responsible entity of the Fund.

³ For details see the section headed 'What happens after I receive this notice' below.

⁴ The proposed change of responsible entity for the Fund is being made in accordance with the Corporations Act 2001 (Cwlth) as amended by ASIC relief dated 21 April 2022 and the terms of the Fund's constitution.

If you have **no** objection to the proposed appointment of IAM as the new responsible entity of the Fund, **you do not need to do anything.**

For the reasons set out in this notice, AMPCFM⁵ believes that its retirement and the proposed appointment of IAM will be in your best interests as Members of the Fund and accordingly recommends that you do not respond to this notice.

2. Why is the responsible entity being changed?

In March this year, a meeting of Members was held to allow eligible Members in the Fund to vote on a proposal for Macquarie Investment Management Australia Limited⁶ (**MIMAL**) to be appointed as the new responsible entity of the Fund, replacing AMPCFM, which had proposed to retire as the responsible entity of the Fund (**Resolution**). As explained in the notice of meeting and explanatory memorandum for that meeting dated 2 March 2022 (**NoM**), for the Resolution to pass at least 50% of the total votes that could be cast by Members that were entitled to vote on the Resolution needed to be cast in favour of the Resolution. Less than 50% of the total votes that could be cast by Members were in fact cast. Accordingly, the Resolution was not able to be passed and AMPCFM remains the responsible entity of the Fund.

AMPCFM's future strategy is to focus on delivering to investors high-growth opportunities in private markets rather than the management and distribution of global equities products such as the Fund. As such preparations for its separation from the public markets business are well progressed. In addition, Collimate Capital Limited (formerly known as AMP Capital Holdings Limited) has now entered into a Share Sale and Purchase Agreement with Dexus Funds Management Ltd (**Dexus**)⁷ pursuant to which Dexus will acquire the shares in AMPCFM subject to certain conditions being met. Following the completion of this separation and, if completed, the sale of AMPCFM to Dexus, we do not believe the fund governance and operating model of AMPCFM will be capable of supporting the Fund.

As a result, AMPCFM proposes to retire as responsible entity of the Fund and appoint IAM as the new responsible entity of the Fund in its place. At the date of this notice, AMPCFM believes that the Proposal is in the best interests of Members in the Fund. Although AMPCFM does not foresee any reason why it might change this view before the proposed date of change of the responsible entity, circumstances may arise that result in AMPCFM forming a different view. If this is the case, AMPCFM will notify Members and take appropriate action.

For this Proposal you do not need to do anything if you have no objection to the proposed appointment of IAM as the new RE of the Fund, unlike the previous proposal to appoint MIMAL as responsible entity.

3. Who is the proposed responsible entity?

The Proposal is that AMPCFM retires as responsible entity of the Fund and that IAM be appointed as the replacement responsible entity.

The transition of the Fund to IAM is planned to occur on or around 14 June 2022.

Currently, AMPCFM has appointed Macquarie Investment Management Global Limited⁸ (**MIMGL**) as the investment manager for the Fund. It is intended that MIMGL continues its role as the underlying investment manager if IAM is appointed the responsible entity for the Fund.

Having carefully considered the impacts of retiring in favour of IAM, AMPCFM is proposing the appointment of IAM as the new responsible entity for the Fund. AMPCFM believes IAM has the requisite specialist expertise to continue to provide high quality governance for the Fund.

The investment strategy for the Fund will remain the same, along with key personnel, systems and resources that currently manage and support the Fund, if the Proposal is implemented. No amendments to the constitution of the Fund are required to implement the Proposal.

⁵ Peter Rowe is a director of both AMPCFM and IAM. The Proposal, and the recommendation in relation to it, contained in this notice have been made by those directors of AMPCFM.

⁶ Macquarie Investment Management Australia Limited (ABN 55 092 552 611 AFSL 238321)

⁷ Dexus Funds Management Ltd (ABN 24 060 920 783 AFSL 238163)

⁸ Macquarie Investment Management Global Limited (ABN 90 086 159 060 AFSL 237843)

Presently, IAM acts as the responsible entity for other registered managed investment schemes. Importantly, IAM is dedicated to acting as a responsible entity and does not carry on other substantive businesses or activities. Further information about IAM's Board is available on our website at ampcapital.com/au/en/about/corporate-governance

Advantages of the Proposal

Appointing IAM as the responsible entity of the Fund is expected to provide a number of benefits, including:

- accessing IAM's specialist responsible entity expertise in the operation of registered managed investment schemes, which it has gained from its significant experience for over 30 years;
- alignment with AMP's organisational structure into the future; and
- ensuring seamless transition of the operations of the Fund, given IAM is a related entity within the AMP Group and key personnel, systems and resources that manage and support the Fund will remain the same.

4. Does the proposed change impact the day-to-day management of the Fund?

We believe that the proposed appointment of IAM as responsible entity of the Fund will not lead to any material change in the way that the Fund, and its investments, are managed. IAM, like us, is a member of the AMP Group and will have access to the resources of the AMP Group to govern and manage the Fund. In particular, the investment management oversight, and fund related services (including responding to investor enquiries and the preparation of product disclosure statements), that AMP Capital provided in relation to the Fund will continue to be provided to IAM by a member of the AMP Group, National Mutual Funds Management Limited.

IAM holds an Australian financial services licence authorising it to operate the Fund as responsible entity and to provide all other financial services that are provided in connection with the operation of the Fund. We expect that there will be a smooth transition from AMPCFM to IAM since both IAM and AMPCFM are related entities within the AMP Group and are expected to remain so during the transition⁹.

We are satisfied that IAM will:

- a) retain the same investment strategy of the Fund;
- b) utilise substantially similar IT and accounting functions in the management of the Fund as has been previously used by us;
- c) meet its capital adequacy requirements and other financial requirements under the Corporations Act 2001 (Cwlth) (**Act**) and ASIC policy;
- d) meet its insurance requirements under the Act and ASIC policy by having comparable insurance policies as ours;
- e) meet its obligations in relation to the engagement and monitoring of service providers to the Fund by using the same procedures for engagement and monitoring as has been used by us;
- f) meet its obligations in relation to compliance with the law by using comparable procedures and systems, as well as compliance personnel with appropriate experience; and
- g) handle complaints from, and disputes with, Fund Members where these arise in accordance with the same dispute resolution and complaints handling policies as has been used by us. IAM, like us, is a member of the external dispute resolution body, the Australian Financial Complaints Authority.

No change in fees and costs

The Proposal to change responsible entity does not include any proposal to increase fees or costs for the Fund.

Expenses in connection with the change of RE

Members in the Fund will not directly or indirectly bear any expense in connection with the change of responsible entity of the Fund. All expenses relating to this process will be borne by AMP Group.

⁹ Based on the information available to it, AMPCFM does not expect that the sale of its shares to Dexus, assuming it completes, would complete before any change in responsible entity of the Fund from us to IAM. However, we cannot guarantee that this will be the case, particularly if a meeting of Members or postal vote is required. See our website at ampcapital.com/au/en/capabilities/equities for current information about the proposed timing of the retirement of AMPCFM and the manner in which that retirement would occur.

Management, custody and registry arrangements

There will be no material changes to the management (such as asset management or product oversight and development), custody or registry arrangements for the Fund as a result of the proposed change of responsible entity.

Distributions to Fund Members

The Proposal to change responsible entity does not include any proposal to change the income and capital distribution arrangements for the Fund.

Withdrawal rights

If Members in the Fund have rights to withdraw from the Fund (e.g. rights to have units redeemed), those rights will not change as a result of the proposed change of responsible entity. If you are unsure as to whether you have rights to withdraw from the Fund, please call our Client Services team using the contact details below in section 6.

Investment governance and compliance

Compliance oversight for the Fund will be conducted by the IAM Audit & Risk Committee. The governing charter for the Audit & Risk Committee for the Fund will remain substantially the same if IAM is appointed as responsible entity of the Fund.

The independent auditor for the Fund, Ernst and Young, will remain the same if IAM is appointed as the responsible entity of the Fund.

Taxation

We have received independent advice and do not believe that there will be any material income tax or stamp duty liability for the Fund or its Members as a result of the proposed change of responsible entity.

Approvals and consents

AMPCFM as responsible entity of the Fund has entered into contracts with third parties and AMP counterparties in connection with its operation of the Fund (such as service providers). AMPCFM is obtaining all material consents and approvals from counterparties required in connection with the change of responsible entity for the Fund.

5. What do I need to do?

If you have **no** objection to the proposed appointment of IAM as the new responsible entity of the Fund, **you do not need to do anything.**

However, if you would like the proposal to change the responsible entity of the Fund to be put to a vote of the Fund's Members, you should notify us by completing the "Request for Vote" form attached and sending it to us via email at clientservices@ampcapital.com or by reply paid post to the address below, **to be received by us by no later than 5pm (Sydney time) on 8 June 2022.**

AMP Capital Funds Management Limited
Attention: RE Changes
Reply Paid 125
PARRAMATTA NSW 2124

What happens after I receive this notice?

If either of the following conditions are met in relation to the Fund (by 5pm (Sydney time) on 8 June 2022), we will as soon as possible either arrange a Members' meeting or a postal vote to vote on the appointment of IAM:

- Members who together hold at least 5% of the total value of the interests in the Fund and are entitled to vote, ask for a vote on the Proposal¹⁰; or
- At least 100 Members who are entitled to vote ask for a vote on the Proposal.

¹⁰ Under section 253E of the Corporations Act, associates of AMPCFM are not entitled to vote on this matter and so are not included in these calculations. For the purposes of these calculations, a Member's entitlement to vote, and the total value of a Member's interests in the Fund will be determined as at midnight 7 June 2022.

Where a vote is required for the Fund, a further notice will be sent to Members. If a vote is held, the appointment of IAM as responsible entity of the Fund will only go ahead if at least 50% of the total votes that may be cast by Members entitled to vote¹¹ are voted in favour of the appointment. If a vote is held for the Fund and the appointment is not approved by the required percentage of Members in the Fund, then the change of responsible entity will not proceed and AMPCFM will remain as responsible entity of the Fund.

If less than the requisite number of Members ask for a vote by 5pm (Sydney time) on 8 June 2022 then, by 10 June 2022, we will lodge a notice with ASIC asking it to alter its records to name IAM as the new responsible entity of the Fund on or around 14 June 2022. We are also required to lodge, with the notice, a certificate stating that we reasonably consider that the proposed change of responsible entity for the Fund is not detrimental to the interests of Members in the Fund (with a summary of our reasons for why this is the case). ASIC will alter the record of registration to record the appointment of IAM as responsible entity of the Fund unless it believes that the appointment is detrimental to Members. IAM will become the new responsible entity of the Fund on the date that ASIC alters the record of registration, which we expect to be on or around 14 June 2022.

What happens if the sale of AMPCFM to Dexu does not occur?

Regardless of whether the sale of AMPCFM to Dexu completes or not, a change in responsible entity of the Fund would still need to occur because AMPCFM will cease to have the operational framework to manage the Fund once it has separated from the AMP Group's public markets business. This separation was expected to occur in mid-2022 and preparations for it are already underway.

What happens if the change of RE does not occur?

If the change of responsible entity for the Fund does not occur, AMPCFM will remain as responsible entity of the Fund (and MIMGL will remain the investment manager of the Fund until further notice).

Given that AMPCFM will no longer have the skills and expertise to manage the Fund post the separation and potential sale of the private markets business, further consideration will need to be given to the future of the Fund.

6. Who can I contact if I have further questions?

If you have any questions relating to the Proposal, please contact 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.

If you're invested in Flexible Lifetime Investments (Series 2) and have questions relating to the Proposal, please contact our Client Services Team on 133267 between 8.30am and 5.30pm (Sydney time) Monday to Friday or via email at trustinfo@amp.com.au.

Information about AMP's governance practices can be found online at www.amp.com.au/corporategovernance

Current information about the proposed timing of the retirement of AMPCFM as responsible entity of the Fund and the appointment of IAM and manner in which the retirement and appointment will occur can be found on our website at ampcapital.com/au/en/capabilities/equities

Issued by AMP Capital Funds Management Limited

ABN 15 159 557 721, AFSL 426455

17 May 2022

¹¹ As per footnote 10 above.

Request for Vote Form

IF YOU HAVE NO OBJECTION TO THE PROPOSED CHANGE, YOU DO NOT NEED TO DO ANYTHING WITH THIS FORM.

Please tick this box if you are a Member of, and wish to request a vote in relation to the appointment of ipac Asset Management Limited (ABN 22 003 257 225) as responsible entity of, the AMP Capital Australian Equity Income Fund (ARSN 165 631 818) (also known as AMP Capital Equity Income Generator)

Client (or investor) number:

Name and address of unitholder(s):

.....
(Print Name)

.....
(Address)

Signature(s) of unitholder(s) or authorised officers:

..... /..... /.....
(Investor A or Company Director/Sole Director/Power of Attorney) (Date)

..... /..... /.....
(Investor B or Company Director/Secretary) (Date)

If you wish to request a vote you can return this 'Request for Vote' Form via email at clientservices@ampcapital.com or by reply paid post to:

AMP Capital Funds Management Limited
Attention: RE Changes
Reply Paid 125
PARRAMATTA NSW 2124

To be returned by 5pm (Sydney time) on 8 June 2022*.

* Please consider the time that it will take for this form to reach us by post when sending off this form.