

AMP CAPITAL DYNAMIC MARKETS FUND (HEDGE FUND) ASX: DMKT

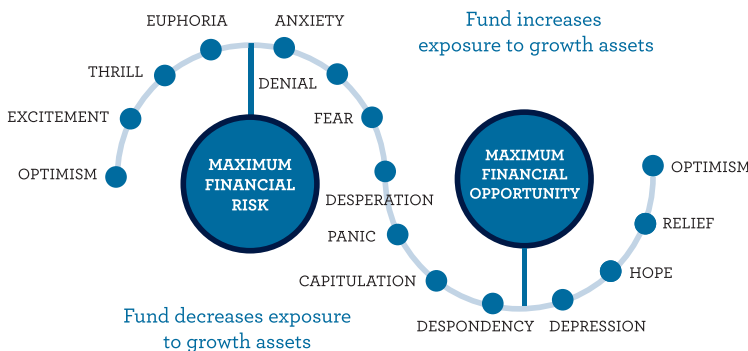
The exchange traded AMP Capital Dynamic Markets Fund (the Fund) is a cost-effective investment solution that seeks to negotiate the ups and downs of the market cycle.

WHAT IS THE AMP CAPITAL DYNAMIC MARKETS FUND? ASX: DMKT

At AMP Capital, we recognise the importance of providing investment outcomes that closely match the needs of our clients; and we understand that we need to deliver this in the most cost-effective way possible. That's why we developed the AMP Capital Dynamic Markets Fund – a low-cost investment solution which not only aims to provide growth above inflation, but endeavours to smooth out performance over the economic cycle when used as part of a blended portfolio solution. The Fund adopts a 'dynamic' and flexible approach to asset allocation which involves negotiating the ups and downs of the market cycle. Essentially, it aims to buy into under-priced opportunities, and sell out of overpriced situations.

HOW DOES DYNAMIC ASSET ALLOCATION WORK?

The Fund uses Dynamic Asset Allocation (DAA) to actively adjust the split of investments across asset classes in response to expected market changes. For example, when markets have fallen, the Fund may favour growth assets such as shares, whereas when markets are peaking the Fund may favour more defensive assets such as fixed income and cash. The illustration shows how the Fund can be flexible in altering its allocation to growth assets according to investor sentiment, which is one of the main drivers of the DAA process. Conversely, as there are signs of a recovery in share markets, the Fund can increase exposure to growth assets.



WHY INVEST IN THE AMP CAPITAL DYNAMIC MARKETS FUND? ASX: DMKT

- > **Cost-effective:** A cost-effective way to access active management as the underlying assets are passive, with the main driver of returns being active asset allocation.
- > **Designed to match the needs of investors:** By seeking to provide a total return of 4.5% pa above inflation¹ before costs and tax on a rolling 5 year basis rather than seeking to outperform a market index, the Fund aims to provide an investment outcome which more closely matches investors needs.
- > **Flexibility:** The Fund can reduce its allocation in asset classes, or types of investment, where we expect poorer performance and increase its allocation in asset classes where we expect better performance. This can help smooth returns in comparison to diversified funds with large fixed investments.
- > **Diversification:** The Fund aims to spread your risk and access to growth opportunities more evenly across asset classes and sectors. The Fund invests across a range of traditional asset classes such as shares, commodities, listed property, fixed income, credit and cash. Exposure to a broad range of asset classes is achieved through passive investments.

¹ The Reserve Bank of Australia inflation rate (Consumer Price Index) – trimmed mean (published on www.rba.gov.au).



NADER NAEIMI
Head of Dynamic Markets
and Portfolio Manager of
Dynamic Markets Fund

Nader Naeimi is responsible for leading the Dynamic Asset Allocation strategy for the Multi Asset Group, as well as other macro strategies and asset allocations for several AMP Capital funds.

Nader has 19 years of experience in Australia's financial markets, including 15 years as part of AMP Capital's Investment Strategy and Dynamic Markets Team. Nader is a regular media commentator on major investment and financial market matters.

“Ongoing monitoring of market and macro dynamics and asset class analysis ensures that portfolio allocation decisions can be made quickly in response to changing risk/reward profiles.”



SHANE OLIVER
Head of Investment Strategy
and Chief Economist

Shane Oliver is responsible for AMP Capital's diversified investment funds and providing economic forecasts and analysis of key variables and issues affecting all asset markets. Shane is a regular media commentator on major economic and investment market issues, and their relationship to the investment cycle.

- > **Access to funds:** Can be bought or sold like any share on the ASX using code the ticker code DMKT.
- > **Managed by an experienced team:** The Fund is managed by some of Australia's most experienced economists and investment strategists. We continually review asset allocations on an ongoing basis taking into account evolving market news and economic data.

HOW CAN YOU USE THE FUND IN YOUR PORTFOLIO?

- > The Fund seeks to provide an improved risk-return outcome over the investment time horizon when used as part of a blended portfolio solution.

WHAT YOU NEED TO BE AWARE OF:

The key risks of the Fund include:

- > **Asset allocation:** There is no guarantee that the Fund's asset allocation strategy will provide positive investment performance at all stages of the investment cycle.
- > **Share market investments:** The Fund invests in securities that are listed on share markets around the world. The risk of capital loss exists, especially over the shorter term. 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:** The relative strength or weakness of the Australian dollar against other currencies will affect the Fund's performance, the Fund may have less protection under laws outside of Australia, and any investments in emerging markets may be more volatile than investments in more developed countries.
- > **Derivatives:** Use of derivatives carries certain risks and may magnify any losses incurred.
- > **Interest rates:** There is a risk of capital loss in a rising interest rate environment.
- > **Liquidity:** Assets subject to liquidity risk may be difficult to trade and it may take longer for their full value to be realised.
- > **Default by credit issuers and counterparties.**

RISKS SPECIFIC TO EXCHANGE TRADED MANAGED FUNDS

- > **Liquidity:** Although the Fund's Units are quoted on the AQUA market of the ASX, there can be no assurance that there will be a liquid market for Units, and no assurance that there will be a liquid market for the Fund's investments.
- > **ASX trading price:** The trading price of Units on the ASX may differ from the Net Asset Value (NAV) per Unit and the indicative NAV (iNAV).
- > **Market making:** As the Responsible Entity intends to act as a market maker in the Units on behalf of the Fund, the Fund will bear the cost and risk of these market making activities.

Before choosing to invest in the Fund, you should read the Product Disclosure Statement and Incorporated Information, and consider factors such as the likely investment return, the risks of investing and your investment timeframe.

KEY FACTS

The Fund aims to provide a stable, medium-term real return of 4.5% pa above inflation¹ before costs and tax on a rolling 5-year basis.

AMP CAPITAL DYNAMIC MARKETS FUND (HEDGE FUND)

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|---|---|
| ASX Code | DMKT |
| Minimum investment | No minimum number of Units required by Responsible Entity for purchase transactions on the ASX |
| Management costs | 0.48% pa plus recoverable expenses and possible performance fee (15.375% of the Fund's performance above the benchmark) |
| Distribution frequency | Half Yearly |
| Suggested minimum investment timeframe | 5 years |
| Benchmark | 4.5% pa above inflation ¹ |
| Exchange | ASX |
| Trading | 10:00 - 16:00 (AEST) |
| Bloomberg Code | DMKT AU |
| INAV IRESS Code | DMKTINAV.ETF |
| Investment Manager | AMP Capital Investors Limited |
| Issuer & Responsible Entity | BetaShares Capital Ltd |

¹ Consumer Price Index - trimmed mean, on a rolling 5 year basis

CONTACT US

For more information on the Fund including product features, performance, benefits and risks talk to your adviser, call AMP Capital on 1800 658 404 or visit ampcapital.com.au

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