

## ASX Announcement

14 JUNE 2016



Manager  
ASX Market Announcements  
Australian Securities Exchange  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

Announcement No: 30/2016

### **AMP Capital China Growth Fund (ASX: AGF) – Further detail about July EGM**

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AMP Capital Funds Management Limited (AFSL 426455), the responsible entity (RE) of the AMP Capital China Growth Fund (the Fund) provides further details in relation to the capital management opportunity it described in the 27 May 2016 announcement.

The RE also provides details of the resolutions which unitholders will be asked to consider at the Extraordinary General Meeting to be held on 28 July 2016 (July EGM).

#### **Capital management opportunity**

The RE has made further decisions about the capital management opportunity described in announcements on 20 May 2016 and 27 May 2016 as follows:

- **in relation to the one-off redemption of up to 15% of units on issue:**
  - it is anticipated that the redemption, also referred to as a withdrawal offer, will (if approved by unitholders at the July EGM), subject to the repatriation of funds from China, commence by the end of November 2016 and conclude by the end of December 2016;
  - the redemption price under the offer will be at net asset value (NAV) per unit less “Transaction Costs” as that term is defined under the Fund’s constitution (calculated based on the RE’s estimate of the costs incurred in liquidating assets to fund the redemption requests). The redemption price paid to unitholders will be calculated as at the date the offer closes;
  - the offer will be subject to certain regulatory requirements – including obtaining any necessary ASIC relief from Chapter 6 of the Corporations Act 2001 (Cth) and customary consultation with the ASX concerning the offer and its timetable; and
  - the redemption will be structured as a withdrawal offer under the illiquid provisions in Chapter 5C.6 of the Corporations Act 2001 (Cth).
- **in relation to the on-market buy-back of up to 5% of units on issue:**
  - the actual amount to be bought back will be 5% of the number of units on issue;
  - the buy-back will commence after the one-off redemption is finalised and will be undertaken over a 12 month period in accordance with the Corporations Act 2001 (Cth) (as modified by applicable ASIC relief) and the ASX Listing Rules; and
  - consistent with applicable regulatory requirements, the buyback will be at prices that are based on the prevailing market price.

## RE's resolution

The RE is currently preparing the materials for the July EGM. To assist unitholders in understanding the business to be considered at the July EGM we have provided, at Appendix A, a draft of the ordinary resolution which the RE intends to put and recommend to unitholders<sup>1</sup>. The resolution seeks an endorsement of the following enhancements outlined in the RE's 20 May 2016 announcement (as updated by its 27 May 2016 announcement) ("**Enhancements**"):

- 1 Increase the flexibility of the Fund's investment mandate to further improve its investment return generation potential.
- 2 Reduce the Fund's base management fees to 1.35% from 1.65% per annum<sup>2</sup>.
- 3 Remove the Fund's current performance fee entirely via a fee waiver.
- 4 Provide unitholders with the option to receive 100 per cent of their annual distribution in cash through an adjustment to the existing dividend reinvestment plan rules.
- 5 Offer unitholders holding less than \$500 worth of units (less than a marketable parcel) a brokerage-free option to exit their holdings, which is expected to also improve the cost and operational efficiency of the Fund.
- 6 Maintain the increased investment in marketing announced as part the 2015 Strategic Review and increase communications with current and prospective unitholders of the Fund.
- 7 Implementation of the one-off capital management opportunity described above.
- 8 Consider capital management opportunities for unitholders as part of the annual fit for purpose review.

The only other resolution which will be put to unitholders at the July EGM is the LIM Resolution described below.

## Chair

The RE is pleased to announce that, in accordance with its announcement on 26 October 2015 concerning the appointment of a suitably qualified independent Chair for the July EGM, it has appointed Ms Deborah Page AM as Chair of the EGM<sup>3</sup>. Ms Deborah Page AM's qualifications and experience are set out in Appendix B of this announcement.

## LIM resolution

As disclosed on 27 May 2016, the RE received a resolution from LIM ASIA MULTI-STRATEGY FUND INC (LIM), to be put to unitholders at the July EGM seeking unitholders' approval to wind-up the Fund. The RE has carefully reviewed the resolution. Following consultation with LIM, the RE has agreed that the following resolution will be put to unitholders at the July EGM (LIM Resolution):

*"That, for the purposes of section 601NE(1)(b) of the Corporations Act 2001 (Cth), the responsible entity of the AMP Capital China Growth Fund (ARSN 122 303 744) is directed to wind up the AMP Capital China Growth Fund."*

If the LIM Resolution is approved, the RE will be obliged to terminate and wind-up the Fund in accordance with the constitution and the Corporations Act 2001 (Cth). The RE would not, in those circumstances, implement the Enhancements (including the capital management opportunity).

Under section 252N of the Corporation Act 2001 (Cth), LIM is permitted to provide a statement to the RE for distribution to unitholders in connection with the July EGM. LIM has informed the RE that it intends to provide a statement for distribution to unitholders. The statement will be distributed to unitholders with the Notice of Meeting and Explanatory Memorandum for the July EGM, provided that it is provided to the RE within a time that allows it to be included, and that the statement otherwise complies with the Corporations Act 2001 (Cth).

## Next Steps

Unitholders should refer to the Notice of Meeting and accompanying Explanatory Memorandum when released.

<sup>1</sup> Whilst the RE anticipates that this is the resolution that will be put to unitholders, it may be amended by the RE as it finalizes the materials for the July EGM.

<sup>2</sup> This is separate from and excludes recoverable expenses.

<sup>3</sup> Ms Deborah Page AM has consented to the appointment. If Ms Deborah Page AM is unable to act for any reason, the RE will appoint another suitably qualified Chair.

In addition to a detailed overview of proposed enhancements, the Explanatory Memorandum will provide instructions on how to vote on the resolutions to be put to unitholders, including location details of the July EGM for those unitholders wishing to attend in person.

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## Appendix A: RE Resolution

*“That, subject to the LIM Resolution described in this notice of meeting and explanatory memorandum not being passed, the Responsible Entity is authorised for all purposes to offer to Unitholders the following capital management opportunity on the terms set out in this notice of meeting and explanatory memorandum:*

- (a) a one-off redemption of up to 15% of units on issue; and*
- (b) an on-market buy-back of up to 5% of the units on issue,*

*on the basis that the Fund Enhancements set out in this notice of meeting and explanatory memorandum will be implemented by the Responsible Entity.”*

The “Fund Enhancements” for the purposes of the RE’s resolution will be defined to include each of the enhancements described in the body of the announcement other than the capital management opportunity which is separately described in the draft resolution above.

## **Appendix B: Ms Deborah Page AM's CV**

Deborah Page AM  
BEc (Syd), FCA, MAICD

Mrs Deborah Page AM, a Chartered Accountant, has worked exclusively as a Non-Executive Director across a range of industries, including energy, insurance, financial services and property since 2001. Prior to that she held senior executive positions with the Commonwealth Bank, Allen, Allen & Hemsley and the Lend Lease Group (including MLC Life and a joint venture with IBM) and is a former KPMG partner. Deborah is currently a Non-Executive Director of Brickworks Limited, BT Investment Management Limited and Service Stream Limited. She was also, until recently, Chairman of Investa Listed Funds Management Limited, the responsible entity of the ASX-listed Investa Office Fund.