

## ASX Announcement

7 OCTOBER 2015



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

Announcement No: 66/2015

### **AMP Capital China Growth Fund (ASX: AGF) – Unitholders advised to TAKE NO ACTION in relation to the notice of meeting issued by LIM Advisors**

The responsible entity (RE) of the AMP Capital China Growth Fund (the Fund), AMP Capital Funds Management Limited (AFSL 426455), announces that it has received the attached Notice of Meeting and Explanatory Memorandum from LIM Advisors to call an extraordinary general meeting of unitholders. The RE has been advised that LIM Advisors has despatched this Notice of Meeting to unitholders.

There are defects in the Notice of Meeting. The RE is seeking advice on those defects and there can be no assurance that the resolution proposed in the Notice of Meeting is valid. The RE will advise unitholders of its views as to the validity of the resolution at the earliest opportunity.

Subject to its views on validity of the resolution, the RE also intends to provide unitholders with a detailed response to assist unitholders in making an informed decision as to how to respond to the Notice of Meeting from LIM Advisors. Any response will consider the resolution proposed in the Notice of Meeting in light of the outcomes of the strategic review and the enhancements to the Fund announced on 17 September 2015 and 23 September 2015.

In the interim, unitholders are advised to **take no action** in relation to the Notice of Meeting and Explanatory Memorandum until they have received the RE's response.

In particular, the RE recommends that unitholders **do not complete the proxy form**, which was included with the Notice of Meeting. Prior to any unitholder meeting, the RE intends to provide unitholders with a separate proxy form.

If you would like more information or have any questions about this announcement, please do not hesitate to contact us.

#### **Investor enquiries**

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# LIMAdvisors

**AMP Capital China Growth Fund**  
**ARSN 122 303 744**

## **Notice of Meeting and Explanatory Memorandum**

**6 October 2015**

**THIS IS AN IMPORTANT DOCUMENT. PLEASE READ THE INFORMATION IN IT CAREFULLY. IF YOU ARE IN ANY DOUBT ABOUT THE RESOLUTION OR THE ACTION TO BE TAKEN, YOU SHOULD SEEK YOUR OWN PROFESSIONAL FINANCIAL ADVICE WITHOUT DELAY.**

**PLEASE EMAIL [ACTIONAGF@LIMADVISERS.COM](mailto:ACTIONAGF@LIMADVISERS.COM) IF YOU HAVE ANY QUESTIONS OR COMMENTS.**



# AMP Capital China Growth Fund ARSN 122 303 744

## Notice of Meeting and Explanatory Memorandum

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### What is this document?

This document dated 6 October 2015 provides important information for a meeting of Unit Holders of the AMP Capital China Growth Fund ARSN 122 303 744 (**Fund** or **AGF**) which will be held at 12:00 noon Sydney time (AEDT) on Friday 30 October 2015 at The Wesley Conference Centre, 220 Pitt Street, Sydney NSW 2000 (**Meeting**).

All information in this document forms part of the Notice of Meeting. The responsible entity of the Fund is AMP Capital Funds Management Limited ABN 15 159 557 721 (**AMP RE**). This document is not issued by the AMP RE but by a substantial Unit Holder in AGF.

### Purpose of the meeting

The Meeting has been called by LIM Asia Multi-Strategy Fund Inc (**Convening Unit Holder**) an Asian focused investment fund which is managed by LIM Advisors Limited (**LIM**) for the purpose of amending the Constitution of the Fund to provide that:

- The Responsible Entity must ensure that the Fund is managed to ensure that the Market Price of the Fund's Units on ASX is not less than 90% of the Net Asset Value per Unit; and
- The Unit Holders may, by resolution in general meeting, require the responsible entity to take all such action as instructed by the Unit Holders to reduce the discount of the Market Price to the Net Asset Value per Unit.

### Recommendation

The Convening Unit Holder recommends that you vote "FOR" the Resolution as it and its affiliated fund, the LIM Asia Special Situations Master Fund Limited intend to do. Collectively they own 12.64% of the outstanding Units.

### Who is paying for the Meeting?

The cost of calling and conducting this Meeting will be met by the Convening Unit Holder and its affiliated fund. LIM is not charging the Fund, nor any Unit Holder of the Fund, any fee whatsoever to call and conduct this Meeting.

### Action required of Unit Holders

**Step 1:** Read this Notice of Meeting and Explanatory Memorandum.

**Step 2:** If you have any questions about this document or the Meeting, please contact our telephone Information Line on (from within Australia) 1300 648 874 or (from outside Australia) +61 2 8355 1000, or by contacting LIM at [actionagf@limadvisors.com](mailto:actionagf@limadvisors.com). If you are in any doubt on how to vote on the Resolution or the action to be taken, please seek your own professional financial advice without delay.

**Step 3:** Vote on the Resolution either by attending the Meeting in Sydney or by completing and returning the enclosed Proxy Form prior to **4:00pm Sydney time (AEDT) on 27 October 2015** by any of:

<b>HAND to:</b>	Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street Abbotsford Victoria 3067 Australia
<b>MAIL to:</b>	Computershare Investor Services Pty Limited GPO Box 2062 Melbourne Victoria 3001 Australia (please use the reply paid envelope enclosed)
<b>EMAIL to:</b>	<a href="mailto:actionagf@computershare.com.au">actionagf@computershare.com.au</a>
<b>FAX to:</b>	Within Australia            1800 783 447 Outside Australia        +61 3 9473 2555

## **Notice of Meeting**

**NOTICE IS GIVEN** pursuant to section 252D of the Corporations Act 2001 (Cth) that a meeting of Unit Holders of the **AMP Capital China Growth Fund ARSN 122 303 744** will be held at the time, date and place detailed below, or such later time and date as notified to Unit Holders, to consider and vote on the special resolution in this notice.

**Time:** 12:00 noon (AEDT)  
**Date:** 30 October 2015  
**Place:** The Wesley Conference Centre  
**Address:** 220 Pitt Street, Sydney NSW 2000

## **Business - Special Resolution**

To consider and, if thought fit, pass the following resolution as a special resolution:

*That the constitution of the AMP Capital China Growth Fund be amended by the addition of the following new clause 16.4:*

*'16.4 Notwithstanding any other provision of this Constitution, including clause 16 and notwithstanding any powers, privileges and discretions of the RE whether pursuant to any law or equity relating directly or indirectly to the management of the Trust and management and investment of the Trust Fund:*

*(a) The RE must ensure that the Trust and the Trust Fund is managed to ensure, so far as is reasonable having regard to the best interests of Unit Holders, that the Discount of the Market Price to the Net Fund Value per Unit is not more than 10% of the Net Fund Value per Unit, where the Discount is calculated by the formula:*

$$\text{Discount} = \frac{(\text{Net Fund Value per Unit} - \text{Market Price})}{\text{Net Fund Value per Unit}} \times 100\%$$

*(b) The RE must:*

*(i) calculate the Discount as at each calendar month end (each a **Test Date**); and*

*(ii) publish the Discount on the ASX within fourteen (14) days of the relevant calculation date.*

*(c) If the Discount calculated as at 30 April 2016 or any later Test Date in accordance with clause 16.4(b) is greater than 10%, any Unit Holder or Unit Holders holding a relevant interest in 5% or more of the total Units in issue may, within two (2) months of that Test Date, call and arrange to hold or requisition the RE to call and arrange to hold a general meeting of Unit Holders at which, by resolution approved by more than 50% of the votes being entitled to vote and cast in person or by proxy at the meeting, the Unit Holders may require the RE to take all such action as instructed by the Unit Holders' resolution to reduce the extent of the Discount, and otherwise in respect of the operations and investments of the Fund.*

*The RE must comply promptly and fully with every such resolution.*

- (d) *If the RE is requisitioned to call and hold a general meeting of Unit Holders under clause 16.4(c), the RE must arrange and call to hold that meeting as if the requisition had been validly given under section 252B of the Corporations Act 2001, with the exception that the RE must call the meeting within 14 days after it is requisitioned and it must be held not later than 6 weeks after it is requisitioned.*
- (e) *For the avoidance of doubt, this clause 16.4*

## **Definitions**

Please note that terms used in the proposed special resolution have the same meaning as in the Constitution of the Fund.

## **Voting exclusion**

Section 253E of the Corporations Act 2001 relevantly provides as follows:

***'253E Responsible entity and associates cannot vote if interested in resolution***

*The responsible entity of a registered scheme and its associates are not entitled to vote their interest on a resolution at a meeting of the scheme's members if they have an interest in the resolution or matter other than as a member.*

**Note:** *The responsible entity and its associates may vote as proxies if the appointments specify the way they are to vote and they vote that way (see subsection 253A (2)).'*

Please refer to section 7.2 of the attached Explanatory Memorandum regarding voting by associates of the AMP RE.

## **By order of the Convening Unit Holder**

**LIM Asia Multi-Strategy Fund Inc**

Dated: 6 October 2015

## **Explanatory Memorandum**

### **1 Introduction**

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#### **1.1 The Meeting**

LIM Asia Multi-Strategy Fund Inc owns 38,816,746 AGF units representing 10.05% of those in issue and it has convened a meeting of Unit Holders in the AMP Capital China Growth Fund (**Fund** or **AGF**) to consider, and if thought fit to pass, a special resolution to amend the Constitution of the Fund to require the Responsible Entity (**RE**) of the Fund to take action to increase the Market Price of Units in the Fund to at least 90% of the Net Asset Value per Unit.

The Resolution includes a provision entitling Unit Holders, by a majority vote in subsequent general meetings, to give directions to the RE regarding such action to increase the Market Price per Unit.

#### **1.2 Why call the Meeting?**

The Convening Unit Holder is calling this Meeting because it believes the persistently wide discount (currently approximately 20%) at which AGF Units currently trade to their Net Asset Value is unacceptable, and not in the best interests of Unit Holders.

**The Convening Unit Holder does not believe that the strategy being pursued by the RE as stated in the 2014 Annual Report, of relying on strong investment performance and ongoing marketing to reduce the discount, is working or will work. It notes the announcement by the AMP RE on 13 July 2015 that it was looking at ways to address the discount and was hiring a financial adviser (subsequently announced to be Goldman Sachs) to assist it. On 17 September AMP RE issued a further announcement revealing the results of its strategic review and making a series of proposed enhancements to the Fund, and on 23 September issued a further announcement proposing a discount of 15% or less as being an appropriate reference point. The Convening Unit Holder does not believe however that these steps will significantly and permanently reduce the Fund's discount of Market Price to NAV.**

The Convening Unit Holder has constructively liaised with the AMP RE and its adviser throughout, including providing detailed suggestions to them on 11 August 2015 on ways to reduce the discount. It was however discouraged by the lack of significant proposals in the AMP RE's recent update on its strategic review or its willingness to engage with AGF Unit Holders at a general meeting on this subject.

#### **1.3 About LIM and the Convening Unit Holder**

LIM Asia Multi-Strategy Fund Inc has owned units in AGF since 2010. It is an Asian focused multi-strategy investment fund founded in 1995. LIM Asia Special Situations Master Fund has also bought units in AGF more recently.

The LIM Funds are managed by LIM Advisors, a Hong Kong-based investment manager with extensive investment experience and expertise across Asia including China, which currently manages approximately US\$2 billion of client assets.

Together, the LIM Funds are the second largest Unit Holder in the Fund after AMP Life, and they currently hold 48,854,536 AGF Units which represents approximately 12.64% of the total Units in issue.

**1.4 This Explanatory Memorandum and Special Resolution**

The purpose of this Explanatory Memorandum is to provide information to Unit Holders on the Resolution to be considered at the Meeting and to assist Unit Holders to determine how to vote on this Resolution.

The Resolution is a special resolution, meaning that in order for it to be effective it must be passed by at least 75% of the votes cast by Unit Holders present at the meeting and entitled to vote on the Resolution.

**1.5 Recommendation**

**The Convening Unit Holder recommends that you attend the Unit Holder meeting in Sydney or file your vote via the proxy form and vote “FOR” the Resolution in order that you can seek to improve the value of your AGF Units. It and its affiliate fund intend to vote all of their Units in favour of the Resolution.**

**2 Under performance of the Fund**

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We have for some time, and continue to be, concerned at the relative poor performance of the Fund since inception in terms of investment returns to Unit Holders.

**2.1 Discount of Market Price to Net Asset Value per Unit**

AGF is nearly nine years old, and for much of its life it has traded at a big discount to its Net Asset Value per Unit, resulting in an under performance by the Fund against relevant benchmarks.

A key indicator of the investment performance of the Fund is the discount of the price at which the Fund's Units trade on ASX to the Net Asset Value per Unit, being the value of the Fund's assets minus its liabilities.

The Units have routinely traded on ASX at a discount of more than 20% to the Net Asset Value. As at 21 September 2015, the Market Price of Units on ASX of A\$1.22 was a discount of approximately 20% to the estimated Net Asset Value per Unit.

**2.2 Underperformance of the Fund**

AGF's August 2015 newsletter shows that the net NAV (after fees, expenses and taxes and with the reinvestment of annual dividends) has risen by 10.1% per annum since inception versus a 10.8% pa rise in the Fund's benchmark, the S&P/CITIC 300 Total Return Index.

However, Unit Holders since launch have not experienced anything like these net NAV returns as the unit price discount has cut those considerably.

We note that the investment performance of AGF has improved since Patrick Ho and his team joined AMP Capital Investors Limited in Hong Kong in June 2012 and began managing AGF's investment portfolio but that performance, which may be hampered by the Fund's prospectus requirement not to deviate far from the benchmark, is not likely to resolve the Fund's discount problem on its own.

**2.3 Renewal of the Investment Management contract with AMP Capital Investors Limited**

AMP Capital Investors Limited (the **AMP Investment Manager**) was appointed at launch to manage the investments of AGF under a 10 year contract which expires on 9 November 2016.

The 2014 Annual Report of AGF reveals that:



*'This agreement will continue for a further 10 year term if the investors in the Fund pass an ordinary resolution to approve such an extension.'*

Given the performance of AGF, if the AMP RE intends to propose that the term of the AMP Investment Manager be extended for 10 years, LIM believes that the AMP RE should disclose to Unit Holders:

- (a) why another 10 year term is in the best interests of Unit Holders when rolling contracts with termination periods of six months or one year are more normal for closed end funds; and
- (b) whether the original fee basis of a 1.65%pa management fee plus a performance fee based on outperformance of the benchmark, is now appropriate or competitive. The AMP Investment Manager has not earned a performance fee since AGF was launched.

### **3 Ongoing challenges**

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#### **3.1 Competition from alternative investment funds**

Access for foreign investors to the Chinese A share market is progressively evolving and opening up.

A competitive advantage of AGF when it launched in 2006 was that it offered one of the first opportunities for Australian investors to gain exposure to Chinese A shares through AMP's Qualified Foreign Institutional Investors (QFII) status.

There are now other ways to access the Chinese stock market.

For example, the Hong Kong Stock Connect programme, which launched in November 2014, now offers a direct mechanism for foreign investors to purchase Chinese A shares listed on the Shanghai Stock Market without going through the QFII system. It is likely in the near future that this programme will be extended to include Shenzhen listed stocks.

AGF can no longer rely on being one of the few means of accessing the China A share market.

LIM believes that one of the reasons for the wide discount of market price to Net Asset Value per Unit may be that AGF investors have been selling their AGF in order to access Chinese A shares through alternative means and investment funds.

**It is our belief that the Fund will never resolve the discount if AGF continues as it is and that the AMP RE needs to restructure the Fund to reflect the more widely available opportunities to invest in China A shares. This will be in the interests of all AGF Unit Holders as well as prospective investors and could then significantly improve the Fund's discount. AMP RE's recent strategic review did not however come to this conclusion.**

### **4 Possible strategies**

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We believe that there are a variety of strategies that the RE could implement to increase the market price of AGF Units to closer to the Net Asset Value per Unit. For example, the RE could:

- (a) **Focus more on outperforming the benchmark** by eliminating the requirement for the sector allocations within the AGF portfolio to deviate by no more than 15% from the benchmark and adopt a more active approach to investing in order to seek to

deliver significant out-performance of the benchmark. An alternative would be to accept that index out-performance is not possible and turn the Fund into a passive tracker fund and pay our investment manager an appropriate low management fee and no performance fee for managing it;

- (b) **Convert AGF into an open ended vehicle** with daily or weekly dealing in units. There is sufficient A share market liquidity for other managers to operate open ended A share funds and repatriation from the QFII system is permitted (and we understand that AGF has successfully redeemed capital from China a number of times under AMP's QFII facility). A closed end fund approach is no longer justified now that the QFII system has become more flexible and that it is also not the only way to invest in China A shares. Once converted, the Fund might even grow larger as an open ended fund on the back of increasing investor interest in China;
- (c) **Broaden the means of accessing the China A share market** by moving from investing in China A shares solely via the AMP's QFII status to a combination of QFII and the Shanghai-Hong Kong Stock Connect programme and other ways of accessing the Chinese stock market such as index futures and index swaps depending on their respective costs and investment flexibility. AMP RE's recent strategic review only contemplates using the Stock Connect programme at some future time;
- (d) **Introduce a US\$ denominated class of units to the Fund** which can then be marketed to investors based outside Australia who should find the Fund very attractive versus other offshore vehicles investing into China. There have been times when AGF traded at a wide discount while China funds listed in Hong Kong and New York traded at much smaller discounts or even premiums to their net asset values. This could boost the demand for AGF Units which should reduce the discount at which the fund trades;
- (e) **Reduce the number of Units in issue in order to bring the supply of Units listed on the ASX more in line with demand for them** by way of conducting significant tender offers at a price equivalent to the prevailing net asset value per unit and by conducting ongoing and substantial purchases of Units on the ASX.

## **5 LIM's efforts to engage with the Responsible Entity**

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We have previously expressed our concerns regarding the underperformance of the Fund, as reflected in the persistent discount of the market price to the value of the assets of the fund.

In August 2011, we wrote to the Chairman of the AMP RE and complained about the discount, which was then 24%. We put forward a number of constructive proposals for consideration which we believed would have addressed the discount.

We received a reply some six weeks later on 30 September 2011 which rejected our suggestions. As far as we know, no action was taken and the discount persisted.

On 30 June 2015, we again wrote to the Chairman of the AMP RE noting the discount of around 25%.

The AMP RE announced on 13 July 2015 to the effect that in previous years, various options to narrow the discount *'would not have resulted in the discount being sustainably closed or were not in the best interests of all investors due to the complexity of the market in China'* but that recent changes mean *'some of these options may be viable in the future and ..... in the best interests of unit holders'*.

On 11 August 2015, we liaised with AMP RE's nominated adviser, and provided detailed suggestions to both the adviser and AMP RE regarding ways to reduce the discount.

On 26 August 2015, the AMP RE advised that the AMP Investment Manager had '*engaged Goldman Sachs to actively investigate a range of options to improve fund performance for the benefit of all Unit Holders*'.

We believe that the Goldman Sachs financial advice is being paid for by AMP Investment Manager but it is unclear at present whether it is being provided for the benefit of the AMP RE, the AMP Investment Manager or for the benefit of AGF Unit Holders.

On 17 September 2015, AMP RE announced the results of a Strategic Review, and stated that it had decided to make no fundamental changes to the Fund, but proposed to introduce five enhancements to the Fund. All of these enhancements were recommended by LIM on 11 August 2015.

On 23 September 2015, when faced with the proposal by the Convening Unit Holder to call a general meeting of Unit Holders to consider action to effectively address the discount, AMP RE proposed a discount of 15% or less as being an appropriate reference point to evaluate whether the Fund "remains fit-for-purpose". AMP RE's announcement provided little detail on how or when the proposed target would be achieved.

## **6 Concerns by other Unit Holders**

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We believe that other AGF investors, independently of LIM, hold similar concerns in relation to the discount and a number of them have contacted us to express support for action on the AGF discount.

Notably Metage Capital, a London-based fund manager of a multi class investment company, Metage Funds Limited, wrote an open letter dated 11 May 2015 to the AMP RE expressing its serious concerns about the discount.

Recently, in a letter to AGF Unit Holders dated 28 August 2015, Metage also raised governance issues in relation to AGF, noting that there are no independent directors on the Board of the AMP RE and that the largest Unit Holder in AGF is AMP Life, an AMP Group company. We welcome the recent AMP proposal to permanently introduce a new advisory committee of three independent and experienced persons to oversee AMP's relationships with AGF.

In this regard, LIM notes that a number of the companies in the AMP Group are involved with the operation of AGF:

- (a) AMP Capital Funds Management Limited is the Responsible Entity, responsible for the overall management of AGF;
- (b) AMP Capital Investors Limited is the Investment Manager which manages AGF's investment portfolio; and
- (c) AMP Life Ltd and AMP Life (NZ) Investments Ltd (together called **AMP Life**) own 33.68% and 3.44% respectively of AGF's outstanding Units. Together, their Unit holding represents approximately 37.12% of the total Units making it the largest Unit holding in AGF.

## **7 The proposed resolution to amend the Constitution**

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### **7.1 Proposed amendment to the Constitution**

The proposed amendment to the Constitution of the Fund will require the Responsible Entity of the Fund to ensure the Fund is managed, so far as is reasonable in the best interests of Unit Holders, so that the Market Price of Units on ASX is at least 90% of the value of the net assets of the Fund.

Put another way, if approved the resolution will require the RE to implement strategies to optimise the Market Price of Units in the Fund.

The proposed amendment to the Constitution will require the RE to calculate the Discount of the Market Price to the Net Asset Value per Unit at the end of each calendar month (each a **Test Date**) and publish the Discount.

If as at 30 April 2016 (approximately six months from the date of the Meeting) or any later Test Date, the Discount of the Market Price to the Net Asset Value per Unit is greater than 10%, the resolution allows a Unit Holder (or Unit Holders) holding more than 5% of the Fund to convene a meeting or requisition the RE to convene a meeting of Unit Holders to consider resolutions to give directions to the RE in respect of the management of the Fund to reduce the Discount.

The proposed special resolution to amend the Constitution will, if approved, allow Unit Holders by an ordinary resolution in a general meeting to give directions to the AMP RE regarding management and investments of the Fund notwithstanding any powers, privileges and discretions of the RE relating directly or indirectly to the management of the Fund.

Such a power for the Unit Holders is essential to ensure that the RE complies with its proposed obligation to optimise the market price of the Fund Units.

## **7.2 AMP Life should not vote**

Many of the measures that need to be considered to reduce the discount such as Unit buybacks, tender offers or the open ending of AGF are likely to involve a reduction in the number of outstanding Units which will directly reduce the size of AGF and, as a result, the fees earned by the AMP Investment Manager from AGF.

Accordingly, we believe that AMP Life should not vote on the resolution because it is part of the AMP Group of companies and has an interest to protect the fee income of its affiliate (the AMP Investment Manager) which is an interest which is different to other members of AGF.

We will be calling on the AMP RE, AMP's Managed Investment Schemes Compliance Committee and the new AGF Advisory Committee comprising three independent members, to act on what we believe to be a clear conflict of interest and for its support to prevent AMP Life from voting. Unlike the Board of the AMP RE which has no independent Directors on it, the Compliance Committee has a majority of independent Directors including an independent Chairman and the Advisory Committee is composed solely of independent members.

The Convening Unit Holder will procure that Computershare will record and report any votes that may be cast by AMP Life.

## **8 Conclusion**

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The Convening Unit Holder believes that the management of the Fund has not optimised value for Unit Holders and that their lack of action on the discount for so long is inexcusable and unacceptable.

This is evidenced by the persistent substantial discount of market price on ASX to the value of the net assets of the Fund.

Past contact with the AMP RE has not resulted in any improvement in the performance of the Fund and the actions taken by the AMP RE recently are inadequate and in our view not likely to permanently and significantly reduce the Fund's discount.

The proposed Resolution, if approved, will require the AMP RE to take action to improve the performance of investments in the Fund. In the absence of action by the AMP RE the Unit Holders may give instructions for such action to be implemented.

AMP Life is conflicted because it has an interest in protecting the fee revenue of its affiliate, the AMP Investment Manager, and should therefore not vote on the proposed special resolution.

**LIM recommends that Unit Holders either attend the Unit Holder meeting in Sydney or send in a proxy vote in order to make their opinions known and in both cases that you vote in favour of the proposed resolution. Both of our funds will be doing this but you need to do it as well in order to seek to improve the performance of your AGF Units.**

## **9 Important Information about the Meeting**

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### **9.1 Calling the Meeting**

In accordance with the Corporations Act, Unit Holders who together hold interests carrying greater than 5% of the votes that may be cast at a meeting may call a meeting themselves.

LIM Asia Multi-Strategy Fund Inc (**the Convening Unit Holder**) holds 38,816,746 AGF Units, representing approximately 10.05% of the total Units on issue.

An affiliated LIM fund, LIM Asia Special Situations Master Fund, owns 10,037,790 Units representing a further 2.59% of AGF.

### **9.2 Who is paying for the Meeting?**

The cost of calling and conducting the Meeting will be met by LIM. LIM is not charging the Fund, nor any Unit Holder, any fee whatsoever to call and conduct the Meeting.

### **9.3 Quorum**

The quorum required for the Meeting is two Unit Holders present in person or by proxy and a quorum must be present at all times during the meeting.

### **9.4 Resolution voting requirements**

The resolution is a special resolution which must be passed by at least 75% of the total votes cast by Unit Holders entitled to vote on the resolution.

### **9.5 Voting**

Your vote is important. You are encouraged to attend and vote at the meeting. If you propose to attend the meeting, then please arrive at the meeting venue early so that the registration formalities can be completed on time. If you cannot attend the meeting, then you should complete and provide to us an appointment of proxy (see enclosed Proxy Form).

### **9.6 Voting eligibility**

For the purposes of this Meeting, persons who are registered holders of Units in the Fund at 7.00pm Sydney time on 28 October 2015 will be entitled to vote.

### **9.7 Voting exclusions**

Under section 253E of the Corporations Act 2001, the responsible entity of a registered scheme and its associates are not entitled to vote on a resolution if they have an interest in the resolution or matter other than as a Unit Holder.

### **9.8 How to vote**

The Resolution will be decided on a poll. On a poll, each Unit Holder has one vote for each dollar of the value of the total interests they have in the Fund.

**9.9 Voting by proxy**

If you cannot, or prefer not to, attend the Meeting, then you are entitled to appoint another person/s to attend and vote for you as your proxy(ies). A proxy does not need to be a Unit Holder, but should be a natural person over the age of 18 years. A form of appointment of proxy is enclosed. The Proxy Form must be signed by the Unit Holder or his/her attorney duly authorised in writing. The Proxy Form (and the power of attorney or other authority, if any, under which the Proxy Form is signed) must be completed and returned to Computershare prior to 4:00pm AEDT on 27 October 2015 by any of the following methods in order to ensure that Computershare can forward your proxy form to the AMP RE so it is received by AMP RE on or before 12:00 noon AEDT on 28 October 2015 :

**HAND to:** Computershare Investor Services Pty Limited  
Yarra Falls, 452 Johnston Street  
Abbotsford Victoria 3067 Australia

**MAIL to:** Computershare Investor Services Pty Limited  
GPO Box 2062  
Melbourne Victoria 3001 Australia  
(please use the reply paid envelope enclosed)

**EMAIL to:** [actionagf@computershare.com.au](mailto:actionagf@computershare.com.au)

**FAX to:** Within Australia 1800 783 447  
Outside Australia +61 3 9473 2555

If you appoint two proxies, then you may specify the proportion or number of votes each proxy is entitled to exercise. However, if you do not specify the proportion or number of your votes for each proxy, then each proxy may exercise half of the votes.

If you appoint the Convening Unit Holder's representative Mr Nicholas Paris as your proxy and you do not direct him how to vote, then you will be taken to have directed the Convening Unit Holder's representative to vote in favour of the resolution and it will vote accordingly.

**9.10 Appointment of Computershare Investor Services Pty Ltd as Proxy Collector**

To ensure the integrity of the proxy voting process, LIM has engaged a professional and independent expert, Computershare, to properly collect and collate all Proxy Forms returned by Unit Holders. Computershare is under strict obligations pursuant to its appointment to at all times handle the Proxy Forms with due care and skill and to safeguard the Proxy Forms against tampering, filtering or other inappropriate handling.

**Please note** that in order for your proxy to be effective, Computershare will need to forward your proxy form to the AMP RE so that it is received by AMP RE on or before 12:00 noon AEDT on 28 October 2015.

In order for it to do so, **please return your proxy form as soon as possible.**

**9.11 This document**

It is important that you carefully read the Notice of Meeting and the Explanatory Memorandum which sets out in further detail the purpose of the Meeting. If there are any amendments to the information in this document, or any developments in respect of the Meeting (including any postponement or adjournment of the Meeting), notification of such amendments or developments will be posted on the website [www.actionagf.com](http://www.actionagf.com).

## **10 Definitions**

<b>AEDT</b>	Australian Eastern Daylight Time
<b>AFSL</b>	Australian financial services licence
<b>AGF</b>	AMP Capital China Growth Fund ARSN 122 303 744
<b>AMP Investment Manager</b>	AMP Capital Investors Limited ABN 59 001 777 591
<b>AMP Life</b>	AMP Life Limited and AMP Life (NZ) Investments Limited
<b>AMP RE or RE</b>	AMP Capital Funds Management Limited ABN 15 159 557 721, the responsible entity of the Fund
<b>ASIC</b>	Australian Securities and Investments Commission
<b>Computershare</b>	Computershare Investor Services Pty Limited
<b>Constitution</b>	the constitution of the Fund dated 18 October 2006, as amended
<b>Convening Unit Holder</b>	LIM Asia Multi-Strategy Fund, which holds greater than 5% of the votes that may be cast at a general meeting of the Fund, and who called the Meeting
<b>Corporations Act</b>	Corporations Act 2001 (Cth)
<b>Explanatory Memorandum</b>	the explanatory memorandum contained in this document
<b>Fund</b>	AMP Capital China Growth Fund ARSN 122 303 744
<b>LIM</b>	LIM Advisors Limited
<b>Market Price</b>	The meaning stated in the Constitution
<b>Meeting</b>	the meeting of Unit Holders to be held at 12 noon AEDT on Friday 30 October or such later date and time as notified to Unit Holders
<b>NAV or Net Asset Value</b>	the Net Fund Value as defined in the Constitution
<b>Notice of Meeting</b>	the notice of meeting set out on page 3 of this document
<b>Resolution</b>	the resolution set out in the Notice of Meeting, being a special resolution to amend the Constitution
<b>Unit</b>	a unit created under the Constitution
<b>Unit Holder</b>	a registered holder of issued Units in the Fund







## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 2062 Melbourne  
Victoria 3001 Australia

### By Person:

Computershare Investor Services Pty Limited  
Yarra Falls, 452 Johnston Street,  
Abbotsford, Victoria 3067 Australia

### By Email:

[actionagf@computershare.com.au](mailto:actionagf@computershare.com.au)

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

## For all enquiries call:

(within Australia) 1300 648 874  
(outside Australia) +61 2 8355 1000

000001 000 LABQ  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form - AMP Capital China Growth Fund

XX

For your vote to be effective it must be received by 4:00pm (AEDT) on Tuesday 27 October 2015

Please note that in order for your Proxy Form to be effective, Computershare will need to forward your Proxy Form to AMP Capital China Growth Fund so it is received on or before 12:00 noon (AEDT) on Wednesday 28 October 2015. In order for Computershare to do so, please return your Proxy Form to us as soon as possible.

### How to Vote on the Item of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite the item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on the item your vote will be invalid.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of AMP Capital China Growth Fund.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission.

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return them with this form.

**Turn over to complete the form** ➔

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**Change of address.** If incorrect,  
mark this box and make the  
correction in the space to the left.



I 9999999999

I ND

## ■ Proxy Form

Please mark ☒ to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of AMP Capital China Growth Fund hereby appoint

☐

Nicholas Paris or failing him  
Gregory Clifton

OR



**PLEASE NOTE:** Leave this box blank if  
you have selected Nicholas Paris. Do not  
insert your own name(s).

or failing him the individual or body corporate named, or if no individual or body corporate is named, Nicholas Paris, or failing him Gregory Clifton, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Meeting of AMP Capital China Growth Fund to be held at the Wesley Conference Centre, the Lyceum Room, 220 Pitt Street, Sydney, NSW 2000 on Friday 30 October 2015 at 12:00 noon (AEDT) and at any adjournment or postponement of that meeting.

### STEP 2 Item of Business



**PLEASE NOTE:** If you mark the **Abstain** box for the item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

#### Special Resolution

To amend the constitution of the AMP Capital China Growth Fund as stated in the Notice of Meeting

For

Against

Abstain

☐☐☐

### Recommendation

We recommend you vote in favour of the resolution

For

Against

Abstain

☒☐☐

If you choose to appoint Nicholas Paris as your proxy, or Nicholas Paris is appointed by default, it is expected that Nicholas Paris will vote undirected proxies in favour of the item of business.

### SIGN

#### Signature of Unitholder(s)

*This section must be completed.*

Individual or Unitholder

Sole Director and Sole Company Secretary

Unitholder 2

Director

Unitholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date

/ /

\_\_\_\_\_

LABQ

205243A

Computershare +

# LIMAdvisors

6 October 2015

Dear Fellow Unitholder

## AMP Capital China Growth Fund ("AGF")

LIM Advisors is a substantial unitholder in AGF with 12.64% of the units on issue. We are writing to you because we are unhappy about the large discount at which AGF units trade on the Australian Securities Exchange when compared to the value of AGF's underlying assets. This discount is currently around 20% and it has traded at this level for a large part of the fund's nine year life. This has significantly reduced investment returns to all unitholders.

We believe that AMP Capital who manage our fund has not done enough to address this discount. Since 2011 we have had a number of direct conversations with AMP Capital in order to make our feelings known and find out what strategies they have in play to address this issue. Whilst they do now acknowledge the problem, not enough has been done about it and we do not believe that the proposals that they announced on 17 and 23 September 2015 will make sufficient impact. The insignificant impact of their announcements on the price of AGF units illustrates this. AMP Capital's failure to act effectively is not in the interests of unitholders, and is unacceptable.

We are therefore calling a meeting of all AGF unitholders in Sydney on Friday 30 October 2015 to consider taking decisive action.

The attached Notice of Meeting sets out the detail and proposes a single resolution which would force AMP Capital to introduce measures which would target a discount of no more than 10%. We think that this proposal is in the interests of all unitholders and we urge you to vote for it either in person at the meeting or by sending in a proxy vote ahead of the meeting.

We seek your support and urge you to vote as this is your Fund and the meeting gives you the chance to have your say over how it is run.

If you have any questions in relation to this meeting please call our Information Line on 1300 648 874 (from within Australia), or +612 8355 1000 (from outside Australia), or contact us by email at [actionagf@limadvisors.com](mailto:actionagf@limadvisors.com).

On the day of the meeting itself, we will be available from 11.00am at the meeting venue to share with you further our thoughts on reducing the discount and we would welcome the opportunity to discuss them with you.

Yours sincerely

LIM Advisors Limited

20<sup>th</sup> Floor, Ruttonjee House, 11 Duddell Street, Central, Hong Kong [www.limadvisors.com](http://www.limadvisors.com)