

ASX Announcement

5 AUGUST 2016



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

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AMP Capital China Growth Fund (ASX: AGF)

In accordance with ASX Listing Rule 3.17.1, attached is a letter to AMP Capital China Growth Fund to be dispatched to investors shortly.

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5 August 2016

Dear Unitholders,

I am writing to you following on from the extraordinary General Meeting (EGM) of the AMP Capital China Growth Fund (AGF) held last week on 28th July.

As you may be aware, at the EGM, unitholders voted on the following 2 resolutions:

- **Resolution 1: Responsible Entity Resolution:** This resolution provided Unitholders with a capital management opportunity on the basis that a suite of additional enhancements to the Fund would also be introduced.
- **Resolution 2: LIM Resolution:** This resolution directed the Responsible Entity to wind up the Fund. It was put forward by LIM Asia Multi-Strategy Fund Inc., a unitholder.

The results of the votes were as follows:

- Resolution 1: Responsible Entity Resolution **was not approved** by the required 50% majority of unitholders present and voting; and
- Resolution 2: LIM Resolution **was approved** by the required 50% majority of eligible unitholders

As Resolution 2 was approved, AGF will now wind up. I would like to reiterate that we will wind up the Fund as quickly and as efficiently as we can while continuing to act in the best interests of all unitholders.

Thank you to all unitholders who took the time to vote on the future of their Fund.

Reduction in management fee

We will be reducing the management fee to 1.35% per annum effective 1 August 2016. This was the revised rate included as one of the enhancements in Resolution 1. While the resolution was defeated at the EGM this change is considered appropriate at this stage. We will review the management fee as we develop the wind up strategy for the Fund.

How are we proceeding with the wind-up

At the EGM and over the past week, unitholders have asked questions in relation to how we intend to wind up AGF.

We currently expect that a wind up will involve selling AGF's underlying investment portfolio of China A shares. The shares themselves are generally liquid and can be realised in China quite quickly. However, the payment of the net sale proceeds to unitholders can only be made once funds are repatriated out of China.

We and our advisers have already commenced the process of working closely with Chinese tax and regulatory authorities and our Chinese custodian bank to ensure that the necessary approvals are obtained as expeditiously as possible.

In summary, before repatriations can occur, approvals must be granted from:

- China's taxation authorities. They will only do so once they are satisfied that the correct amounts of tax have been paid, noting that approvals differ in part based on whether the amounts being repatriated comprise capital or profit amounts and whether they were generated before or after November 2014; and
- China's regulatory authorities. They apply limits to the amounts of QFII investment that may be repatriated each month.

As stated in the Explanatory Memorandum, our current estimate for this process to be complete and all approvals to be made is 9-18 months, we expect to be able to make a series of payments to unitholders over this period.

The two main options for the sale of China A shares are:

- a) Keep the investment portfolio invested in China A shares, sell those shares in tranches as and when tax and regulatory approvals are received and distribute the net sale proceeds.
- b) Sell down China A share holdings such that the investment portfolio is held in Chinese-denominated cash, with the net proceeds of the sell down distributed to unitholders in tranches as and when tax and regulatory approvals are received.

In assessing which of these options (or combination of options) is adopted, including our approach to currency management, we will consider a number of matters including taxation implications, the management of investment risk and cost to investors. We will also consider how long the Fund will be able to remain listed on the ASX, which will be influenced by the assets held in the underlying investment portfolio.

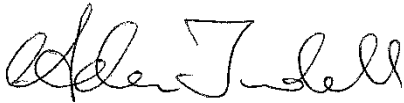
We may seek guidance from the courts on the appropriate way forward.

We expect to write to you within the next 4 to 6 weeks to advise you of the finalised wind-up strategy adopted and to provide information regarding our progress in relation to the implementation of the wind-up, subject to the timing of responses from Chinese and Australian regulators and authorities.

We intend to keep you informed on significant progress through the process of wind up.

If you have any questions or comments our team is available to assist you. Please contact us directly on 1800 658 404 or +61 2 8048 8230 between 8:30am and 5:30pm (Sydney Time) Monday to Friday.

Yours sincerely,



Adam Tindall

Chairman

AMP Capital Funds Management Limited