

## Wholesale Australian Property Fund

ARSN: 088 996 392    APIR CODE: NML0001AU

30 July 2020

### Product Disclosure Statement changes

On 8 April 2020, we announced that the responsible entity of the Wholesale Australian Property Fund ('The Fund') made a number of changes to the Fund's current policies, including a change to the payment times for withdrawal requests.

Over the past few months, we have seen withdrawal requests from the Fund fall as valuations have adjusted and a sense of stability has begun to emerge. Pleasingly, as a result of the continued support from investors and other key stakeholders, we are writing to advise you that the standard withdrawal terms for the Fund will be reinstated and is intended to be effective **from 12 August 2020**.

A detailed summary of the changes is provided below, and a new Product Disclosure Statement ('PDS') and ASIC Benchmarks and Disclosure Principles is intended to be available at [www.ampcapital.com](http://www.ampcapital.com) from 12 August 2020. These changes will take effect from the time the PDS is available, not the date of this update.

Before making any investment decisions, we recommend you read the information [in the PDS](#) about the benefits and risks of investing, and the other features of the Fund.

### Specified Withdrawal Date

You can submit a withdrawal request at any time. However, withdrawal requests will normally be processed on the Specified Withdrawal Date, which is the 15<sup>th</sup> day of each calendar month, or the next Business Day if the Specified Withdrawal Date is not a Business Day, unless otherwise communicated.

Withdrawal requests received after 1.00pm Melbourne time on any Specified Withdrawal Date will normally be held over to the next Specified Withdrawal Date for processing.

The next Specified Withdrawal Date will be **15 September 2020** rather than 15 August 2020.

Deferring the Specified Withdrawal Date allows investors time to consider the changes to the PDS before the next withdrawal window closes. The deferral of the Specified Withdrawal Date is also necessary to provide time to adjust administrative processes and systems following the announced changes.

### Payment times for withdrawals

From 12 August 2020, the Responsible Entity aims to process withdrawal requests monthly according to the relevant 'Specified Withdrawal Date'. Generally, withdrawal requests will be satisfied within five Business Days of the Specified Withdrawal Date. However, the Fund's constitution allows withdrawal requests to be paid within 12 months of receipt. For example, as a response to the COVID-19 pandemic in 2020, monthly withdrawal payments were suspended for a 6-month period between March 2020 and September 2020. The majority of the Fund's assets will be held as direct property which by their nature are illiquid investments.

The unit price used to calculate your withdrawal value will generally be the price calculated on the last valuation date before we process the payment of your withdrawal request (or part of your withdrawal request), not the day you notify us of your intention to withdraw.

From time to time, the Fund is likely to require cash to fund asset acquisitions, capital expenditure or withdrawals. This cash may be available from a number of sources which include: existing cash reserves, the proceeds from application for units by new or existing investors, bank debt, the sale of property securities (AREITs) and direct property sales. Some of these resources are considered readily realisable and are generally expected to be readily converted to cash. However, direct property investments are by their nature illiquid investments. Significant time may be required to prepare the property for sale, market the property, negotiate a sale contract and receive the final settlement proceeds.

If insufficient liquid resources are available at the time required or if it becomes necessary to dispose of one or more of the Fund's direct properties to meet withdrawals there is a greater risk that the Fund may not be able to maintain monthly withdrawal payments.

Where the amount of funds available to meet withdrawal requests is not sufficient to fully meet all withdrawal requests relating to a Specified Withdrawal Date, withdrawal amounts may be paid in part by way of a pro rata payment. Where withdrawals are paid in part, the outstanding unpaid amount will be paid once sufficient cash is available to meet withdrawal requests relating to the Specified Withdrawal Date and may be paid in priority to withdrawal requests subsequently received by the Responsible Entity. Investors should be aware that withdrawal requests can only be processed and met while the Fund is liquid.

In addition, if the Fund ceases to be liquid for the purposes of the Corporations Act, the Responsible Entity will not meet withdrawal requests. As at the date of this update the Fund is liquid under the current Corporations Act definition of 'liquid', where the Responsible Entity reasonably expects that it could sell at least 80% of the Fund's assets at market value within 12 months.

The Fund's liquidity position will be monitored. In the event that the Fund is not able to meet withdrawal requests in part or in full or if the Fund is declared illiquid, the Responsible Entity will as soon as practicable communicate how it plans to meet withdrawal requests in the future. This communication will include the steps to be taken over the next 12 months and the expected liquidity position during this time. This may involve raising equity from new investors, utilising existing cash, increasing the level of debt, selling property securities, selling direct property or undertaking a combination of these measures. Quarterly updates will provide an update on the steps taken or proposed to be taken, the expected liquidity position and the anticipated timeframe to implement these steps. The updates will be provided until such time as monthly processing of withdrawal requests resumes.

You should carefully read the 'Risks of investing' and 'Accessing your money' sections of the PDS. It is essential that you understand the withdrawal arrangements and restrictions for the Fund.

## Outstanding withdrawals

Withdrawal requests which are due to be paid on 6 August 2020 are unaffected by these changes and will be paid on this date, i.e. '90 day' payments associated with withdrawal requests lodged before the 15 June 2020 Specified Withdrawal Date cut-off time. Any other outstanding withdrawal requests as at 15 September 2020 will be satisfied in full within five Business Days of this date. To be clear, this includes outstanding withdrawals that have already been lodged and are due for payment after 6 August 2020, e.g. any '365 day' payments.

## Cancelling withdrawal requests

Withdrawal requests can be cancelled before the due payment by sending through the cancellation. Cancellations for payments due on 6 August should be received on or before **4 August 2020**.

Direct investors can do this by contacting 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](mailto:clientservices@ampcapital.com).

Indirect investors should contact their financial adviser, master trust or platform operator about the availability of cancelling withdrawal requests.

## Advice fees

The new withdrawal terms necessitate modifications to the timing and payment of advice fees. Advice fees are only applicable to direct investors. Indirect investors should contact their financial adviser, master trust or platform operator about the availability of this arrangement.

You may agree with your financial adviser that advice fees will be paid for financial planning services your financial adviser provides for you. These advice fees are additional to the fees shown in Table 1 of the PDS, and are paid to your financial adviser, not to us or the Responsible Entity.

Advice fees may be in the forms of an investment advice fee, and/or an ongoing advice fee. You and your financial adviser determine the amount of any advice fees and how they will be charged. Please refer to the PDS for further details.

If you elect to pay an ongoing advice fee, we will calculate the fee shortly before the payment is made. The fee will be deducted from your investment account (by redeeming the appropriate number of units) and we will forward it to your financial adviser. Payments to your financial adviser will be made on or around the same date as any withdrawal amounts are paid from the Fund.

Outstanding fees for the months of April, May and June are intended to be deducted on 6 August 2020 and for the months of July and August outstanding fees are intended to be deducted within five Business Days of 15 September 2020.

## Hardship

From 12 August 2020, you can submit a withdrawal request and the Responsible Entity aims to process withdrawal requests monthly according to the relevant 'Specified Withdrawal Date'. As such, the Responsible Entity will no longer process withdrawal requests based on hardship which are generally assessed on a monthly basis.

## Further information

If you have any questions about this update, please contact your Client Account Manager or 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](mailto:clientservices@ampcapital.com).

Yours sincerely,



Corrine Henville  
**Head of Global Client Services and Enablement**  
AMP Capital Investors Limited

[ampcapital.com](http://ampcapital.com)

**Important Notice:** National Mutual Funds Management Limited (ABN 32 006 787 720, AFSL 234652) is the responsible entity (**Responsible Entity**) of the Wholesale Australian Property Fund (**Fund**) and the issuer of the units in the Fund. To invest in the Fund, investors will need to obtain the current Product Disclosure Statement (**PDS**) from AMP Capital Investors Limited (ABN 59 001 777 591, AFSL 232 497) (**AMP Capital**). The PDS contains important information about investing in the Fund and it is important that investors read the PDS before making an investment decision about the Fund. Neither AMP Capital, the Responsible Entity, nor any other company in the AMP Group guarantees the repayment of capital or the performance of any product or any particular rate of return referred to in this document. While every care has been taken in the preparation of this document, AMP Capital makes no representation or warranty as to the accuracy or completeness of any statement in it including without limitation, any forecasts. This document has been prepared for the purpose of providing general information, without taking account of any particular investor's objectives, financial situation or needs. Investors should consider the appropriateness of the information in this document, and seek professional advice, having regard to their objectives, financial situation and needs. This document is solely for the use of the party to whom it is provided and must not be provided to any other person or entity without the express written consent of AMP Capital.