

AMP announces intention to pursue demerger of AMP Capital's private markets investment management business

AMP Limited today announces its intention to pursue a demerger of AMP Capital's private markets business ("Private Markets") of infrastructure equity, infrastructure debt and real estate.

The proposed demerger follows a decision by the AMP Board to conclude discussions with Ares Management Corporation regarding a potential sale of Private Markets.

The demerger would create two more focused businesses, better equipped to pursue and allocate capital to distinct growth opportunities, and realise efficiencies:

- **AMP Limited:** a retail-focused, wealth management, investment and banking group with scale and market-leading positions in the Australian and New Zealand markets and strategic investments in key international partnerships. AMP Limited will also retain:
 - A minority stake in Private Markets of up to 20 per cent to participate in the future growth of the business
 - AMP Capital's Global Equity and Fixed Income (GEFI) business, for which AMP is currently exploring sale or partnership options; and
 - AMP Capital's Multi-Asset Group, which is in the process of being transferred to the AMP Australia business
- **Private Markets:** a leading global private markets investment manager with a strong performance track record in differentiated asset classes of infrastructure equity, infrastructure debt and real estate, and capabilities to expand into attractive growth adjacencies.

The proposed demerger would unlock further value in the Private Markets business by simplifying its structure, providing operational independence and enabling it to establish a new brand. Private Markets will also put in place a new management equity plan, to attract and retain talented investment professionals and management.

The targeted timeline is for the demerger to be completed in 1H 22.

Leadership

As previously announced, Alexis George will be the CEO of AMP Limited and will be joining AMP in Q3 21. An international search process for a new CEO to lead Private Markets is already underway, with David Atkin continuing to lead the business on an operational basis.

As part of the separation of Private Markets, AMP Capital's Global Head of Infrastructure Equity and North West Region, Boe Pahari, has decided to leave the business. Mr Pahari will work closely with the Infrastructure Equity leadership team to ensure a smooth transition.

AMP Chair Debra Hazelton commented:

"Our portfolio review confirmed that AMP has two distinct businesses in retail wealth and institutional private markets, with different client bases and growth opportunities. From the extensive work that has been done we believe that operational and structural separation will significantly benefit both business units. The Private Markets business operates in growing, global markets in which investment management talent and strong client relationships are critical. While AMP Australia and New Zealand Wealth Management share the same commitment to clients, they are predominantly domestic businesses focused on wealth, banking and investment solutions for retail customers."

"Through our review, we assessed the alternatives of a sale or separation for Private Markets and found both options would support the acceleration of growth in the business. We have had substantial and constructive discussions with Ares regarding a sale, however, we have not been able to reach an agreement that would deliver appropriate value for our shareholders. The Board has therefore concluded a demerger provides investors with the strongest value outcome, creating two more focused entities, with the agility to pursue new growth opportunities in their respective markets. We will now accelerate our demerger planning, building on the preliminary work already undertaken."

Next Steps

AMP will commence the internal separation of Private Markets immediately, including establishing operational independence for management, new branding and a Private Markets Board of Directors. Michael Sammells will be appointed as interim Chairman of the Private Markets Board. Mr Sammells, a non-executive director of AMP Limited and current Chairman of AMP Capital, has extensive experience with private equity and preparing a company for an ASX listing.

On demerger, existing AMP shareholders would receive shares in Private Markets proportional to their existing shareholdings in AMP Limited, after taking into account any shares to be retained by AMP. Under the proposed demerger, Private Markets is expected to be listed on the ASX.

A demerger would be subject to final AMP Board approval, required regulatory approvals, applicable consents and approval from AMP's shareholders. Further details regarding capital structure, dividend policy, separation, management and governance will also be announced in due course.

Having concluded the portfolio review the Board will restart the share buy-back of up to A\$200 million.

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Authorised for release by the AMP Limited Board.

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AMP Limited Demerger Overview

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Transaction Overview

Demerger creates independent, global Private Markets investment manager, and simplified AMP focused on retail wealth and banking

Overview

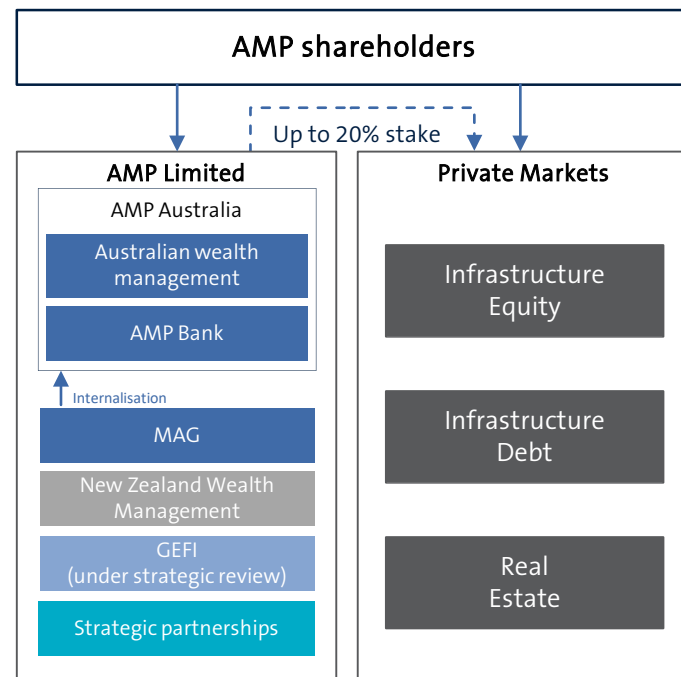
- Separation of Private Markets business from AMP Limited to create operational independence, simplify structures and accelerate growth in their respective markets.

Businesses

- Creation of:
 - **Private Markets:** Leading global private market investment manager with strong performance track record in differentiated asset classes of infrastructure equity, infrastructure debt and real estate
 - **AMP Limited:** Leading retail-focused, wealth management, super, retirement, investment and banking group, with scale and market-leading positions in the Australia and New Zealand markets, and strategic investments in key international partnerships

Benefits

- Opportunity for Private Markets to create new brand and achieve autonomy consistent with global peers
- Management equity to align Private Markets management with clients and shareholders interests
 - Strengthened ability to attract and retain key investment and management talent
- Provides both businesses with direct access to capital markets to fund own growth opportunities
- Potential to drive further efficiencies and reduction of corporate overheads
- Increased ability to participate in inorganic opportunities
- Focused and independent management teams in both businesses



Private Markets – Overview

Private Markets is a leading global investment manager, and is positioned to benefit from its geographic reach and sector expertise

- 1 Leading investment manager with over ~A\$50billion invested AUM

A\$18.9billion
Infrastructure Equity Invested AUM

A\$26.9billion
Real Estate Invested AUM

A\$7.3billion
Infrastructure Debt Invested AUM

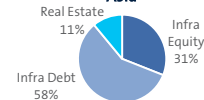
- 2 Extensive global reach with operations in the largest and deepest global markets

North America, Europe & Middle East



Invested AUM A\$13.4bn

Asia



Invested AUM A\$6.3bn

Australia & New Zealand



Invested AUM A\$33.3bn

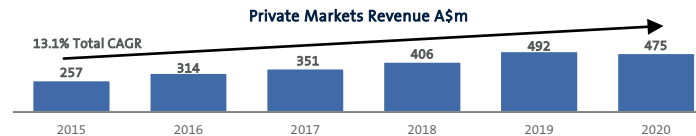
- 3 Proven sector expertise with top 10 league table position across businesses and track record of solid investment performance

#7
Global Infrastructure Equity¹

#2
Australian Real Estate¹

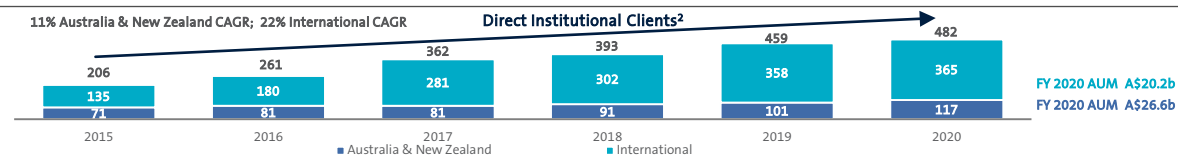
#6
Global Infrastructure Debt¹

- 4 Financial outlook underpinned by shifting business model to closed end fund structure



Infrastructure Equity	Real Estate	Infrastructure Debt
AUM 16% CAGR	AUM 5% CAGR	AUM 41% CAGR

- 5 Broad global institutional investor network with fast paced international growth supported by stable domestic client base



FY 2020 AUM A\$20.2b
FY 2020 AUM A\$26.6b

¹ Infrastructure Investor 50 capital raising league tables with numbers based on capital raised over preceding 5 year period. Real Estate based on ANREV / INREV / NCREIF Fund Manager Survey 2020.

² Direct Institutional clients and AUM excludes partnerships.

AMP Limited – Post Demerger Overview

AMP Limited continues to be a leading provider of wealth and banking solutions to retail customers, and is positioned to drive industry transformation in a sector with growing customer needs and attractive industry structure

1 Leading independent retail wealth business in Australia

A\$124billion
Australian Wealth AUM

#1
Retail Managed Funds¹

#2
Advisor Network²

#3
Platform Wrap Size³

2 Unique wealth and digital banking offering to Australian AMP customers

Wealth

- Opportunity to deliver differentiated “wealth-first” retail offering from integrated wealth platforms
- Leading open architecture leveraging best in class capabilities and scale platform

Bank

- Efficient, high return mortgage banking business with attractive customer base
- Potential to deliver banking services on platform as part of turn-key solutions

3 Opportunity to deliver turnkey solutions to independent financial advisers via the North platform as advice model transitions to fee income

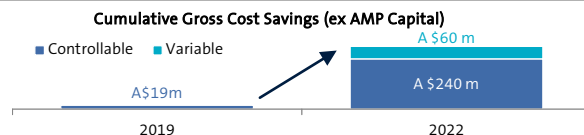
1,573
Advisor Network

A\$96billion
Retail Super and Platform AUM

MyNorth ranked as most improved platform⁴

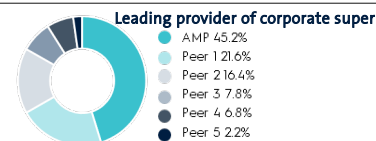
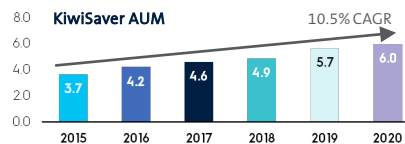
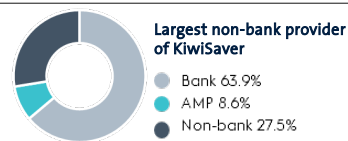
- Strong incumbent position to lead sector transformation to advice-first wealth management
- Potential over the medium term to become an independent provider of wealth services to support advisers in all activities

4 Financial outlook underpinned by simplification strategy and advice network optimisation



- On track to deliver the current A\$300m cumulative gross cost savings by the end of FY22
- Clear strategy to simplify business, rationalise network and modernise product offering

5 Strong position in New Zealand market as one of the largest non-bank providers of KiwiSaver and leading provider of corporate superannuation.



¹ Plan for Life as at December 2020. Retail Managed Funds are those funds which are characterised as being investment products with relatively low minimum investment eg \$1,000 to \$5,000 in a single investment choice.

² Rainmaker data as at December 2019 proforma for the MLC and IOOF merger.

³ Plan for Life data as at December 2020. Product rank and market share refers to total master trusts, platforms & wrap funds under management proforma for the MLC and IOOF merger. MyNorth platform ranked #5 by

leading product analysis.

⁴ Investment Trends 2019

Important notice

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Important notice (continued)

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