

AMP Capital enters China funds management with China Life JV

AMP Capital is to establish a funds management company in China with China Life Asset Management Company, a subsidiary of China Life Insurance (Group) Company, China's largest insurance group, institutional investor and corporate pension manager.

China Life AMP Asset Management Company Limited will offer retail and institutional investors in China access to leading investment solutions initially in domestic listed equities and fixed income.

AMP Capital will be a founding shareholder holding a 15 per cent stake in China Life AMP Asset Management Company Limited with the balance to be held by China Life Asset Management Company. The joint venture has received regulatory approval from the China Insurance Regulatory Commission (CIRC), and is subject to regulatory approval by the China Securities Regulatory Commission (CSRC).

China Life AMP Asset Management Company Limited will be China Life's first joint venture in mainland China with a foreign partner in funds management.

AMP Capital and China Life Asset Management Company are the first to take advantage of new regulations which came into effect 21 June 2013, allowing insurance companies in China to establish funds management companies offering public mutual funds to retail and institutional investors.

The sweeping new reforms are expected to provide investors easier access through new distribution channels and drive more innovative investment solutions to meet the evolving needs of Chinese customers in this rapidly growing savings market.

The rapid growth of wealth management in China presents significant opportunities for funds management companies. Total assets under management in China's mutual fund industry is expected to reach A\$0.8 trillion in 2013 growing at 15 per cent per annum to reach almost A\$1.5 trillion in 2017¹.

AMP Chief Executive Officer Craig Dunn said China is an important part of AMP's growth strategy which is focused on expanding internationally through its funds management business AMP Capital.

"A funds management joint venture in China is a strategically significant move for AMP, giving us direct access to the world's second largest and fastest growing major economy²," Mr Dunn said.

"Both China Life and AMP share a common heritage of being among the most well-known and respected financial services brands in our home markets.

"The funds management joint venture represents the commercialisation of our Memorandum of Understanding (MOU) with China Life and is the ideal balance of our mutual strengths and capabilities," Mr Dunn said.

AMP Capital has developed a reputation for delivering high quality investment solutions for global pension funds, institutional investors and retail investors with expertise in key asset classes such as real estate, infrastructure, equities and fixed income.

¹ Z-Ben Advisors, 2013 Market Forecast Report

² The World Bank national accounts data, GDP growth 2008-2012

AMP Capital Chief Executive Officer Stephen Dunne said: “China Life Asset Management Company brings a strong brand and leading market position, significant distribution capability and a deep understanding of customer needs in a dynamic market to the joint venture. While AMP Capital has extensive expertise in product development, risk management, governance expertise and investment and research which will be shared with the joint venture.

“Having an on-the-ground presence is vital to building a sustainable position as an onshore player and together China Life Asset Management Company and AMP Capital have the combined capability to succeed. We’re really excited about being part of the rapid growth of funds management in China,” Mr Dunne concluded.

With this joint venture AMP Capital now has significant institutional and retail reach in three of the world’s largest savings and pension markets – Australia, China and Japan.

AMP has had a presence in China since 1997 and AMP and China Life have had a formal relationship for nearly eight years.

The relationship became a closer, deeper relationship in 2006 when the two companies cooperated in Qualified Foreign Institutional Investor (QFII) investments and subsequently when China Life and AMP entered into the MOU for Strategic Cooperation in late 2009 which encompassed areas for partnership in funds management and pensions.

Since the signing of the MOU, both AMP Capital and China Life have been actively exploring mutual cooperation in a number of areas while exchanging investment expertise and experience.

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About China Life

China Life Insurance (Group) Company is the largest insurance group, institutional investor and corporate pension manager in China. It is the 16th largest corporation in China according to 2012 Fortune Global 500.

China Life Insurance Company is the world’s largest listed life insurance company by market capitalisation with a distribution reach of more than 693,000 life agents.

China Life Asset Management Company (CLAMC) is China’s largest life insurance asset management company and also one of the largest institutional investors in China. It has more than A\$345 billion in funds under management.

About AMP Capital

AMP Capital is a leading investment house managing over A\$130 billion (as at 31 March 2013) on behalf of clients through a global network of offices in developed and emerging markets.

It has a heritage and strength in real estate and infrastructure, and specialist expertise in fixed income, equities and multi asset solutions.

AMP Capital is a subsidiary of AMP Limited. Established in 1849, AMP has more than 160 years of experience providing financial services, and is one of Australia’s largest retail and corporate pension providers.