

AMP CAPITAL CORE PROPERTY FUND - OFF-PLATFORM CLASS H

Investment Objective

Aims to generate income and capital growth on a rolling 3-year basis by investing in Australasian and US unlisted real estate and Australasian and global listed real estate.

Investor Benefits

- An efficient exposure to real estate with access to Australasian and US unlisted real estate and Australasian and global listed real estate.
- Access to a diversified portfolio providing investors exposure to diverse property sectors and markets.
- Access to institutional grade core real estate assets which are otherwise difficult for individual investors to obtain.
- Access to a low debt fund which allows investors to choose when they invest.
- AMP Capital's specialist real estate knowledge and broad investment expertise.

How We Manage Your Money

The Fund provides access to unique investment opportunities that are otherwise difficult for an individual investor to obtain. The Fund is well diversified across a strategic mix of global unlisted and listed real estate. It targets assets which have high occupancy rates and stable income streams underpinned by leases to long-term, secure commercial and government tenants.

Performance as at 28 February 2020

	Current Investment Strategy ¹					Blend of Current and Previous Investment Strategies ¹			
	1mth (%)	3mths (%)	6 mths (%)	1yr (%)	Since Inception ² (%pa)	3yrs (%)	5yrs (%)	10yrs (%)	Since Inception ² (%pa)
Total Return – Net of Fees	0.16	0.79	2.82	-8.32	5.53	4.92	5.69	7.71	5.65
Total Return – Gross of Fees	0.26	1.11	3.47	-7.18	4.77	6.16	6.98	9.01	7.04
Distribution return	0.00	1.03	2.04	3.84	4.51	4.60	4.01	3.88	4.61

Past Performance is not a reliable indicator of future performance.

Past performance shown for the blend of current and previous investment strategies is for information purposes only and is not a reliable indicator of future performance under the current investment strategy

Performance guideline: to generate income and capital growth on a rolling 3 year basis by investing in Australasian and US unlisted real estate and Australasian and global listed real estate

Returns are shown both before and after fees, before tax and assumes distributions are reinvested.

¹ On 1 August 2018, the Fund revised its investment strategy. We have provided the Fund's performance under the revised investment strategy. We recognise that existing investors will want to know longer term past performance and therefore have also provided information that combines the performance generated under the previous strategy up until 1 August 2018 with performance generated under the current strategy thereafter (shown under Blend of current and previous investment strategies).

The key changes to the investment strategy were:

Removal of the Fund's performance benchmark and move to a benchmark-unaware investment objective
Change in target asset allocation from

- 50% to actively managed Australasian and US direct property
 - 25% to indexed Australian listed property securities, and
 - 25% to actively managed global listed property securities.
- to
- 50% to actively managed Australasian and US direct property; and
 - 50% to actively managed Australasian and global listed property securities.

(which incorporated a move from a partially passively managed Fund to fully actively managed Fund)

² The relevant inception dates are as follows:

- AMP Capital Core Property Fund is 1 July 2005
- The current investment strategy of the AMP Capital Core Property Fund is 1 August 2018

FUND FACTS

APIR	AMP1074AU
Inception date	12 April 2006
Fund Size	\$463.39 million
Management costs*	1.57% p.a.
Buy/sell spread*	+0.13/-0.13%
Distribution frequency	Quarterly
Minimum investment	\$10,000
Minimum suggested timeframe	5 years

*The Fund PDS outlines management costs components, as well as other fees and costs that may apply to your investment. You can review the PDS at www.ampcapital.com.au.

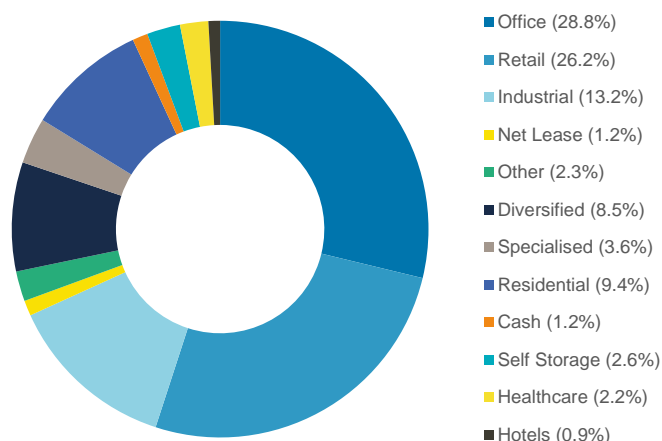
What Happened Last Period

- The Fund posted a positive return (after fees) during February.
- The Fund's bespoke listed real estate portfolio rose modestly, while two of the three underlying unlisted property components also gained ground.
- With the exception of Australia and Singapore, global listed real estate markets generally rallied in February, despite steepening yield curves.
- At the sector level, the rotation continued out of the segments which gained most throughout the pandemic period into cheaper, more cyclical segments.

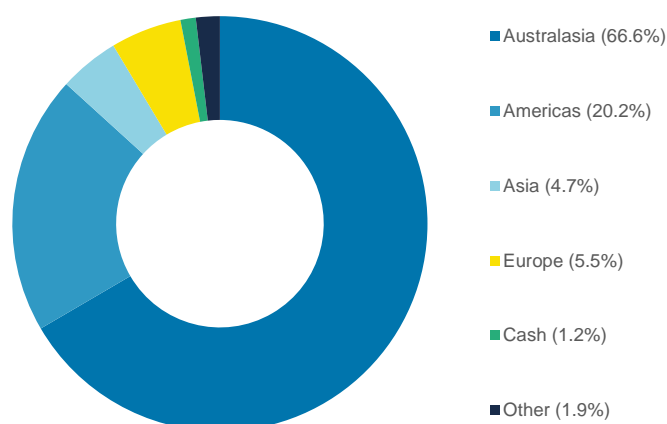
Underlying Investments

AMP Capital Wholesale Office Fund	23.82
AMP Capital Shopping Centre Fund	19.51
AMP Capital US Hedged Plus Property Fund	5.70
AMP Capital Listed Real Estate Portfolio	49.78
Cash	1.19

Sector Allocation



Regional Allocation



Fund Performance

The Fund posted a positive return (after fees) during February. The Fund's bespoke listed real estate portfolio and two of the Fund's three underlying unlisted property components gained ground, led by the AMP Capital Wholesale Office Fund.

The listed component of the Fund, which is a bespoke portfolio managed on a benchmark-unaware basis, rose modestly by 0.05% (A\$ terms). At a country level, holdings in the US, Hong Kong and the UK contributed most during the month, whereas holdings in Australia detracted most. By sector, retail was the best performer, while diversified was the largest detractor.

At a stock level, the largest contributors to performance were holdings in Welltower (healthcare), Lifestyle Communities (residential) and VICI Properties (specialised), while the main detractors were Charter Hall Group (diversified), Goodman Group (industrial), and Stockland (diversified).

The senior housing segment, which was the most physically impacted by the pandemic, is expected to benefit from residents receiving their first vaccine shot. In the US, the improved safety of residents has allowed social activities to resume and increased the attractiveness of this type of accommodation. Welltower, which holds around 60% of its portfolio in senior housing, reported mixed Q4 2020 results but better than expected forward earnings guidance.

During the period, the AMP Capital Wholesale Office Fund (+0.64%) rose whereas the AMP Capital Shopping Centre Fund (-0.32%) fell on a total return basis (before fees). Whilst both portfolios of assets generally held their value during the period, Westfield Southland was revalued downwards slightly to reflect impacts to income in response to further lockdowns in Victoria. This was partially offset by an upward valuation for Royal Randwick, NSW.

AMP Capital US Plus Property Fund (Hedged) rose by 0.32% on a total return basis (before fees and taxes) over the period. AMP Capital Funds Management Limited, the Responsible Entity of the AMP Capital US Plus Property Fund, made the decision to terminate this Fund in March 2019. As a result, the Manager is proceeding to divest the Fund's underlying assets and distribute the proceeds to unitholders, including to the AMP Capital Core Property Fund. Two remaining properties are being marketed for sale,

following the sale of the balance of the portfolio in 2019. AMP Capital will reinvest these proceeds in accordance with the investment strategy of the AMP Capital Core Property Fund.

Market Review

Global listed real estate markets generally rallied in February, despite steepening yield curves. This was led by the US listed real estate market, which gained as long-term interest rates rose while short-term interest rates stayed around the same level, suggesting that the US economy is expected to recover quickly from the pandemic-induced downturn. US 10-year treasury yields rose sharply to be up 0.34% to 1.41% over the period but remain at historically low levels. The exceptions were the Australian and Singapore listed real estate markets, which came under pressure as long-term interest rates increased.

Global listed real estate markets were also affected by investors switching their portfolios to take advantage of improving economic conditions as COVID-19 vaccines are rolled out and cases fall. Growth companies that reported strong results during the earnings season were generally sold down in favour of value companies that reported soft results with improving outlooks. In addition, the segments which gained most throughout the pandemic period, including the data centres, towers, industrial and manufactured homes segments lagged. These segments have elevated valuations and are being used by investors as a source of funding to rotate into cheaper, more cyclical segments.

Outlook

Global listed real estate markets will likely be subject to near-term volatility as are all risk assets, due to the impact of COVID-19 containment measures on economic activity. That said, a world with vaccination and a slow return to normality presents the opportunity to cheaply acquire some cyclical exposure. We will continue to assess and actively manage any associated risks to our portfolio positions as additional information becomes available.

As the risk-free rate falls and central banks remain dovish, investors often turn to listed real estate's defensive attributes and as a reliable yield alternative. This is starting to occur with the vaccine roll-out well progressed and we expect this to continue as the extensive containment measures are relaxed and economic activity begins to recover. Opportunities to acquire individual companies at attractive valuation levels may arise as geopolitical developments lead to heightened volatility and diverging stock performance.

However, retail is expected to remain challenged, especially those stores in peripheral locations with commoditised market propositions. Growth in online shopping, connectivity and data usage are likely to provide opportunities in logistics and data centres through the business cycle. Historically, core real estate has delivered total returns between 7-9% p.a over the market cycle¹.

¹ (Source: MSCI/Mercer Australia Core Wholesale Monthly PFI. Market cycle is generally between 7-10 years).

PORTFOLIO MANAGER



Claire Talbot is the Fund Manager for AMP Capital's Core Property Fund. Claire is responsible for establishing and implementing portfolio strategy. Ms Talbot brings considerable experience in property investment management to her role, having worked in the real estate industry since 1999. Previous roles include various fund and asset management positions, including her most recent role of Assistant Fund Manager for the AMP Capital Retail Trust, assisting with the implementation of investment strategy and the delivery of two of Australia's largest retail property development projects at Macquarie Centre, NSW and Pacific Fair, QLD.

CONTACT DETAILS

For more information on the Fund including fees, product features, benefits and risks talk to your adviser or call us on 1800 658 404 or visit ampcapital.com.au

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IDEAS
RESULTS