

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 30 September 2021

	Current Investment Strategy ¹						Blend of Current and Previous Investment Strategies ¹		
	1mth (%)	3mths (%)	6mths (%)	1yr (%)	3yrs (%)	Since Inception ² (%pa)	5yrs (%)	10yrs (%)	Since Inception ² (%pa)
Total Return – Net of Fees	-1.34	3.86	10.90	15.52	6.71	6.82	6.68	9.53	6.25
Total Return – Gross of Fees	-1.23	4.20	11.61	17.00	8.01	8.12	7.96	10.85	7.64
Distribution return	0.60	0.62	2.04	4.67	4.59	4.82	4.24	3.77	4.67

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	\$452.50 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.

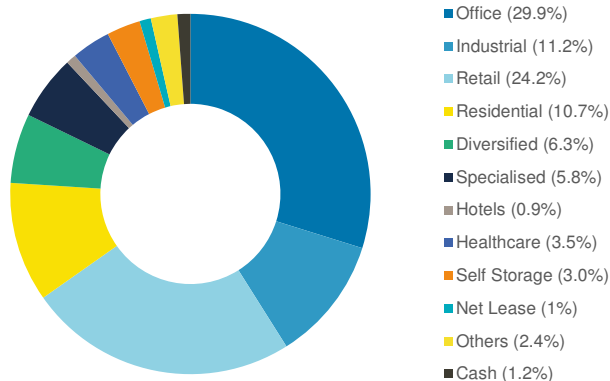
What Happened Last Period

- The Fund posted a positive return (after fees) during the September quarter.
- All of the Fund's underlying components gained ground, led by the listed component of the Fund which continues to perform strongly.
- Despite a pullback later in the period, global listed real estate markets generally rose, supported by robust company results, with improving outlooks due to economies reopening and recovering as vaccine roll outs progressed.
- At the sector level, concerns about the 'Delta' variant of COVID-19 continued to impact performance.
- Valuations of the unlisted properties within underlying funds have largely stabilised and are starting to improve, with high levels of occupancy contributing to income and performance.
- The proceeds from selling the remaining two assets in the AMP Capital US Plus Property Fund were reinvested in line with the Fund's strategy.

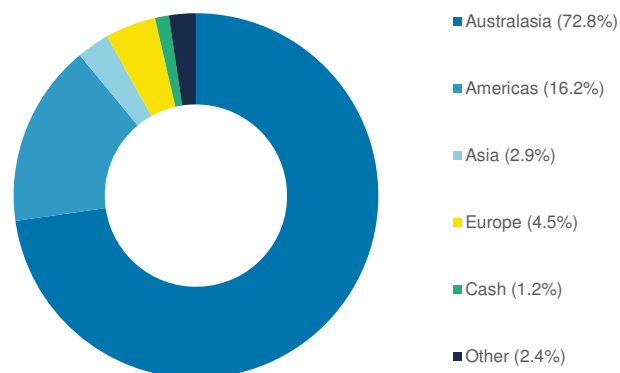
Underlying Investments

AMP Capital Wholesale Office Fund	27.70
AMP Capital Shopping Centre Fund	19.59
AMP Capital US Hedged Plus Property Fund	1.13
AMP Capital Listed Real Estate Portfolio	50.44
Cash	1.15

Sector Allocation



Regional Allocation



Fund Performance

The Fund posted a positive return (after fees) during the September quarter with all three of the Fund's underlying components gaining ground, led by the Fund's listed component which continued to perform strongly.

During the period, positive performance of the AMP Capital Wholesale Office Fund (+1.80%) and the AMP Capital Shopping Centre Fund (+0.64%) - on a total return basis (before fees) - reflected each portfolio's income which continues to be underpinned by high levels of occupancy. Revaluations of retail assets were largely positive, with Royal Randwick, Sydney and Indooroopilly Shopping Centre, Brisbane recording uplifts. These were somewhat offset by the devaluations of Westfield Liverpool, Sydney and The Palms in New Zealand, which softened slightly.

The office fund's performance was bolstered by the firming of valuations on a number of assets and the sale of 200 George Street, Sydney, with strong interest for this high quality, well-let asset seeing Mirvac, who own the balance of the asset, acquiring the site for a sale price which represented a 12% premium to the 31 March 2021 book value.

Proceeds from the sale of the two remaining assets in the AMP Capital US Plus Property Fund (Hedged) were reinvested during the period, in accordance with the AMP Capital Core Property Fund's investment strategy.

A formal process is currently underway, where the Trustee, in conjunction with an Independent Advisory Committee and consultants, is giving consideration to expressions of interest for the management of the AMP Capital Wholesale Office Fund. The Trustee is committed to concluding this process as quickly as possible, whilst exploring credible options appropriately.

The transition of the management of the Fund's listed real estate portfolio from AMP Capital to Macquarie Asset Management is underway, following AMP's decision to sell this business in July. Key AMP Capital investment personnel will transfer to Macquarie at the end of the transition period, which is expected to be completed in the March 2022 quarter. Currently, we do not anticipate any changes to the investment strategy, philosophy and management of the Fund's listed property exposures.

The Fund's listed component, which is a bespoke portfolio managed on a benchmark-unaware basis, continued to provide very strong positive returns post the COVID-19 drawdown of 2020, rising by 7.70% (in A\$ terms) during the period. At a country level, holdings in Australia and the US contributed most, whereas holdings in China and Hong Kong were the main detractors. At a sector level, exposures in the residential, diversified and retail sectors were the best performers, whereas holdings in the period investors took the opportunity to reposition into cheaper cyclicals on the expectation that economic activity would pick up, supporting the hotel and lodging, office and retail segments at the expense of defensive segments, which gave up some of their

specialised and office sectors detracted most.

At a stock level, the largest contributors to performance were holdings in Lifestyle Communities (residential), Charter Hall Group (diversified) and Home Consortium (residential), while the main detractors were GDS Holdings (specialised), NEXTDC (specialised) and Stockland (diversified).

The retail segment exhibited pockets of strength on expectations it will benefit as economies continue reopening and recover, although some pressures persist from lockdowns in some countries as well as long-term structural challenges posed by e-commerce. Some parts of the market have also been supported by the 'shop-local' trend. In Australia, HomeCo Daily Needs REIT took advantage of this optimism and held an equity raising to partially finance the acquisition of six assets, with the transaction expected to be accretive to full-year 2022 funds from operations and is complementary to the existing portfolio.

Note: A small cash holding remains invested in the AMP Capital US Plus Property Fund which has been terminated and assets sold. The cash will be held until the expiry of representation and warranty periods, which is expected to occur during the September 2022 quarter.

Market Review

The Property Council of Australia (PCA)/ MSCI Australia Direct Property Index Digest for the June quarter 2021 was released during August. Unlisted property returns (including capital growth and income) over rolling 12 month periods have increased from 2.3% in March 2021 to 7.5% in June 21. The industrial sector was the strongest performer, generating a total return of 23.2% for the year to 30 June 2021. Capitalisation rates for industrial assets are now at record lows, averaging 4.5%. Elsewhere, the office sector returned 7.3% and the retail sector total return was 2.5%.

Global listed real estate markets generally rose during the September quarter, buoyed by robust company results and improving outlooks amid economies reopening and recovering as COVID-19 vaccines continued to be rolled out. The gains came despite a sharp pullback later in the period, when markets along with broader global share markets became nervous about slowing global economic growth, credit risks related to Chinese property developer China Evergrande Group, near-term inflationary pressures, and potential monetary policy tapering in the US.

Within the listed real estate market, concerns about the Delta variant of COVID-19 continued to impact segment performance through most of the period to buoy the more defensive segments, such as self-storage, industrial and residential. However, later in the earlier gains despite their strong fundamentals.

Outlook

Global listed real estate markets are likely to be buoyed as the execution and distribution of vaccines progresses, and as extensive government stimulus continues to be rolled out. However, like most other risk assets, they are also likely to be punished on news of any setbacks in containing the pandemic, and concerns about rising inflation and interest rates. Earnings growth remains robust across the majority of real estate segments and geographies, fundamentals are solid and the outlook strong. In Australia, expectations are for office demand conditions to recover and significantly improve once post-lockdown office attendance restrictions are lifted, although we expect an uneven recovery with higher grade assets to outperform. Within retail, a near-term rebound is supported by elevated consumer confidence, while demand may soften thereafter as spend rotates out to services and travel. Overall, we see top-tier, dominant shopping centres with mixed use potential and defensive tenant-bases as best-placed amid the shift to e-commerce. 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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