

INVESTOR UPDATE

AMP Capital Core Property Fund

ARSN 114 235 326

26 MARCH 2020

Dear Investor,

In these times of market volatility, we understand it is particularly unnerving.

We remain committed to supporting our clients during this time and thank you for your ongoing support.

Please find below an update on the AMP Capital Core Property Fund and how it is currently positioned. We hope it is informative and we will continue to provide you with regular updates on an ongoing basis.

Kind regards,

Claire Talbot
Fund Manager – AMP Capital Core Property Fund

Continuous Disclosure

It is important that investors are provided with material information that is disclosed in a timely way and in a form that is accessible. In light of the current circumstances, AMP Capital will provide monthly updates on our real estate and infrastructure funds which will address:

- Investment approach
- Capital management
- Operational matters
- Valuation policy

This information will be made available on AMP Capital's website on the 5th business day of each month until further notice. Please note, that given the current volatility and the wide range of stakeholders inherent in retail funds we will not be providing further interim details on sensitive matters (other than through the periodic update on the website or through communications to all investors) to avoid any unequal treatment of investors or other stakeholders.

Investment approach

The AMP Capital Core Property Fund (the Fund) seeks to offer investors an efficient exposure to real estate markets in Australia and globally, investing in a strategic mix of listed and unlisted real estate.

Whilst the current volatility in listed real estate markets is significant, we believe the portfolio remains well diversified, defensively positioned and invested in what we believe to be the highest quality real estate globally.

Our listed holdings comprise a bespoke, benchmark unaware listed real estate portfolio. Early in the spread of COVID-19, we positioned the portfolio more defensively and continue to adjust our holdings as required to ensure we increase our weighting to defensive cash flows with certainty of income and away from sectors more at risk.

Sectors we are currently favouring are those that may benefit in this environment as consumers recalibrate their behaviour, including relatively large weightings to:

- Industrial - uplift in ecommerce as consumers choose to not buy in store
- Telecommunication towers and datacentres - demand for mobile data rises as individual and businesses self-quarantine
- Apartment rental - needs based real estate
- Medical office buildings - more patient visitation outside of hospitals

Asset allocation

The Fund's medium-term target weightings are 50% unlisted real estate and 50% listed real estate companies and cash. We may vary from these medium-term target weightings from time-to-time, given the nature of investing in unlisted assets. As at 24 March 2020 the Fund's target asset allocation and actual asset allocation is set out below:

Source	Target	Allocation	Current
Unlisted real estate funds	50%	30-70%	54.2%
Listed real estate securities	50%	30-70%	43.0%
Cash		0-10%	2.8%

Capital management

Withdrawal requests are generally processed monthly according to Specified Withdrawal Dates (as defined in the Fund's Product Disclosure Statement (PDS)). We aim to process the payment of withdrawal requests within 10 business days of each Specified Withdrawal Date and at this time we intend to continue on this basis.

However, should circumstances change, the Fund's constitution allows withdrawal requests to be paid 12 months after the Specified Withdrawal Date or even longer in certain circumstances. Where the amount of funds available for meeting withdrawal requests is not sufficient to fully meet all withdrawal requests relating to a Specified Withdrawal Date, withdrawal amounts will be reduced on a pro-rata basis. The unmet portion of any withdrawal request will be cancelled.

Where the Fund ceases to be liquid as defined in the Corporations Act, withdrawals are suspended and investors will not be able to withdraw from the Fund unless and until the Responsible Entity chooses to make a withdrawal offer to investors.

Redemption requests are primarily funded through the Fund's cash holdings and listed real estate securities. In addition, the Fund holds a \$20 million undrawn debt facility which can be used to supplement liquidity.

Should current circumstances significantly change, we have discretion to make changes to the frequency of applications and redemptions as outlined in the PDS. Please refer to the PDS for full details regarding applications and redemptions:

[On-platform PDS](#)

[Direct investor PDS](#)

Operational matters

AMP Capital have enacted our Business Continuity Plan (BCP) and working from home is currently the preferred arrangement for AMP Capital employees.

Unless deemed essential, we've also announced that all meetings should utilise video conferencing technology available to us. A COVID-19 Steering Committee has been formed and meets daily to carefully monitor evolving situation.

We remain committed to delivering on our purpose and supporting our clients during this time.

Valuation policy

AMP Capital's Asset Valuation Policy specifies that real estate valuations are determined by independent valuers annually or more frequently to comply with certain scheme mandates as required. The valuation practice in relation to direct property held by the funds that the AMP Capital Core Property Fund is invested in, has been to have all properties independently valued by a registered valuer every quarter (unless the property is being marketed for sale or is under development).

Written valuation policies are maintained and complied with in relation to direct property investments. The Responsible Entity has assigned AMP Capital responsibility for obtaining and managing valuations, and properties are valued according to the AMP Capital Australian Real Estate Valuation Guidelines. These Guidelines set out the methodologies used by AMP Capital and its appointed agents to value direct property assets managed by AMP Capital, or where AMP Capital is the appointed responsible entity or trustee.

If the directors form a view that there is a likelihood that there has been a material change in the value of the property, AMP Capital's policy requires that a new independent valuation be obtained within 2 months.

In response to the current circumstances we have determined that valuations of all of the properties in the funds which are currently on a quarterly cycle will be updated by valuers on a monthly basis. The updates will take movements in the tenancy schedule, recent comparable transactions and the valuer's latest assumptions around future cashflows into account. These valuations will be used to calculate the unit price.

The Royal Institute of Chartered Surveyors (RICS) is recommending that valuation firms explicitly reference the material uncertainty due to Novel Coronavirus (COVID-19). The RICS disclosure is included immediately below. The valuations as at 31 March 2020 will include similar clauses and all valuation firms are expected to include these clauses for the foreseeable future.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. In [country / region], market activity is being impacted in all sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty' per VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of [this property] under frequent review.

Latest Fund performance report

Please click on the applicable links below to access the latest performance report for the AMP Capital Core Property Fund:

[Direct investors](#)

[On-platform investors](#)

We're here to support you

If you are a direct investor and would like to speak to someone in regards to your investment, please contact Client Services on 1800 658 404 or email clientservices@ampcapital.com.

If you are an adviser, you can contact Client Services as above or your [State Account Manager](#).

Important note

Investors should consider the Product Disclosure Statement (PDS) available from AMP Capital Investors Limited (ABN 59 001 777 591, AFSL 232497) (AMP Capital) for the AMP Capital Core Property Fund (Fund) before making any decision regarding the Fund. The Trust Company (RE Services) Limited (ABN 45 003 278 831, AFSL 235150), a wholly owned subsidiary of The Trust Company Limited (ABN 59 004 027 749), is the responsible entity of the Fund and the issuer of units in the Fund. The PDS contains important information about investing in the Fund and it's important investors read the PDS before making a decision about whether to acquire, continue to hold or dispose of units in the Fund. None of the responsible entity, AMP Capital or 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. Past performance is not a reliable indicator of future performance. 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 information 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, before making any investment decisions, consider the appropriateness of the information in this document, and seek professional advice, having regard to the investor's objectives, financial situation and needs. This information 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.