ASIC BENCHMARKS AND DISCLOSURE PRINCIPLES FOR THE AMP CAPITAL CORE PROPERTY FUND

1 MARCH 2018

IMPORTANT INFORMATION

The Trust Company (RE Services) Limited (the Responsible Entity) (ABN 45 003 278 831 and AFSL 235150) is the Responsible Entity of the AMP Capital Core Property Fund (ARSN 114 235 326) (Fund) and issuer of this document. The Responsible Entity is a wholly owned subsidiary of Perpetual Limited (ASX:PPT) (ACN 000 431 827).

AMP Capital Investors Limited (AMP Capital) (ABN 59 001 777 591 and AFSL 232497) is the Investment Manager of the Fund and has been appointed by the Responsible Entity to provide investment management and associated services in respect of the Fund.

Unless otherwise specified, all dollar amounts in this document are Australian dollars.

> This document should be read in conjunction with a current Product Disclosure Statement (PDS) for the AMP Capital Core Property Fund.

AMP Capital, the Fund's Investment Manager, is one of the largest wholesale property fund managers in Australia and New Zealand with over 50 years experience in real estate investing.

The Fund's investment team has a proven track record in managing property, including property development, asset management, portfolio construction, and valuations.

Integrating property funds management with a range of AMP Capital's expert property services, and capitalising on the strength and breadth of AMP Capital's investment expertise, supports the Fund's investment team in delivering quality investment outcomes.

FURTHER INFORMATION

Further information about the Fund's investments, including how it invests in property and the types of property it invests in, see the 'Our investment approach' and 'Fund profile' sections of the PDS. Key features and risks of the Fund are located in the 'About the AMP Capital Core Property Fund' and 'Risks of investing' sections of the PDS.

ABOUT THIS DOCUMENT

The Australian Securities and Investments Commission (ASIC) has released benchmarks and disclosure principles to assist investors in comparing risks and returns across investments in the unlisted property sector.

Benchmarks and disclosure principles for the Fund are listed within this document, and should be read in conjunction with the current PDS for the Fund.

The 'ASIC benchmarks and disclosure principles for the AMP Capital Core Property Fund' document will be updated regularly, or where material changes are identified.

A copy of the 'ASIC benchmarks and disclosure principles for the AMP Capital Core Property Fund' and a current PDS for the Fund are available online at **www.ampcapital.com.au** (go to the Fund page), or can be obtained free of charge, on request.

BENCHMARKS

BENCHMARK 1 – GEARING POLICY

Benchmark The Responsible Entity of the Fund maintains and complies with a written policy that governs the level of gearing at an individual credit facility level.

The Responsible Entity and AMP Capital comply with Benchmark 1.

Gearing involves entering into a loan facility which may or may not be secured against the Fund's assets, enabling a property fund to acquire assets or meet short term liquidity needs.

Gearing has the effect of magnifying the Fund's returns, both positive and negative, which means that the risk of loss of capital may be greater than if gearing did not take place. Other risks associated with gearing include refinancing risk (the ability to repay the debt when it falls due) and interest rate rises.

Gearing responsibility within the Fund has been outsourced by the Responsible Entity to AMP Capital. AMP Capital manages gearing within the Fund according to the AMP Capital Debt Authorisation Framework.

The AMP Capital Debt Authorisation Framework outlines the process for review and authorisation of debt in relation to the funds managed or controlled by AMP Capital.

Gearing within the Fund is:

- managed in accordance with the AMP Capital Debt Authorisation Framework
- restricted to a maximum of 30% of the Fund's gross asset value at the time of borrowing, and
- monitored on a quarterly basis.

As at 12 February 2018, the Fund complies with the AMP Capital Debt Authorisation Framework.

For information on the Fund's gearing ratio, see 'Disclosure principle 1: Gearing ratio' in this document.

BENCHMARK 2 – INTEREST COVER POLICY

Benchmark The Responsible Entity maintains and complies with a written policy that governs the level of interest cover at an individual credit facility level.

The Responsible Entity and AMP Capital comply with Benchmark 2.

Interest cover measures an unlisted property trust's ability to meet interest payments on any loan facilities from its earnings, which provides an indication of the trust's financial health.

The management of loan facilities used by the Fund has been outsourced by the Responsible Entity to AMP Capital. AMP Capital manages any loan facility used by the Fund in accordance with the AMP Capital Debt Authorisation Framework.

Under the AMP Capital Debt Authorisation Framework, the Fund is required to meet a number of key risk evaluation metrics in relation to the sizing and structure of the Fund's loan facility. These metrics include:

- maintaining greater than 10% headroom in financial covenants
- interest cover ratio covenants to be passed at default interest rates
- debt and interest costs to be fully supported by income producing assets, and
- debt to be repaid on or before maturity by sources other than refinance or illiquid assets.

As at 12 February 2018, the Fund complies with the AMP Capital Debt Authorisation Framework.

For further information on the Fund's interest cover ratio, see 'Disclosure principle 2: Interest cover ratio' in this document.

BENCHMARK 3 – INTEREST CAPITALISATION

Benchmark The interest expense of the Fund is not capitalised.

The Responsible Entity and AMP Capital comply with Benchmark 3.

As at 12 February 2018, the fund has no drawn debt against its facility of $20 million. Interest on this facility is not capitalised, and the Fund is able to meet interest obligations under the loan facility.

Interest capitalisation occurs when accrued or accumulated interest is added to the loan principal instead of being paid on a regular basis. It generally applies where a fund's assets are being developed, as during development, assets may not generate any income to meet interest payment obligations under loan facilities.

The Fund's interest expense policy is to pay interest as it falls due and not to capitalise it. As at 12 February 2018, the Fund is able to meet interest obligations under loan facilities.

BENCHMARK 4 – VALUATION POLICY

Benchmark The Responsible Entity maintains and applies a written valuation policy in relation to direct property investments that requires:

- a valuer to:
  - be registered/licensed in the relevant state, territory or overseas jurisdiction where the property is located (where a registration or licensing regime exists) or otherwise be a member of an appropriate professional body, and
  - be independent
- procedures to be followed for dealing with conflicts of interest
- rotation and diversity of valuers
- valuations to be obtained in accordance with a set timetable
- for each property, an independent valuation to be obtained:
  - before the property is purchased:
    - for a development property, on an "as is" and "as if complete" basis; and
    - for all other property, on an "as is" basis, and
  - within 2 months after the directors form a view that there is a likelihood that there has been a material change in the value of the property.

The Responsible Entity and AMP Capital comply with Benchmark 4.

The Responsible Entity has assigned AMP Capital responsibility for obtaining and managing valuations for the Fund.

All properties currently held in underlying funds in which the Fund invests are valued according to the AMP Capital Valuation Policy for Direct Property. This Policy sets 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. Under this Policy, properties are valued:

- by a licensed valuer, authorised under the Law of the State or Territory, or overseas jurisdiction, where the property is located (where licensing laws exist)
- by an external independent valuer with at least five years' appropriate experience, selected from an approved Valuers Panel
- in compliance with the AMP Capital Australian Property Conflict of Interest Operational Guidelines which outlines AMP Capital's policies on dealing with conflicts of interest
- by valuers who are rotated every two years to minimise any valuation errors and discrepancies – a valuer cannot value the same property for more than two years, and
- at least every 12 months.

All valuations, except for the AMP Capital Hedged US Plus Property Fund, are measured in accordance with Australian Accounting Standard AASB 140 Investment Property. Valuations for the AMP Capital Hedged US Plus Property Fund's offshore properties are measured in accordance with the relevant jurisdiction's standards.

A copy of the AMP Capital Valuation Policy for Direct Property can be obtained free of charge, by contacting AMP Capital. As at 12 February 2018, the Fund complies with the AMP Capital Valuation Policy for Direct Property.

For the underlying funds in which the Fund invests, AMP Capital completes due diligence prior to investing in these funds, including due diligence on properties held by those funds, valuation analysis and assessment of the likelihood of a material change in the value of those properties.

As noted above, direct properties held by underlying funds are valued externally by independent valuers on a regular basis, or at least annually. In the event AMP Capital forms the view that there has been a change in the value of the property which would have a material impact on the underlying fund's unit price, the property will be re-valued.

BENCHMARK 5 – RELATED PARTY TRANSACTIONS

Benchmark The Responsible Entity maintains and complies with written policies on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest.

The Responsible Entity and AMP Capital comply with Benchmark 5.

Related party transactions undertaken by the Responsible Entity are conducted in accordance with policies approved by the Responsible Entity. Related party transactions undertaken by AMP Capital are conducted in accordance with the AMP Conflicts of Interest Policy and AMP Conflicts of Interest Standard.

A related party transaction is a transaction involving parties that have a close relationship with either the Responsible Entity or AMP Capital, for example where a fund managed by AMP Capital invests in other funds where AMP Capital is the Responsible Entity, Trustee or Investment Manager; or where a fund invests in assets where other AMP Group entities may have an interest, or where assets are transferred between different AMP Group funds. For additional information on related party funds in which the Fund invests, see the 'Fund profile' section of the PDS.

As at 12 February 2018, the Responsible Entity complies with policies approved by the Responsible Entity. AMP Capital complies with the AMP Conflicts of Interest Policy and AMP Conflicts of Interest Standard.

For further information on related party transactions, including a summary of key elements of the relevant policies, see 'Disclosure principle 5: Related party transactions' in this document.

BENCHMARK 6 – DISTRIBUTIONS

Benchmark The Fund will only pay distributions from its cash from operations (excluding borrowings) available for distribution.

The Fund does not comply with Benchmark 6.

The Fund aims to pay distributions from its cash from operations (excluding borrowings). However, as the Fund invests in underlying funds, the distribution the Fund pays may include tax deferred distributions received from underlying fund investments.

For further information on distributions, see 'Disclosure principle 6: Distribution practices' in this document.

DISCLOSURE PRINCIPLES

DISCLOSURE PRINCIPLE 1 - GEARING RATIO

Gearing ratios provide an indication of the extent to which an unlisted property trust is funded by debts (liabilities). The gearing ratio for a fund is calculated by dividing the total interest bearing liabilities by the total assets of the Fund.

Gearing ratios can affect a fund's level of risk. Generally a higher gearing ratio indicates a higher reliance on borrowings to fund investments, for example for capital management, and this can expose a fund to increased costs in times of financial stress or if interest rates rise.

As at 12 February 2018, the gearing ratio for the Fund (based on the interest bearing liabilities and assets of the Fund disclosed in its latest financial statements) is 0.0%.

On a 'look through' basis, which is looking through to the underlying funds in which the Fund invests, and taking into account the interest bearing liabilities and assets of those underlying funds, the Fund has a gearing ratio of 11.6% as at 12 February 2018. These figures are based on unaudited financial statements.

DISCLOSURE PRINCIPLE 2 - INTEREST COVER RATIO

Interest cover measures an unlisted property trust's ability to meet interest payments from its earnings, which provides an indication of the trust's financial health. The lower the interest cover ratio for a trust, the higher the risk that the trust will not be able to meet its interest expenses on its loan facilities.

The interest cover ratio for a fund is calculated by dividing the fund's earnings by the interest expenses of the fund.

Based on the Fund's assets and liabilities disclosed in its latest financial statements, the Fund has no drawn debt on its loan facility. As at 12 February 2018, there is no interest payable.

Interest relating to the underlying funds in which the AMP Capital Core Property Fund invests is serviced by the underlying funds and not by the Fund.

DISCLOSURE PRINCIPLE 3 - FUND BORROWING

The Fund may borrow to acquire assets or meet its short term liquidity needs.

For the Fund, borrowing is currently accessed through a 4 year $20 million cash advance facility, maturing on the 9 June 2020. The facility provides short term acquisition funding and capital management to the Fund.

As at 12 February 2018, there is no drawn debt under the cash advance facility.

The cash advance facility of the Fund has various financial covenants which must be complied with. Key features for the facility are:

- unsecured
- the interest cover ratio for the Fund is required to be two times greater than the Fund's interest expenses
- interest expense is a combination of the base interest rate, loan margin and line fee, and
- maintain gearing not greater than 30% of the Fund's total assets of each quarter.

As at 12 February 2018, the Fund complies with all its applicable covenants. Provided the Fund complies with its terms, there are no rights for the bank to suspend or cancel this facility.

You should be aware that amounts owing to the lender, or other creditors, under this facility rank before the rights of investors in the Fund.

Where the Fund borrows, this may affect the Fund's returns and the value of your investment in the Fund. Risks associated with borrowing include:

- repaying part, or all, of the Fund's fixed interest rate borrowings (if any) ahead of maturity, which could result in the settlement amount of the repayment being higher or lower than the carrying value of the borrowings
- exposure to interest rate increases which may affect the cost of the Fund's borrowings, and
- inability to repay as a result of the Fund becoming illiquid.

UNDERLYING FUNDS IN WHICH THE FUND INVESTS

For the underlying funds in which the Fund invests, borrowing details as at 12 February 2018 are set out below. The borrowings of the underlying funds in which the Fund invests are serviced by those underlying funds and not by the Fund.

In the event of a default by an underlying fund in which the Fund invests, the relevant fund lender has no recourse to the Fund. However, you should be aware that amounts owing to lenders and other creditors of the underlying funds rank before the Fund's interests in the underlying funds and investor's interests in the Fund.

AMP Capital Shopping Centre Fund

- Gross asset value - $4.3 billion (as at 31 January 2018).
- $1,022.5 million in debt drawn under a committed debt facility of $1250.0 million.
- As at 31 January 2018, the Fund complies with all undertakings and financial covenants relating to their debt facilities.
- The Fund has interest rate hedging in place with a hedge ratio of 24.5% and weighted average term to maturity of 2.6 years, which is compliant with its Financial Risk Management Policy.

AMP Capital Wholesale Office Fund

- Gross asset value - $5.4 billion (as at 31 January 2018).
- Total debt facilities - $1.25 billion facility of which $591 million is drawn.
- Overall debt weighted average term to maturity is 3.2 years.
- As at 31 January 2018, the Fund complies with all undertakings and financial covenants relating to their debt facilities.
- The Fund has interest rate hedging in place with a hedging ratio of 59.2% and weighted average term to maturity of 3.7 years which is compliant with its Financial Risk Management Policy.

AMP Capital Hedged US Plus Property Fund

- Gross asset value - $248.2 million (as at 31 January 2018).
- Total debt - $94.1 million as at 31 January 2018.
- 96.7% of outstanding interest-bearing liabilities apply interest rate protection mechanisms (using a mix of either fixed interest rates or the purchase of interest rate caps, to their respective maturity dates).
- Debt is secured and quarantined against each individual asset - there is no cross collateralisation.
- As at 31 January 2018, the Fund complies with all undertakings and financial covenants relating to debt facilities.
- Debt is denominated in foreign currency to match the currency denomination of the relevant properties, a natural hedge.
- Weighted average cost of fixed rate debt is 3.93% per annum and weighted average cost of all debt is 3.95% per annum.
- The fund hedges 100% of its income (looking forward 12 months) and capital foreign currency exposures back to Australian dollars.

DISCLOSURE PRINCIPLE 4 - PORTFOLIO DIVERSIFICATION

Currently, the Fund does not invest directly into property, however underlying funds in which the Fund invests hold property directly. At times, the Fund may invest directly into property. The Fund currently holds 0.5% in cash, and may hold up to 10% in cash.

The Fund's preference is to gain exposure to direct property via underlying unlisted funds. Future investments in direct property will preferably be of a similar size, type and risk profile to those properties held within the underlying unlisted funds in which the Fund currently invests. For further information on the Fund's investment strategy and how AMP Capital invests in other unlisted funds, see the 'Our investment approach' and 'Fund profile' sections in the PDS. As at 12 February 2018, investments held in the underlying funds conform to the Fund's investment strategy.

DISCLOSURE PRINCIPLE 5 - RELATED PARTY TRANSACTIONS

The Trust Company (RE Services) Limited

The Trust Company (RE Services) Limited, as Responsible Entity for the Fund, receives a fee for acting in its capacity as responsible entity. The Responsible Entity has not entered into any other related party transactions on behalf of the Fund nor has it engaged any related party agents.

The Responsible Entity has developed a number of policies to assess related party transactions before they are entered into as well as safeguards to ensure that these policies are adhered to at all times. A copy of the relevant policies are available on request.

These documents require the Responsible Entity:

- to act fairly, honestly and in good faith towards its clients
- where a potential conflict of interest exists, ensure that the transaction is dealt with on an arms length basis
- to make appropriate disclosures to customers affected by a conflict of interest, where a view is formed that the conflict of interest need not or cannot be avoided
- to disclose all related party transactions in the trust's annual financial statements
- to complete a risk assessment by the relevant compliance services partner for any potential related party transaction, and
- to report any suspected breaches of these policies.

The Responsible Entity has a Compliance Committee established to assess and provide recommendations to the Responsible Entity Board. The Compliance Committee is currently comprised of three members with a majority of independent non-executive members. The Compliance Committee is responsible for monitoring and reporting on the Responsible Entity's compliance with the Fund's Compliance Plan. The Fund's Compliance Plan governs the operations of the Fund including compliance management and reporting. The Compliance Committee may recommend to the Responsible Entity Board that a transaction may not proceed.

Details of any related party transactions are reported in the annual financial and directors' statements and reports provided to the Fund's investors.

The Responsible Entity is not a related party of AMP Capital Investors Limited.

The Fund has investments in other funds where AMP Capital is also the Investment Manager.

AMP Capital

Where AMP Capital enters into transactions with related parties, it operates in accordance with related party protocols and AMP Capital policies and procedures which require AMP Capital to transact on terms that would be reasonable if the parties were dealing at arm's length. These policies and procedures, including related party policies, are governed as at the date of this document, and PDS, by the AMP Conflicts of Interest Policy and the AMP Conflicts of Interest Standard. The policy and procedures provide that where related party transactions exist, AMP Capital must ensure legislative requirements are met and investors' interests are protected. The policy and procedures are reviewed on a regular basis and may change from time to time.

The objective of the policy and procedures is to assist in the identification of potential or actual conflicts of interests (including in the context of related party transactions), to assess whether any particular conflict of interest is manageable or may be avoided, to adequately monitor, manage and respond to conflicts of interest, and to ensure adequate disclosure of conflicts of interests are made to clients and other relevant persons.

AMP Capital has divisional Conflicts Managers who are responsible for the management of conflicts of interests (including in the context of related party transactions) that arise within their division, and for monitoring compliance with agreed management actions for each conflict.

For further information on related party transactions, please contact AMP Capital.

DISCLOSURE PRINCIPLE 6 - DISTRIBUTION PRACTICES

Currently, distributions are sourced from realised income earned by the Fund. These distributions may include tax deferred distributions received from underlying fund investments. It is expected that distributions over the next 12 months will continue to be sourced from realised income earned by the Fund.

You should be aware that although the Fund's objective is to pay distributions every quarter, the amount of each distribution may vary or no distribution may be paid in a quarter.

At the time of your initial or additional investment in the Fund, there may be unrealised capital gains or accrued income in the Fund. If these amounts are subsequently realised, they may be returned to you as part of a distribution from the Fund. In addition, there may be realised but undistributed capital gains or income in the Fund. These amounts may be returned to you as part of a future distribution from the Fund.

If the cash held by the Fund exceeds the taxable income of the Fund, tax deferred amounts may be distributed.

DISCLOSURE PRINCIPLE 7 - WITHDRAWAL ARRANGEMENTS

Withdrawal requests are generally processed monthly according to specified withdrawal dates. 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.

We aim to process the payment of withdrawal requests within 10 Business Days of each specified withdrawal date, however we may take up to 12 months or longer, as is allowed under the Fund's constitution to pay requests. Additionally, our ability to process withdrawals depends on the Fund continuing to be considered liquid under the Corporations Act. A change to the Fund's liquidity status, including changes to how a fund's liquidity is determined under the Corporations Act, could impact our ability to process withdrawals monthly. The unit price used to calculate your withdrawal value will generally be the price prevailing on the Business Day prior to the day we process the payment of your withdrawal (or part withdrawal), not the day you notify us of your intention to withdraw. A Business Day for us is any day other than a Saturday, Sunday or a bank or public holiday in Sydney, NSW.

See the 'Accessing your money' section of the PDS for further information.

DISCLOSURE PRINCIPLE 8 - NET TANGIBLE ASSETS

This disclosure principle has not been addressed because it is only relevant to closed end schemes and the Fund is not a closed end scheme.

CONTACTING AMP CAPITAL

Further information can be obtained by contacting AMP Capital.

CLIENT SERVICES

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