

AMP CAPITAL EQUITY FUND - WHOLESALE

Seeks to generate capital growth over the long term by investing in a diversified portfolio of shares listed on the Australian Securities Exchange.

Performance summary

- > The Portfolio's outperformance during the period was driven by positive stock selection
- > The Australian share market made a negative return during the period
- > Australian companies remain sensitive to banking capitalisation requirements, economic growth and commodity prices

Investment approach

The Fund will adopt a systematic investment approach.

Performance – as at 31 March 2018

Inception Date: 10 May 2000

Performance benchmark: S&P/ASX 200 Accumulation Index AUD

%	1 mth	3 mth	1 yr	3 yr	5 yr	Incept
Total return - after fees	-3.84	-3.73	2.99	1.63	7.10	8.17
Distribution	0.00	0.00	4.73	5.11	7.72	7.87
Growth	-3.84	-3.73	-1.74	-3.48	-0.62	0.30
Benchmark	-3.77	-3.86	2.54	3.75	7.66	8.15

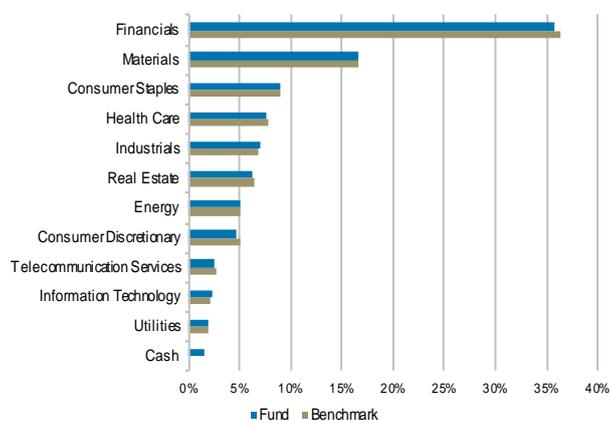
Past performance is not a reliable indicator of future performance.

Performance is annualised for periods greater than one year.

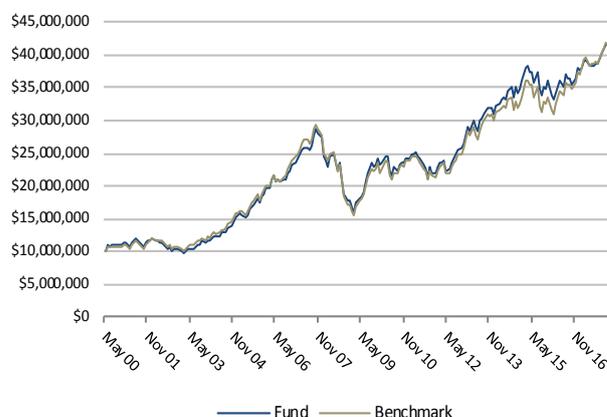
Total returns are calculated using the unit price which uses the net asset values for the relevant month end. This price may differ from the actual unit price for an investor applying for or redeeming an investment. Actual unit prices will be confirmed following any transaction by an investor. Returns quoted are before tax, after Class 'O' fees and costs, assume all distributions are reinvested.

For more information visit ampcapital.com.au

Asset allocation



\$10,000,000 invested since inception



Top 10 holdings

Security Details	% Portf	% Bench
COMMONWEALTH BANK AUST	8.12	8.20
WESTPAC BANKING CORP	6.25	6.30
BHP BILLITON LTD	5.87	5.86
AUSTRALIA & NEW ZEALAND BANKING GROUP LTD	4.94	5.08
NATIONAL AUSTRALIA BANK LTD	4.88	5.01
CSL LTD	4.58	4.55
WESFARMERS LTD	2.93	3.05
TELSTRA CORP LTD	2.33	2.42
WOOLWORTHS GROUP LTD	2.19	2.22
MACQUARIE GROUP LTD	2.15	2.11

Performance and activity

Australia's share market was not immune to global falls and volatility over the March quarter, as concerns arose firstly around some signs of US inflation emerging, then later in the quarter around US-China trade relations, stemming from the US's proposed tariffs. The S&P/ASX200 total return index closed the quarter around 3.9% lower.

The AMP Capital Equity Fund outperformed the S&P/ASX 200 Index over the course of the March quarter due to positive impact from stock selection decisions. At the sector level the largest positive contributors included stock selection in the consumer discretionary, information technology and health care sectors.

In the consumer discretionary sector, an overweight exposure to Nine Entertainment was the standout performer as its share price surged upon announcement of strong first-half results. Net profit, excluding significant items, was up 55% as Nine Entertainment increased its revenue share of the metropolitan TV advertising market and gained savings through a cut to broadcast licence fees. On top of this, the media company recorded a \$58 million sale of its historic Willoughby offices marking a significant turnaround from the previous year when Nine Entertainment was writing-down the carrying value of its broadcast licence.

The portfolio's overweight to Altium within the information technology sector was also a strong contributor to performance with its share price also jumping after the release of solid earnings for the first half of the year. Altium's net profit after tax rose 51% on the back of growth from Altium NEXUS's data management along with its licensing services for Altium Designer software and TASKING software.

During the quarter, the top contributor to performance was an overweight position in a2 Milk while overweights to Seven Group and ResMed also bolstered performance. Conversely, overweight holdings of Blackmores, Galaxy Resources and Bank of Queensland marginally detracted from the fund's performance.

The recent portfolio restructure (effective 10 November 2017), has resulted in a diversified portfolio with broad stock holdings. Across the sectors, the portfolio is overweight consumer staples and information technology and underweight financials, real estate and telecommunication services.

The portfolio is managed by Co-Portfolio Managers Genevieve Murray (recently appointed Head of Australian Equities), and

newly appointed Co-Portfolio Manager Jason Davis, who has over 26 years' experience in systematic/quantitative investing.

Market commentary

Australia's share market was not immune to global falls and volatility over the March quarter, as concerns arose firstly around some signs of US inflation emerging, then later in the quarter around US-China trade relations, stemming from the US's proposed tariffs. The S&P/ASX200 total return index closed the quarter around 3.9% lower. The Royal Commission on banks continued to act as a drag, as the Commission continued to focus on alleged poor lending standards and methods that banks use to check the income levels of mortgage applicants. The financial sector as a whole returned around -5.9% for the quarter and was the largest contributor to the market's performance. Telecommunications was the poorest performing sector (down over 11% for the period) in absolute terms, as Telstra continued its long-term downward trend, which wasn't helped by Labor's policy announcement that benefits obtainable for some investors, via franking credits, would be reduced, should they win office.

Outlook

Top-line growth remains elusive for Australian shares, with many companies still focussing on cost-cutting. Whilst the recent corporate reporting season was more encouraging, with many companies flagging increased investment in order to drive growth over the medium term, banking profitability is likely to continue to be stifled by capital-holding requirements. The mining sector remains highly susceptible to any pause in activity from China. Defensive companies that historically have offered high and stable dividends are likely to continue to underperform in a rising US interest rate environment, so investors should benefit by being highly selective and focussing on businesses that are more cyclical which tend to perform well as global economic activity picks up.

Investment objective

To provide long-term capital growth, primarily through a diversified portfolio of Australia's top 200 companies listed on the ASX.

Facts

Fund size	\$538.47 million
Minimum suggested time frame	5 years
Minimum initial investment	\$10,000,000
Buy/sell spread	+0.25/-0.25

Distribution frequency	Half Yearly
Date of last distribution	Dec 2017
Distribution cents per unit	8.11

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 EQUITY FUND - WHOLESALE (Fund) before making any decision regarding the Fund. AMP Capital Funds Management Limited (ABN 15 159 557 721, AFSL 426 455) 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 is important investors read the PDS before making a decision about whether to acquire, continue to hold or dispose of units in the Fund. Neither AMP Capital, nor 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 fact sheet 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 fact sheet, and seek professional advice, having regard to their objectives, financial situation and needs.

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