

LISTED PROPERTY TRUSTS FUND - WHOLESALE

Seeks to provide income and capital growth on a rolling 12 month basis by investing in property and property related securities listed on the Australian Stock Exchange.

Performance summary

- > The Fund produced a very strong return in the June quarter and slightly outperformed the benchmark.
- > The Australian REIT market finished the period significantly lower following the global equity market correction, as investors discounted potentially steeper global interest rate rises upon stronger inflationary pressures.
- > A low interest environment and a generally robust macro-economic outlook are likely to continue to support reasonable returns in the Australian listed real estate market.

Investment approach

The Fund invests in Real Estate Investment Trusts (REITs) and listed real estate, whose dominant business is property ownership, property funds management or property development, and infrastructure securities with property related assets. Diversification is achieved primarily through investment across three key property industry sub-sectors, namely: Retail, Office, and Industrial. In selecting securities for inclusion in the Fund, the team performs extensive quantitative and qualitative research in order to estimate the future income of each security. This approach is combined with active management which gives the team the flexibility to take active positions against the index, providing more opportunities to generate enhanced returns.

For more information visit ampcapital.com.au

Performance – as at 30 June 2018

Inception Date: 09 Dec 1996

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

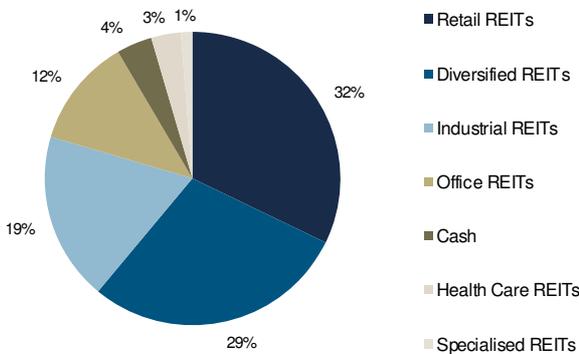
%	1 mth	3 mth	1 yr	3 yr	5 yr	Incept
Total return - after fees	2.54	10.65	13.16	9.81	11.80	7.86
Before tax and fees	2.57	10.74	13.65	10.31	12.29	8.40
Distribution	1.26	1.39	5.16	4.64	4.63	6.99
Growth	1.27	9.27	8.00	5.16	7.17	0.87
Benchmark	2.19	10.04	13.04	9.69	12.00	7.84

Past performance is not a reliable indicator of future performance.

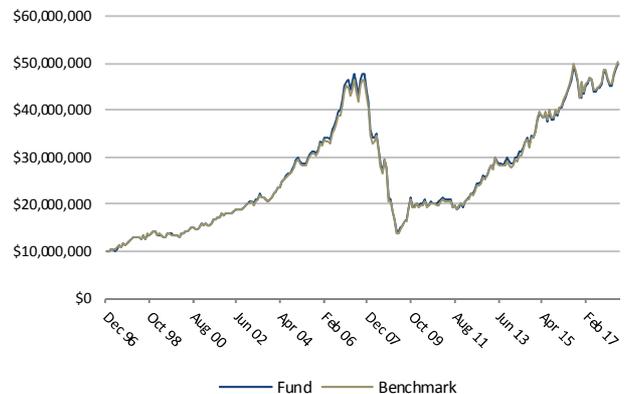
Performance is annualised for periods greater than one year.

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 and are annualised for periods greater than one year.

Asset allocation



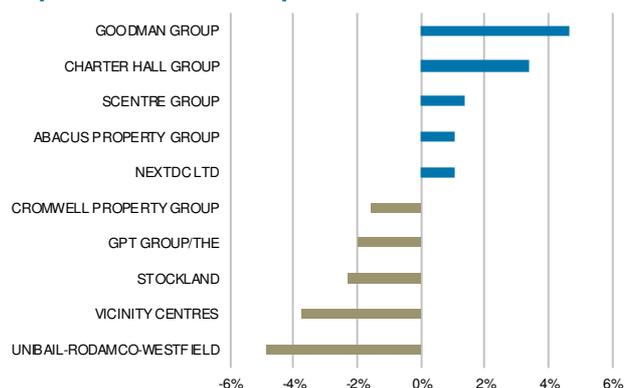
\$10,000,000 invested since inception



Top 10 holdings

Security Details	% Portf	% Bench
SCENTRE GROUP	22.47	21.08
GOODMAN GROUP	18.54	13.90
DEXUS	8.20	8.84
STOCKLAND	6.40	8.72
MIRVAC GROUP	6.39	7.25
GPT GROUP/THE	6.23	8.19
CHARTER HALL GROUP	6.10	2.72
UNIBAIL-RODAMCO-WESTFIELD	4.47	9.33
VICINITY CENTRES	3.78	7.51
INVESTA OFFICE FUND	2.90	2.35

Top / bottom 5 active positions



Performance and activity

The Fund produced a very strong return in the June quarter and slightly outperformed the benchmark ASX 200 A-REIT Accumulation Index.

At a sector level, the portfolio's diversified sector holdings were the largest positive contributor to the quarter's relative return, with strong absolute performances coming from our industrial, office, retail and specialised sector holdings. Stock selection was strong overall for the quarter, with asset allocation a small negative.

At a stock level, Scentre Group and Goodman Group were two of the strongest contributors to performance. There were very few negative individual contributors this quarter; however they included Vital Healthcare Property Trust, OneMarket Ltd and the portfolio's small cash reserve, which all provided slight detractions to the relative return amid the strongly rising market.

Market commentary

Australian listed real estate made a strong positive return during the period.

The pressurised retail listed real estate market was boosted when Scentre Group released its first quarter earnings update, which rose by 1.1% in the first quarter, driven by the major retailers. Earlier in the period it surprised the market by announcing an on-market share buy-back of up to approximately A\$700 million. However, the challenge facing retail was illustrated by Vicinity Centres' announcement that it plans to sell up to A\$1 billion of sub-regional and neighbourhood shopping centres and news that the Australian business of Toys 'R' Us entered voluntary administration. In other retail news, shareholders approved the takeover of Westfield Corp by Unibail-Rodamco.

The e-commerce challenge facing Australian retailers increased during the month when Amazon launched its Prime service. It will offer free two-business day delivery on eligible products and access to videos, e-books and gaming for A\$6.99 a month.

The logistics company Goodman Group announced its nine months to 31 March 2018 earnings results that revealed a 3.1% like-for-like net property income growth over the period. This reflects the company's attractive exposure to e-commerce growth, especially its relationship with Amazon as it progresses its Australian market entry strategy.

The Blackstone Group made a A\$3.14 billion offer to acquire Investa Office Group, a 13.2% premium to its 25 May closing market price and a 4.0% premium to net tangible assets. Mirvac

Group in Australia exercised a pre-emptive right in June to acquire a 50% stake in 275 Kent Street, Sydney from The Blackstone Group for a 'base transaction price' of A\$721.9 million. These deals illustrate the robust transactional market that continues to attract international office investors focussed on long-term growth despite the low yields.

During the period it was reported that Healthscope was close to agreeing the sale of its A\$1.3 billion book value 19-property portfolio to one of a number of Australian and global real estate investors.

The residential market continues to soften, especially in Sydney and Melbourne where prices have reached historic highs, as banks tighten lending criteria and mortgage rates show signs of moving upwards. Weekend auction clearance rates in both cities fell below 60% in late June.

Outlook

A low interest environment and a generally robust macro-economic outlook are likely to continue to support reasonable returns in the Australian listed real estate market. In the Sydney and Melbourne office markets, constrained supply and high tenant demand are likely to be positive for rental growth. However, companies exposed to the retail market are likely to continue to disappoint as they struggle to adjust to changing consumer habits and changing market dynamics. The residential markets in the east coast capital cities are likely to have peaked as high levels of personal debt, tighter lending standards and the absence of wage growth are expected to keep the market subdued.

Investment objective

To provide total returns (income and capital growth) after costs and before tax, above the Fund's benchmark on a rolling 12 month basis.

Facts

Fund size	\$165.97 million
Minimum suggested time frame	5 years
Minimum initial investment	\$10,000,000
Buy/sell spread	+0.25/-0.25

Distribution frequency	Quarterly
Date of last distribution	Jun 2018
Distribution cents per unit	1.50

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 LISTED PROPERTY TRUSTS 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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