

ASIC disclosure principles for the AMP Capital Core Property Fund

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

Disclosure principles for the AMP Capital Core Property Fund (the Fund) are listed within this document, and should be read in conjunction with the current PDS for the Fund.

The 'ASIC disclosure principles for the AMP Capital Core Property Fund' document will be updated approximately every six months, or where material changes are identified.

A copy of the 'ASIC 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.

Important information

The Trust Company (RE Services) Limited (the Responsible Entity) (ABN 45 003 278 831, AFSL 235150) is the responsible entity of the Fund and issuer of this document.

AMP Capital Investors Limited (AMP Capital) (ABN 59 001 777 591, 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.

In this document, AMP Capital or AMP Capital Investors is referred to as 'we' or 'us'.

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.

Disclosure principles

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 the Fund has not drawn down on its cash advance facility as at 31 May 2010, 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%.

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 the Fund's investments, the Fund has a gearing ratio of 14.5% as at 31 May 2010. These figures are based on unaudited financial statements.

2. Interest cover

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

Based on the Fund's assets and liabilities disclosed in its latest financial statements, as the Fund has not drawn down on its cash advance facility and has no borrowings as at 31 May 2010, interest cover is not applicable.

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

3. Fund borrowing

An unlisted property trust may borrow to acquire assets or meet its short term liquidity needs.

The Fund

Borrowing is accessed through a \$10 million cash advance facility with National Australia Bank Limited to provide short term acquisition funding and capital management. Subject to the bank's agreement, the expiry date of 31 March 2011 may be extended. The availability and terms of any future facility will be subject to the market at the time the facility is entered into. Provided the Fund complies with its terms, there are no rights for the bank to suspend or cancel this facility. As at 31 May 2010, the Fund has not drawn down on or breached any loan covenants associated with this facility.

The Fund has no borrowings based on the assets and liabilities disclosed in its latest financial statements.

Underlying funds in which the Fund invests

For the underlying funds in which the Fund invests, borrowing details as at 1 June 2010 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 AMP Capital Core Property 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 \$1.937 billion
- \$553 million in debt drawn under a committed debt facility of \$700 million comprised of:
 - \$500 million tranche expiring in November 2011
 - \$200 million tranche expiring in November 2015
- Compliant with all undertakings and financial covenants relating to debt facilities
- Interest rate hedging arrangements with a forecast hedge ratio of 73.7% and weighted average term to maturity of 4 years, which is compliant with its Debt Risk Management Policy.

AMP Capital Wholesale Office Fund

- Gross asset value \$2.479 billion
- \$721.80 million in debt drawn under a committed debt facility of \$850 million comprised of:
 - \$600 million 3-year term loan facility maturing in November 2012
 - \$250 million 5-year medium term note facility, maturing in 2014
- Compliant with all undertakings and financial covenants relating to debt facilities
- Interest rate hedging arrangements with a forecast hedge ratio of 86.51% and weighted average term to maturity of 6.4 years, which is compliant with its Debt Risk Management Policy.

AMP Capital Hedged Global Direct Property Fund

- Gross asset value \$140.6 million
- Total debt \$75.9 million
- USD\$13 million expires in March 2012 and a further USD\$36.5 million expires in the second half of 2012. Currently, all other fixed term debt obligations are due to expire after 2012
- At least 96% of all interest-bearing liabilities are at fixed interest rates and maturity dates
- Debt is secured and quarantined against each individual asset. There is no cross collateralisation
- Compliant 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
- Average cost of debt is 5.4% per annum
- The Fund is hedged for both income and capital.

4. Portfolio diversification

Currently, the Fund does not invest directly into property; however, underlying funds in which the Fund invests hold property directly. In the future the Fund may invest directly into property.

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.

5. Valuations

All properties currently held directly by the Fund, and underlying funds in which the Fund invests, are valued by an external independent valuer with at least 5 years' appropriate experience, selected from an approved panel. All properties are valued at least every 12 months. All valuations, except for the AMP Capital Hedged

Global Direct Property Fund, are recorded in accordance with Australian Accounting Standard AASB 140 Investment Property.

Valuations for the AMP Capital Hedged Global Direct Property Fund's offshore properties are recorded in accordance with the relevant jurisdiction's standards.

Underlying funds – property and valuation details

Property and valuation details of the underlying funds in which the Fund invests as at 1 June 2010 are listed below.

| AMP Capital Core Property Fund's underlying fund investments | Location | Asset sub-class | Current valuation \$million [^] | Recent valuation date | Previous valuation date |
|---|----------|-----------------|--|-----------------------|-------------------------|
| AMP Capital Shopping Centre Fund* | | | | | |
| Westfield Southland | VIC | Retail | \$538.25 | Jun 10 | Mar 10 |
| Westfield Liverpool | NSW | Retail | \$365.00 | Jun 10 | Mar 10 |
| Westfield Tea Tree Plaza | SA | Retail | \$271.60 | Jun 10 | Mar 10 |
| Warringah Mall | NSW | Retail | \$240.00 | Jun 10 | Mar 10 |
| The Palms | NZ | Retail | \$141.70 | Jun 10 | Mar 10 |
| AMP Capital Wholesale Office Fund* | | | | | |
| Collins Place Complex, Melbourne | VIC | Office | \$515.95 | Jun 10 | Mar 10 |
| Angel Place, 117–123 Pitt Street, Sydney | NSW | Office | \$435.00 | Jun 10 | Mar 10 |
| NAB House, Sydney | NSW | Office | \$292.50 | Jun 10 | Mar 10 |
| AMP Centre, 50 Bridge Street, Sydney | NSW | Office | \$255.00 | Jun 10 | Mar 10 |
| Darling Park, Sydney | NSW | Office | \$222.00 | Jun 10 | Mar 10 |
| AMP Capital Hedged Global Direct Property Fund[~] | | | | | |
| Breda – Milan | ITALY | Office | €11.70 | Jun 10 | Mar 10 |
| UCC One – Orlando, Florida | U.S.A. | Office | USD\$18.20 | Jun 10 | Mar 10 |
| Cheval Apartments – Houston, Texas | U.S.A. | Multifamily | USD\$42.18 | Jun 10 | Mar 10 |
| 1420 Harbor Bay – Alameda, California | U.S.A. | Office | USD\$19.57 | Jun 10 | Mar 10 |

[^] Representative of AMP Capital's share in the investment property

* Underlying funds' top five properties ranked by latest valuation

[~] Underlying funds' top four properties ranked by latest valuation

6. Related party transactions

A related party transaction is a transaction involving parties that have a close relationship with the investment manager (for example an investment).

The Trust Company (RE Services) Limited has no related party transactions or agents as responsible entity for the Fund.

The Responsible Entity's policies and procedures, including related party policies, are governed by the 'Conflict of Interest Policy & Procedures'. This policy applies a code of conduct to the Responsible Entity's directors and officers and promotes integrity, responsibility and accountability. The code of conduct provides that where related party transactions exist, the Responsible Entity must ensure legislative requirements are met and unitholders' interests are protected. Service Level Agreements regulate the responsibilities and approval processes of agents, requires regular compliance reports from agents, and due diligence monitoring visits to be carried out at least annually. In addition, external compliance plan audits are conducted to ensure conflicts of interests and related party transactions are appropriately managed.

The Responsible Entity has a Compliance Committee established to perform obligations set out under the Corporations Act and the Fund's constitution. The Committee is comprised of four 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.

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

The Trust Company (RE Services) Limited 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. Where AMP Capital enters into transactions with related parties, it operates in accordance with related party protocols and internal AMP Capital procedures which require AMP Capital to transact on terms that would be reasonable if the parties were dealing at arm's length.

7. Distributions

The Fund aims to pay distributions quarterly based on realised income earned by the Fund, and may also distribute tax deferred distributions received from underlying fund investments.

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 payable 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 the next distribution from the Fund.

If the cash available for distribution exceeds the taxable income of the Fund, tax deferred amounts may be distributed.

The Fund will aim to pay future distributions based on realised income earned by the Fund, and may also distribute tax deferred distributions received from underlying fund investments.

Further information about distributions and taxation treatment of your investment is contained in the 'Distributions' and 'Tax and social security' sections of the AMP Capital Core Property Fund PDS.

8. 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. 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.

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

Contacting AMP Capital Investors

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