

Responsible Investment Leaders Australian Share Fund - Wholesale

Investment objective

To provide a total return (income and capital growth) after costs and before tax, above the Fund's performance benchmark on a rolling 5 year basis.

How we manage your money

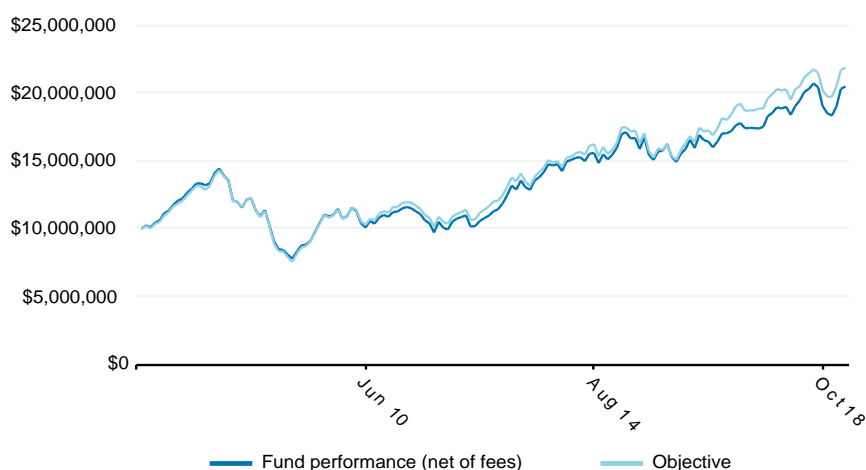
Our responsible investment approach follows five key steps: 1. Setting the investment objectives and considerations, 2. Identifying the manager universe, 3. Selecting the managers, 4. Determining the optimal manager mix, 5. Monitoring of the Fund and operational governance. This process combines a stringent financial assessment with a responsible investing focus, both of which are critical in meeting the Fund's objective of producing competitive returns within a sustainable and responsible framework.

Performance as at 31 March 2019

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Gross of Fees	0.91	11.87	12.27	10.57	7.24	10.44	6.13
Total Return - Net of Fees	0.84	11.66	11.37	9.64	6.32	9.48	5.21
Objective	0.73	10.89	12.06	11.46	7.39	9.97	5.69
Excess return	0.10	0.77	-0.70	-1.82	-1.07	-0.49	-0.49

Past performance is not a reliable indicator of future performance. Performance shown is for O Class and the inception date is 11 May 2006. Performance is annualised for periods greater than one year. Total returns are calculated using the net asset value per unit for the relevant month end. This price may differ from the actual unit price for an investor buying or selling an investment. Actual unit prices will be confirmed following any transaction by an investor. Returns quoted are before tax, after O Class fees and costs and assume all distributions are reinvested.

\$10,000,000 invested since inception



FUND FACTS

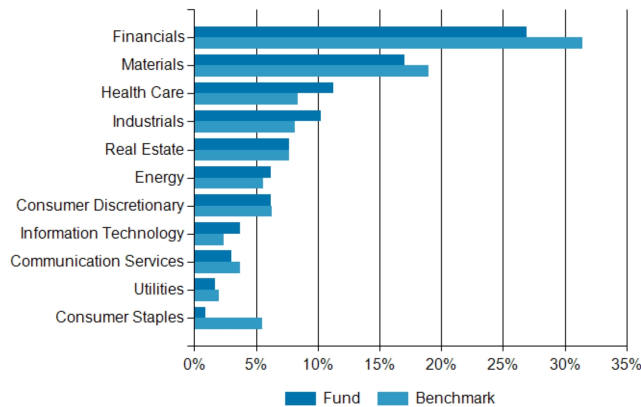
APIR	AMP1152AU
Inception date	11 May 2006
Fund Size	\$409,486,535
Buy/Sell spread*	+0.20%/-0.20%
Distribution frequency	Half Yearly
Minimum investment	\$10,000,000
Minimum suggested time frame	5 years

*Fee information is accurate as at 30 June 2018, figures are updated bi-annually. The Fund PDS outlines the latest management costs and other relevant components, as well as other fees and costs that may apply to your investment. You can review the PDS at www.ampcapital.com

What happened last period

- The Fund posted a positive return and outperformed the benchmark over the March quarter.
- Three of the Fund's four underlying managers outperformed the benchmark.
- Australian shares posted very strong gains over the period.

Sector allocation (%)



Fund Performance

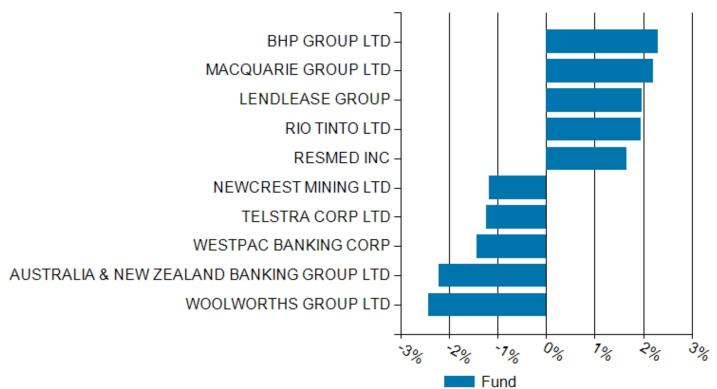
The Fund posted a positive absolute return (before fees) and outperformed the benchmark over the March quarter. All of the Fund's four underlying managers posted positive returns and three of them outperformed the benchmark, namely DNR, AMP Capital and Bennelong. Ausbil underperformed the benchmark.

Both stock selection and sector allocation made positive contributions to relative returns over the period. Regarding sector allocation, the main positive contributions came from underweight positions in the consumer discretionary and financials sectors, and an overweight position in the information technology sector. The main detractions came from an overweight position in the healthcare sector and an underweight position in the materials sector.

Regarding stock selection, the main positive contributors to relative returns were consumer discretionary, financials, materials, real estate, energy and industrial stocks, while the main detractors were information technology, communication services and health care stocks. More specifically, the largest contributor to relative returns was an overweight position in household appliances seller Breville Group, which soared (+54.6%) after reporting a 19.7% increase in profits over the six months to 31 December 2018. The company's results showed the resounding success of its expansion into Germany and Austria, as well as how it has taken advantage of a health craze to defy generally weak retail conditions globally. Other positive contributors were overweight positions in mining giant Rio Tinto, which rose (32.8%) as iron ore prices increased, and intellectual property specialist IPH, which rose (+32.8%) after reporting solid half-year results.

The largest detractor from relative returns was an overweight position in medical equipment provider ResMed, which fell (-8.9%) after reporting weaker-than-expected profit for the quarter to 31 December 2018. The company's result showed significantly more debt and high interest expenses mainly due to its acquisitions in the 'software-as-a-service' space

Top/Bottom Excess Weights



as it pursues a strategy to become a leader in cloud-based healthcare solutions. Other detractors included an underweight position in miner Fortescue Metals Group which rocketed (+78.1%) as iron ore prices increased, and an overweight position in property advertiser REA Group, which underperformed (+1.7%) in a gloomy residential housing market.

Environmental, Social and Governance

Australia's Modern Slavery Act passed into law in 2018, requiring Australian companies to start examining the human impacts of their supply chains. RIL managers have been talking to companies as they work through the implications for their business. Our managers have been asking companies to detect and address modern slavery in their supply chains for some time so the legislative requirement is a positive development.

In the aftermath of the allegations raised in the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry last year, RIL managers continue to engage with financial institutions in Australia as they make efforts to regain community trust in banking.

RIL managers are also continuing to address climate change and plastic pollution with a number of positive engagements and initiatives over the quarter. Another important area of focus has been the misuse of antibiotics and the rise of treatment-resistant bacterial and fungal diseases, posing a direct threat to human health.

Market review

In line with broader global equities, Australian shares posted very strong gains in the March quarter, after significant falls in late 2018. The S&P/ASX200 total return index finished up by 10.89% for the period. The bulk of the quarter's gains came in January and February, as both the banking Royal Commission and domestic reporting season proved to be largely free of any negative surprises, allowing global bullish sentiment to remain the prime driver of the domestic market. Despite the strong performance, uncertainty remains around the upcoming Federal Election and

the Labor opposition's proposed tax changes, which include the removal of franking credits for individuals who do not pay tax or receive a tax refund, mainly impacting self-funded retirees who largely own shares for income purposes. Speculation of an interest rate cut from the Reserve Bank (RBA) has also increased, which is also positive for Australian equities, though balancing this, fears of a pull-back in global growth remain, particularly in the US and parts of Europe.

Outlook

Australian shares remain exposed to a global slowdown, particularly in the resources segment. Banking profitability is also likely to be constrained by increased macro-prudential regulation, capital-holding requirements and a shifting banking structural landscape. Credit will likely continue to be subdued as banks tighten lending standards and business confidence pulls back. Economic uncertainty could also amplify market volatility as we approach the general election in 2019 and the parties stake-out their economic plans for the future. In the current environment, investors should benefit by being highly selective and focussing on companies with strong business fundamentals.



The Responsible Investment Leaders Range has been certified by RIAA according to the strict disclosure practices required under the Responsive Investment Certification Program.

The Certification Symbol signifies that an investment product or services takes environmental, social, ethical or governance considerations into account along with financial returns. See www.responsibleinvestment.org for details¹.

1. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

Portfolio Manager



Duy To

Duy joined AMP Capital in October 2007 as the portfolio manager of domestic and international equity funds. He is a member of global emerging market equities workgroup, where he contributes to manager research, manager selection and portfolio construction. Prior to joining AMP Capital, Duy worked for AMP Financial Services as an Actuarial Analyst for the Wealth Management business.

Further information

For information about the Fund including fees, features, benefits and risks talk to your financial advisor today or read the product disclosure statement (PDS) which can be found on:

www.ampcapital.com/responsible-investment-leaders-australian-share-fund

You can also call us on **1800 658 404**

The logo consists of the words "INSIGHTS", "IDEAS", and "RESULTS" stacked vertically in a blue, sans-serif font. To the left of the text is a stylized blue graphic element resembling a curved arrow or a partial circle.

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