

AMP CAPITAL INCOME GENERATOR

Monthly communication — Platform

September 2021



INSIGHTS
IDEAS
RESULTS


The AMP Capital Income Generator aims to provide investors with a reliable and stable monthly income that rises over time to keep pace with inflation.

It does this by investing through specialist investment managers across a diversified mix of assets including shares, bonds, property trusts and infrastructure. While the Fund's focus is on income generation, it also aims to achieve some capital growth over the medium to longer term to help meet the rising cost of living.

Tax effective 

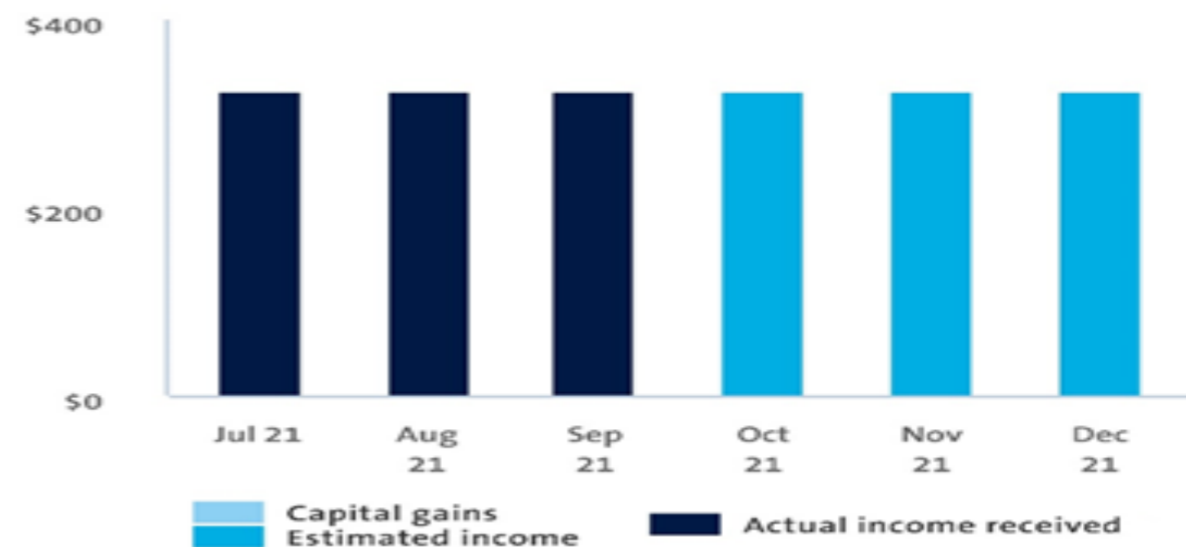
Reliable regular income 

Help meet living expenses 

Replace a salary in retirement 

Plan your income

A forecast distribution amount is regularly provided, and is currently estimated to be 0.306 cents per unit per month until June 2022. For illustrative purposes, the chart below represents income based on \$100K investment.

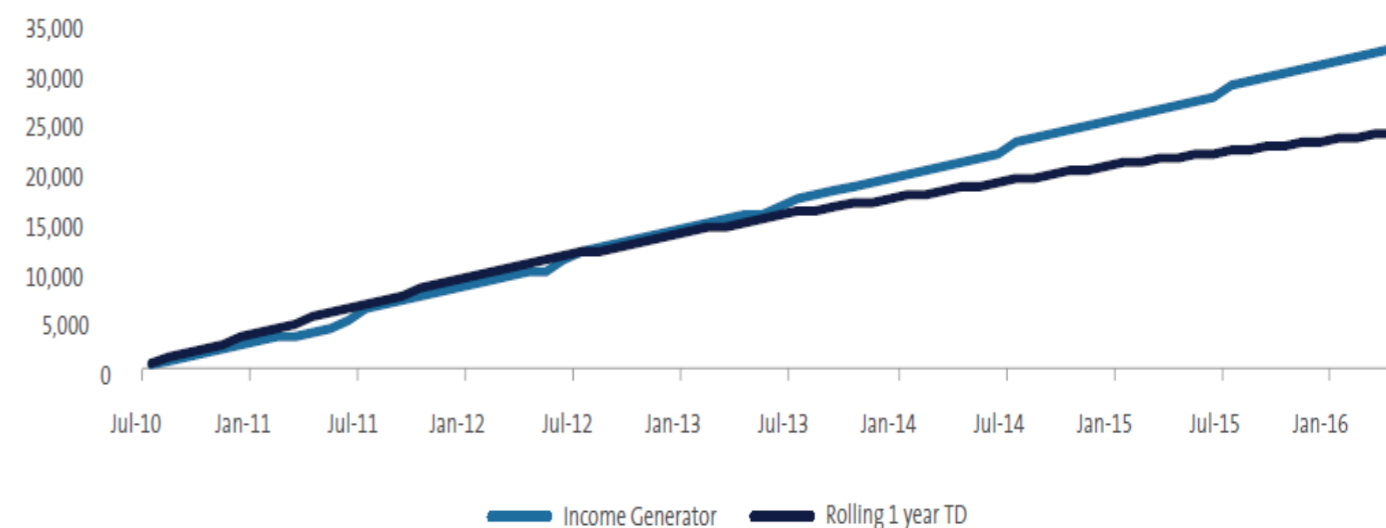


Total yield estimated to be 3.90% pa*

Any additional income is paid out in the 13th distribution in June and reinvested to grow capital.

*Effective yield is based on the unit price at the start of the period. It is important to note that the final annualised distribution yield will not be known until the end of the financial year, that the distribution yield estimate isn't guaranteed, and that it may change over the period due to market movements in the Fund unit prices. We base our estimate on assumptions set out at the end of this document, and you should be aware that if facts differ from our assumptions, the final distribution yield may differ from the estimate.

DESIGNED TO PROVIDE GROWING INCOME OVER TIME



Note: The cumulative distribution shown above is for investments in Platforms class (Class K), net of fees. The 13th distribution is automatically reinvested providing investors with an increased number of units
Source: AMP Capital

This month in brief

Performance

The Fund delivered a small negative return in September, while returns year-to-date continue to be strong. The month was notable for the negative performance of both equity and bond markets, where the Fund showed a degree of resilience as bond yields rose. A standout this month was elevated franking receipts accrued, with the Fund currently tracking at above double its initial target of 0.65%. The distribution yield is presently set at 3.9% (including franking and after fees), a yield that is around 15 times the level of current average one-year term deposits. The Fund's focus continues to be the production of regular, reliable income that grows in line with or above inflation through time, while maintaining liquidity and low costs.

Portfolio activity

Positioning was largely unchanged in September. We continue to favour Australian equities due to the dividend-upgrade cycle and the heightened potential for buybacks. We also continue to prefer direct infrastructure, via the AMP Capital Community Infrastructure Fund, rather than corporate bonds; the yield gap between these two segments being as large as it has ever been.

Positioning and outlook

The Australian equity market has recovered quickly in 2021, with earnings this year expected to grow by over 30% and gross yields on the index recovering to around 5%. Earnings in 2022 however are expected to flatten out, while internationally, we still see growth of around 8% into 2022 and 2023. Hence, we feel the timing is right for leaning somewhat towards international opportunities. Despite some very fast moves higher in rates, the outlook for bonds remains poor and credit pricing remains very expensive. We do not expect to be adding to fixed income strategies for some time yet, however we are preparing to capitalise on potential opportunities in higher yield credit markets when and if conditions warrant. Increased inflationary fears heading into 2022 may provide exactly the right conditions to create that opportunity.

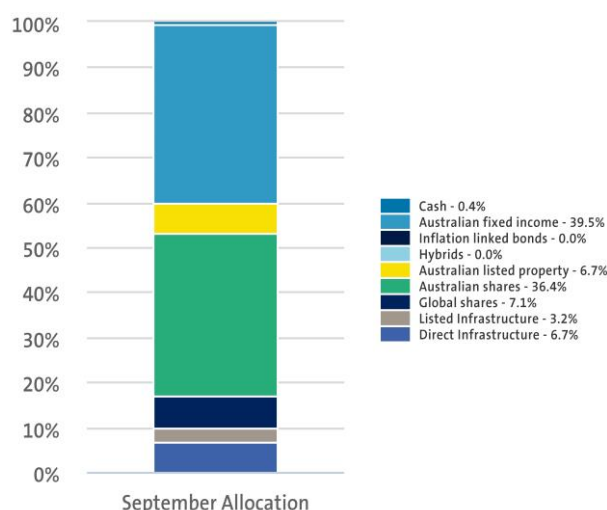
Here's how the fund performed

	1mth %	3mth %	1yr %	3yr %	5yr %	Since Inception %*
Distribution	0.24	0.75	3.48	4.12	4.59	5.06
Growth	-1.04	0.48	11.27	1.54	0.89	1.93
Total Return	-0.80	1.23	14.75	5.66	5.48	6.99

* Past performance is not a reliable indicator of future performance. The inception date for unit Class K is 31 May 2010. 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 K fees and costs, and assume all distributions are reinvested.

TOP HOLDINGS IN AUSTRALIAN SHARES	WEIGHT %
Commonwealth Bank of Australia	3.64
Australia & New Zealand Banking Group Ltd	1.90
Telstra Corp Ltd	1.85
Westpac Banking Corp	1.60
BHP Group Ltd	1.51
National Australia Bank Ltd	1.27
Medibank Pvt Ltd	1.21
Woolworths Group Ltd	1.09
Suncorp Group Ltd	1.06
Wesfarmers Ltd	0.96

COMBINING ASSETS TO DELIVER SUSTAINABLE INCOME



FUND DETAILS	
Inception date	1 June 2010
Strategy size	\$1,390.21 million
Distribution frequency	Monthly
APIR code	IPA0076AU
Buy/Sell spread	0.08/-0.11%
Suggested minimum investment timeframe	5 years
Investment objective	The portfolio aims to provide regular income with some capital growth over the medium to long term. The Fund's internal performance benchmark is the average weighted return of the relevant market indices used to measure the performance of the underlying asset classes in which the Fund invests.

Portfolio manager



Matthew Hopkins
Senior Portfolio Manager

Matthew Hopkins is the Senior Portfolio Manager for the AMP Capital Multi-Asset Fund. Mr Hopkins chairs the working group for the Multi-Asset Fund and is responsible for portfolio construction, risk management, research and hedging. In his role within the portfolio management team, Mr Hopkins also participates in a wider variety of client-related investment solutions for the Multi-Asset Group and has extensive experience in portfolio construction and investment risk analysis. Mr Hopkins began with AMP Capital in 1989. Subsequently, he has held various positions including as a Portfolio Manager in global hedge funds, Divisional Director of Investment Risk (Research and Strategy, Henderson Global Investors, London) and Head of Portfolio Analytics (UK Equities, AMP Asset Management, London).

CONTACT DETAILS

For more information on the Fund including fees, product features, benefits and risks talk to your adviser or call us on 1800 658 404 or visit ampcapital.com.au



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Estimated Distribution Yield Assumptions: The estimate is based on the amount of income we expect to receive into the Fund over the specified estimated income period, based on the current investments held by the Fund, the level of coupons, dividends and franking credits expected to be earned from investments held in the Fund. If the companies whose securities we hold in the Fund do not pay the coupons, dividends or franking credits they have forecast, or if the Fund portfolio changes materially over the period, this may impact on our estimated distribution yield.

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