

ipac INCOME GENERATOR

Monthly communication — Platform

December 2022

The ipac 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 

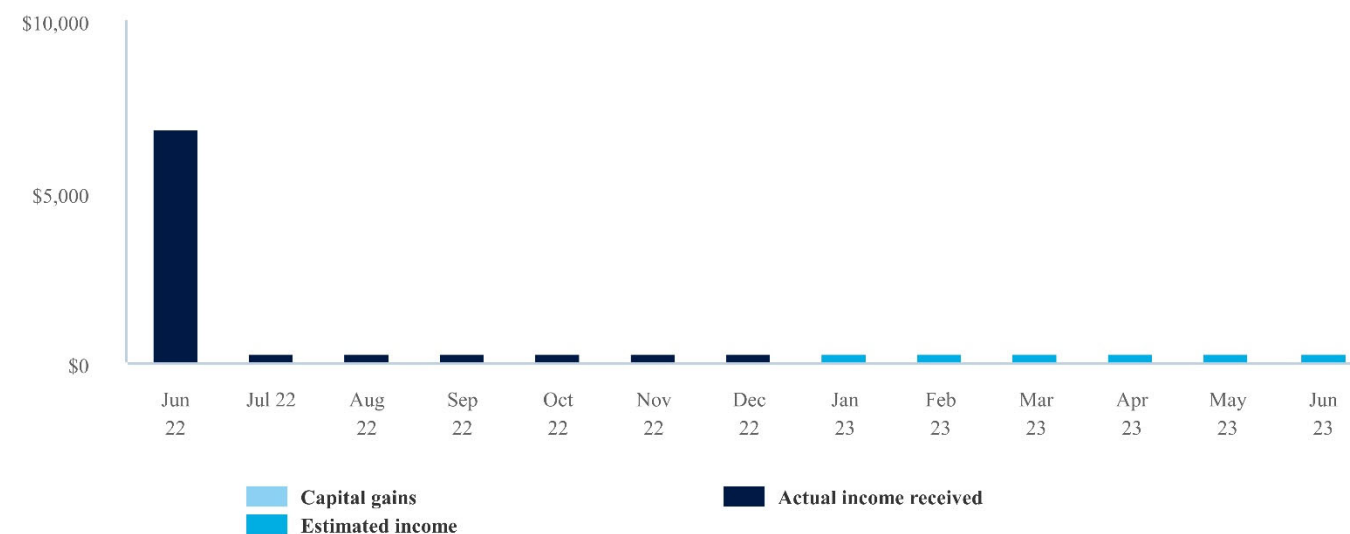
Reliable regular income 

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 2023. For illustrative purposes, the chart below represents income based on \$100K investment.



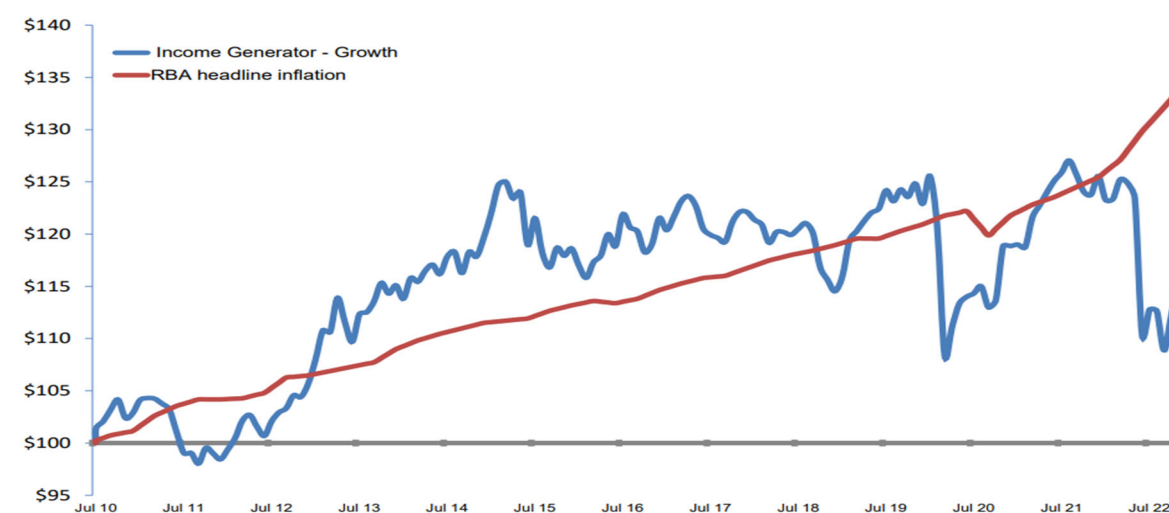
Total yield estimated to be 4.25% pa*

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



This month in brief

Performance

The Fund produced modest negative return in December, capping off a tough year driven by inflation and central banks raising rates. The good news is that inflation has, we believe, almost certainly peaked in the US; and is now easing. This is creating a positive near-term environment for both bonds and equities. The flip side is that outside of employment, most activity indicators are showing a slowing economy and high likelihood of recession in the next 12 months.

Portfolio activity

Over the last two years, the portfolio has leaned more heavily into Australian shares to benefit from recovering dividend payments and the associated franking credits. This has played out as expected and the Fund has exceeded its franking targets considerably, whilst at the same time the Australian share market has also outperformed international markets. Equities generally are now relatively less attractive to us than fixed income, due to the reset higher in interest rates. We've thus continued to move towards our fixed income strategies in Australian high quality corporate debt and we expect this to both provide diversification if a recession occurs, plus add outright attractive yields of circa 4.5%.

Positioning and outlook

The market's current recovery, similar to previous rallies, has been driven by a perception that the US Federal reserve (Fed) was approaching a pause in its tightening cycle. The difference in this case is that inflation appears to have clearly turned over and, we believe, will continue to fall, whilst the US dollar has continued to weaken. Alongside China's reopening, this gives cause for optimism. The difficult addendum to this is that the pace of economic contraction is also more evident, with more likely to come. Given almost every reliable recession indicator is flashing red and that US employment hasn't yet come back to anywhere near the Fed's stated targets, the risk is they overtighten, with a recession the price for inflation taming. We believe this is still a high likelihood and not reflected in earnings expectations yet. Given this backdrop, and reflecting the improved forward returns for fixed income, the fund will likely continue to rotate towards greater bond exposure.

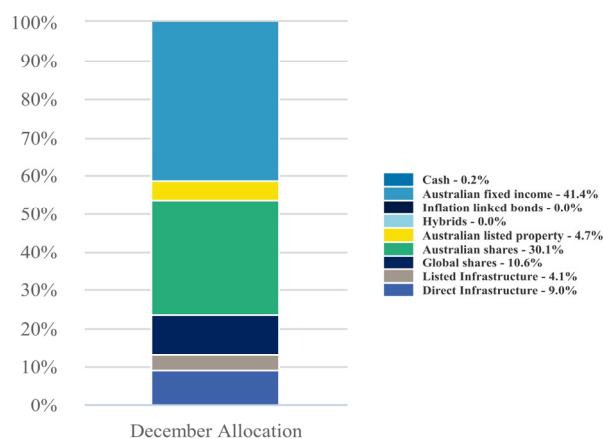
Here's how the fund performed

	1mth %	3mth %	1yr %	3yr %	5yr %	Since Inception %*
Distribution	0.27	0.88	10.06	5.82	5.61	5.45
Growth	-1.90	3.70	-10.06	-2.79	-1.55	0.87
Total Return	-1.63	4.58	0.00	3.03	4.06	6.32

* 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 %
BHP Group Ltd	3.17
Commonwealth Bank Aust	2.37
Woodside Energy Group Ltd	1.59
Westpac Banking Corp	1.52
Telstra Group Ltd	1.45
National Australia Bank Ltd	1.13
ANZ Group Holdings Ltd	0.96
CSL Ltd	0.85
Medibank Pvt Ltd	0.80
Suncorp Group Ltd	0.75

COMBINING ASSETS TO DELIVER SUSTAINABLE INCOME



FUND DETAILS	
Inception date	25 February 2014
Strategy size	\$1,017.34 million
Distribution frequency	Monthly
APIR code	IPA0173AU
Buy/Sell spread	+/-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

Portfolio Manager

Matthew is lead Portfolio Manager for the Multi-Asset Fund, Extended Multi-Asset Fund, Income Generator and Core Retirement Fund. Matthew 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, Matthew also participates in a wider variety of client-related investment solutions for AMP Investments and has extensive experience in portfolio construction, managing alternative assets, and investment risk analysis. Matthew joined AMP Ltd 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).



BRAD CREIGHTON

Portfolio Manager

Brad is the co-Portfolio Manager for the Multi-Asset Fund, Extended Multi-Asset Fund, Income Generator and Core Retirement Fund. As a Portfolio Manager for AMP Investments since 2018, Brad Creighton brings 15 years of financial markets and portfolio management experience. Prior to joining AMP, Brad spent 4 years as a portfolio manager at Millennium Capital Partners, one of the world's leading hedge funds, where he successfully managed a discretionary global macro portfolio. Brad has also enjoyed experience as a Senior Macroeconomic Strategist at Optiver, Market Risk Manager for Aviva and Credit Suisse, and a Trader for the Commonwealth Bank's proprietary trading division. In addition to his portfolio management responsibilities at AMP, Brad is a member of the Dynamic Asset Allocation working group where he contributes quantitative research and analysis for the purpose of enhancing the investment outcomes of AMP's diversified portfolios with \$A80 billion funds under management. Brad holds a Master of Commerce (Banking and Finance) from Griffith University.

CONTACT DETAILS

For more information on the Fund including fees, product features, benefits and risks talk to your adviser or call us on 133 267 or visit www.amp.com.au/investments

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