

AMP CAPITAL INCOME GENERATOR

Monthly communication — Platform

June 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 

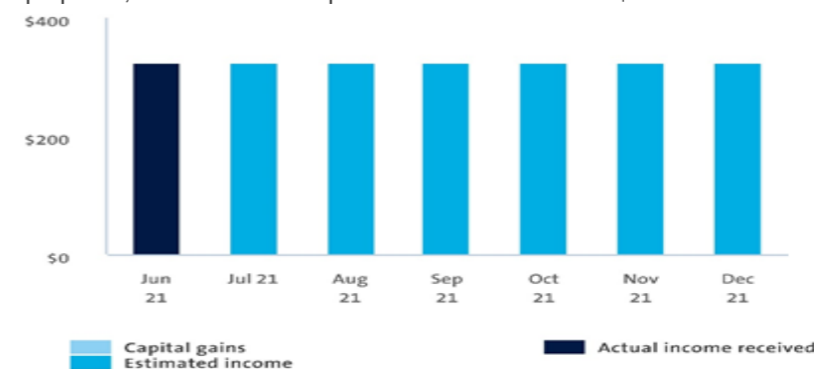
Reliable regular income 

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 0.303 cents per unit per month until June 2022. For illustrative purposes, the chart below represents income based on \$100K investment.

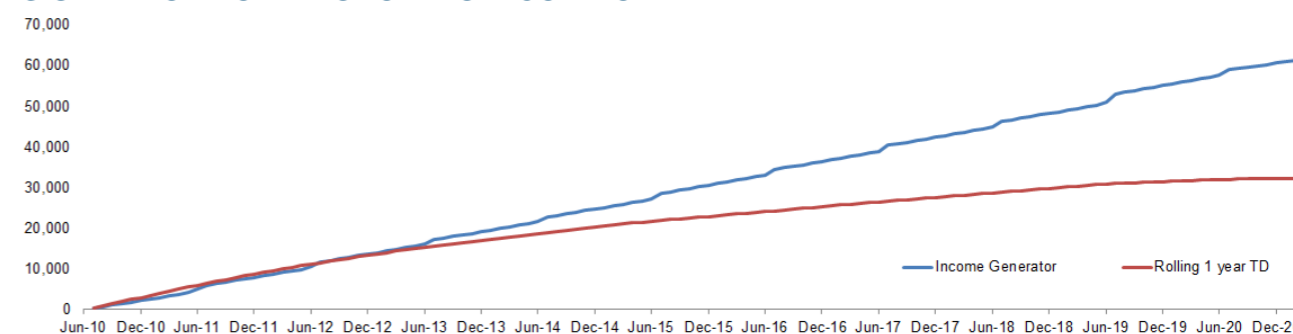


Total yield estimated to be 3.90% pa*

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 another positive return in the June quarter. At present, the distribution yield is set at 3.9% (including franking and after fees), a yield that is around 13 times the level of current average one-year term deposits. The 2020/21 financial year has been highly unusual given the pandemic's impact on dividends and yields. While income has been curtailed from the market, company earnings continue to recover at a rapid clip, and this has been reflected in higher capital gains. Franking credits remain on track for our target of 0.65% at fund level, before rising again for this financial year.

Portfolio activity

There were no major changes in the June quarter. We continue to lean into Australian equities as the dividend recovery plays out. Further, we believe Australian equities offer the potential of further returns over the medium-term through buy-backs and franking delivery, which we expect to occur this year. We also continue to lean into areas such as direct infrastructure via the AMP Capital Community Infrastructure Fund and away from corporate bonds, with the yield gap between these two segments is as large as it has ever been.

Positioning and outlook

Australian equities will likely continue to be strongly influenced by global markets and events. The domestic economic backdrop meanwhile is being complicated by shifting policy on vaccine rollout by the Federal Government, most recently by a pivot in rollout emphasis away from the AstraZeneca to the Pfizer option, which will push out the herd immunity date as further Pfizer supplies need to be sourced. The risk is that a prolonged rollout period could dent business and consumer confidence, which could feed into equity prices in the short term. Despite this, Australia's greater degree of government stimulus relative to other countries, low COVID-19 cases from an international perspective and a supportive commodities backdrop look to be aiding the recovery process. We believe that attractive opportunities remain for capital returns and franking credit distribution, given the pandemic saw significant capital raising and capital management, which in many cases has translated into strong balance sheets and high franking balances.

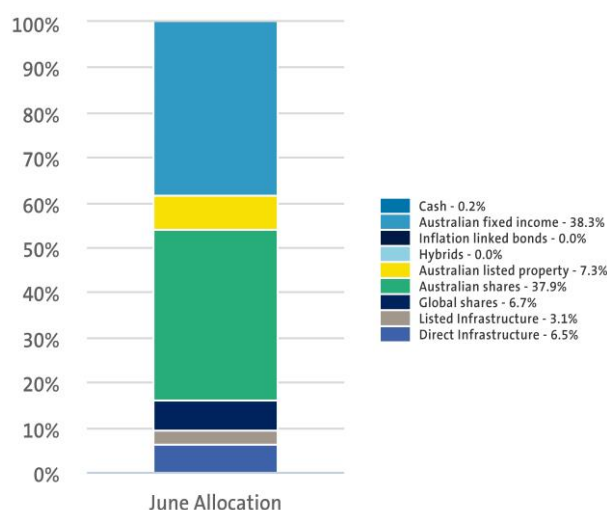
Here's how the fund performed

	1mth %	3mth %	1yr %	3yr %	5yr %	Since Inception %*
Distribution	0.26	0.77	3.52	4.19	4.64	5.10
Growth	0.90	2.90	9.77	1.43	1.03	1.93
Total Return	1.16	3.67	13.29	5.61	5.68	7.03

* 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 Australia	3.58
BHP Group Ltd	2.62
National Australia Bank Ltd	2.52
Telstra Corp Ltd	2.05
Australia & New Zealand Banking Group Ltd	1.95
Rio Tinto Ltd	1.24
Wesfarmers Ltd	1.21
Harvey Norman Holdings Ltd	1.16
Medibank Pvt Ltd	1.12
Suncorp Group Ltd	1.09

COMBINING ASSETS TO DELIVER SUSTAINABLE INCOME



FUND DETAILS	
Inception date	1 June 2010
Strategy size	\$1,431.41 million
Distribution frequency	Monthly
APIR code	IPA0076AU
Buy/Sell spread	0.08/-0.15%
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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