

AMP CAPITAL INCOME GENERATOR

Monthly communication — Platform

December 2020



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 2021. For illustrative purposes, the chart below represents income based on \$100K investment.

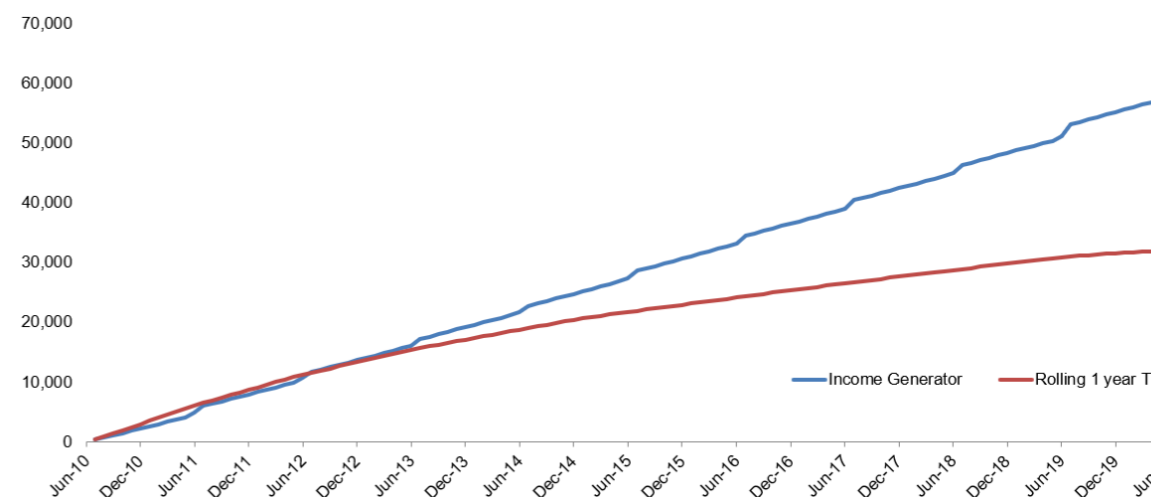


Total yield estimated to be 3.90% pa*

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 performed strongly in the fourth quarter, resulting in a modest positive return over a one-year period. Global equity markets had a very strong quarter as vaccine trial results surpassed expectations and global earnings expectations continued to improve. Australian growth assets also had a very strong quarter, spurred on by the additional tailwinds of central bank support, a stimulatory budget and improvement in the Victorian virus situation. Listed real assets lagged the strong equity market, being more affected by lingering COVID-19 uncertainty, whilst corporate bonds were slightly positive. Dividend payments in Australia remained very low compared to historic levels, resulting in a slight shortfall to current income targets. More recently, this has been offset with very strong capital gains.

Portfolio activity

There were no major asset allocation changes over the month. Stock changes involved some rotation into COVID-19 related recovery sectors, including banks and real estate. Exposure to corporate debt continues to be steadily reduced at elevated prices, whilst Australian equities have remained overweight.

Positioning and outlook

Capital gains from the reflation in global and Australian economies are benefitting equity prices, especially cyclically biased sectors such as materials and banks. On this note, we continue to see positive earnings revisions across global markets. Dividend increases have, to date, lagged the improvement in earnings, though many companies are expected to raise dividends into late 2021 and 2022. Whilst this creates near term headwinds for income production, the good news remains that rising earnings revisions are supporting price gains. In addition, there have been exceptional surges in profitability in some cases (such as within online retail, iron ore and mining) that have increased the likelihood of paying special dividends or initiating buybacks this year. This is especially attractive for franking.

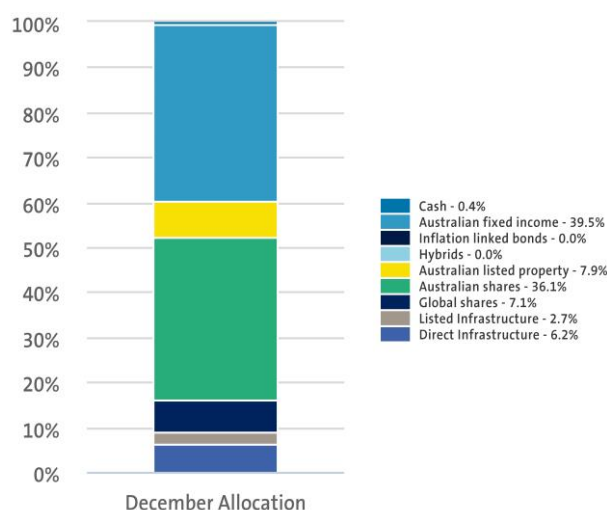
Here's how the fund performed

	1mth %	3mth %	1yr %	3yr %	5yr %	Since Inception %*
Distribution	0.26	0.84	3.72	4.76	4.77	5.17
Growth	0.00	5.19	-3.30	-0.90	0.04	1.53
Total Return	0.26	6.03	0.42	3.86	4.81	6.70

* 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	2.65
National Australia Bank Ltd	2.63
Commonwealth Bank Australia	2.25
Westpac Banking Corp	1.75
Wesfarmers Ltd	1.70
Coles Group Ltd	1.69
Telstra Corp Ltd	1.55
Australia & New Zealand Banking Group Ltd	1.53
Aurizon Holdings Ltd	1.23
Stockland	1.16

COMBINING ASSETS TO DELIVER SUSTAINABLE INCOME



FUND DETAILS	
Inception date	1 June 2010
Strategy size	\$1,492.10 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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