

# ipac Income Generator

Quarterly Investment Option Update

31 March 2019

## Aim and Strategy

To provide regular income with some capital growth over rolling 5 year periods, whilst also maintaining moderate levels of capital stability. The portfolio uses a range of specialist investment managers to invest in a diversified mix of income-producing assets, including traditional income-generating investments like fixed interest and growth assets like equities (particularly Australian shares that generally pay higher dividends and can provide franking credits).

## Investment Option Performance

To view the latest investment performances please visit [www.amp.com.au](http://www.amp.com.au)

## Investment Option Overview

<b>Investment category</b>	Multi-Sector
<b>Suggested investment timeframe</b>	5 years
<b>Relative risk rating</b>	Medium
<b>Investment style</b>	Active

<b>Asset Allocation</b>	<b>Ranges (%)</b>
International shares	0-15
Australian shares	15-45
Listed property & infrastructure	0-15
Unlisted property & infrastructure	0-10
Global fixed interest	30-70
Australian fixed interest	
Cash	0-20

<b>Actual Allocation</b>	<b>%</b>
International shares	6.8
Australian shares	38.3
Listed property & infrastructure	5.6
Unlisted property & infrastructure	5.3
Australian fixed income	43.7
Cash	
Others	0.3

## Fund Performance

The Fund posted a solid quarterly return and has now returned over 7% over one year before franking. Markets generally performed extremely well over the quarter, despite slowing economic data and a more cautious Federal Reserve in the US. In Australia, the Reserve Bank (RBA) have maintained interest rates once again at 1.5%, however importantly are now considering the need to reduce rates if inflation fails to rise as expected and employment weakens. Reflecting a weaker housing market, markets have now priced a rate cut by mid-year at around 40% probability. The Fund's strategies performed marginally above expectation in March, with some strong performance from Australian Equities and Listed Infrastructure.

## Portfolio Positioning

In Australian Equities, the Fund has been enjoying heightened buyback activity and franking credits are tracking well-above targets for the year. In Community Infrastructure (CommIF), the Fund gained exposure to a new asset in Western Australia via a 50% purchase of Perth's new Optus Stadium. CommIF continues to perform very well for the Fund. Residual exposure to tobacco and munitions for the Fund has now been removed.

## Outlook

Heading into the second quarter, markets have benefitted from more supportive monetary settings globally, causing most asset classes to rally in anticipation of better growth and improved earnings. While it is likely that this rally may have run slightly ahead of actual progress, the outlook remains favourable considering strong employment, supportive policy, Chinese stimulus and a much more positive tradewar outlook supporting future earnings and investor confidence. The Fund's income expectations for the rest of the year and next have not materially changed at present, apart from the opportunity to gain more franking credits than at the same time in previous years due to the more active buyback activity.

## Availability

Product name	APIR
AMP Flexible Lifetime Super	AMP1708AU
AMP Flexible Super - Retirement account	AMP1763AU
AMP Flexible Super - Super account	AMP1755AU
CustomSuper	AMP1708AU
Flexible Lifetime - Allocated Pension	AMP1716AU
SignatureSuper	AMP1735AU
SignatureSuper - Allocated Pension	AMP1742AU

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