# ipac INCOME GENERATOR

Monthly communication — mFund (ASX Code: ACC01)

February 2025

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.
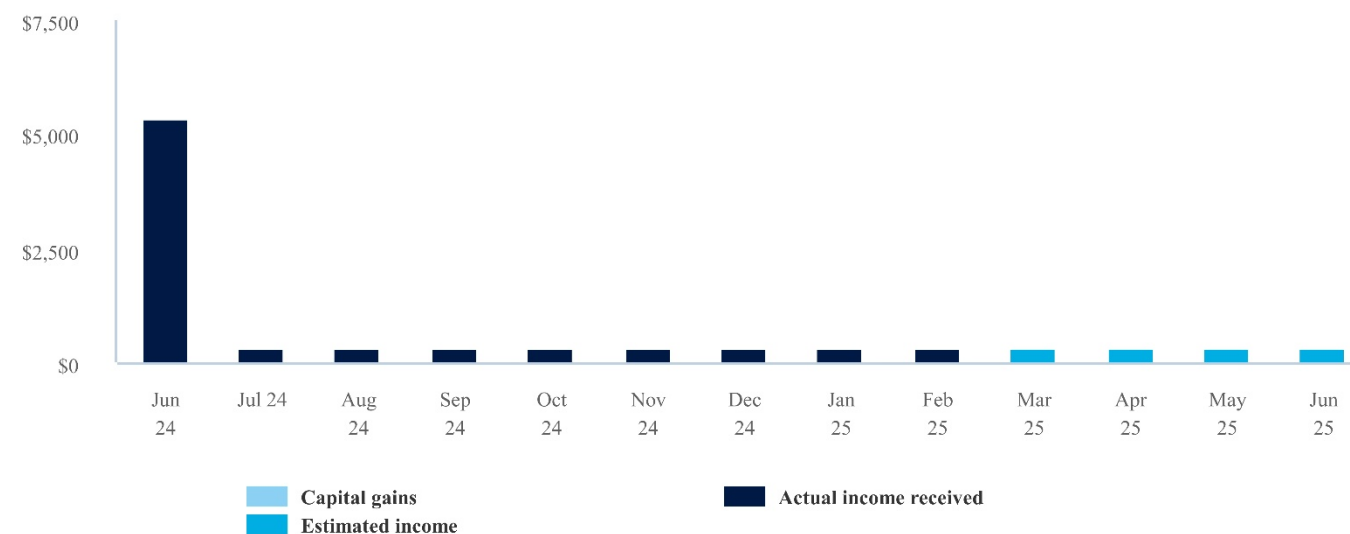
Tax effective 🖩

Reliable regular income 👍

Help meet living expenses 🍴

Replace a salary in retirement 🩴

## This month in brief

### Portfolio performance & activity

Amid difficult market conditions, the Fund produced a small negative return in February. The Fund's equity managers performed well over the month, supported by contributions from our Australian fixed interest holdings and strong outperformance from our international equity allocation, invested by GQG. We meanwhile trimmed some equity exposures to take a more defensive stance in anticipation of near-term headwinds which may allow repurchasing at more attractive prices.

### Market commentary

Global shares were somewhat volatile in February, with various US tariff announcements leading markets to close slightly lower. Robust Australian employment numbers meanwhile tempered somewhat aggressive domestic rate cut expectations, which didn't help Australian shares, where defensive sectors of the market tended to outperform, while technology stocks lagged. Global bonds meanwhile produced a solid return, as markets pondered if a US recession was still possible.

### Positioning and outlook

The Fund has been defensively positioned since early February, holding underweights positions in listed equities and infrastructure, as well as a long position in the Japanese Yen. The outlook appears highly uncertain for the short-term, with April potentially seeing 'peak tariffs', though looking further ahead we remain fundamentally positive on the economic and market outlook.

## Plan your income

A forecast distribution amount is regularly provided, and is currently estimated to be 0.369 cents per unit per month until June 2025. For illustrative purposes, the chart below represents income based on $100K investment.
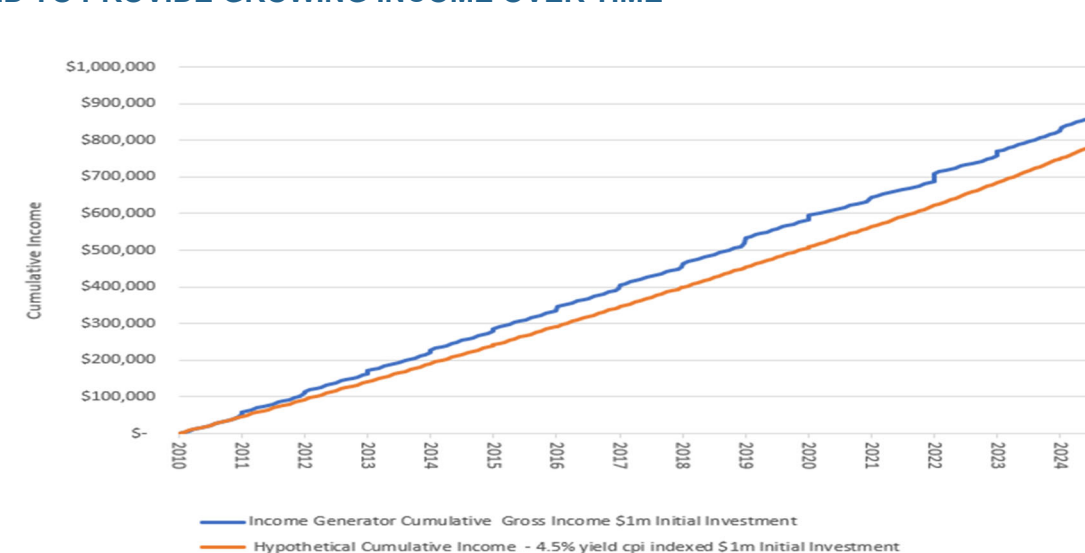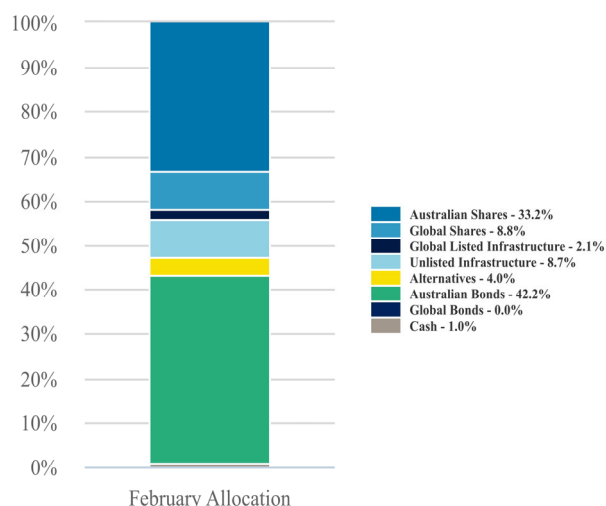


Legend: Capital gains, Estimated income, Actual income received

**Total yield** estimated to be **5.0% 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**



Legend: Income Generator Cumulative Gross Income $1m Initial Investment; Hypothetical Cumulative Income - 4.5% yield cpi indexed $1m Initial Investment

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

## Here's how the fund performed

| | 1mth % | 3mth % | 1yr % | 3yr % | 5yr % | Since Inception %* |
|---|---|---|---|---|---|---|
| Distribution | 0.34 | 1.04 | 9.82 | 9.65 | 7.20 | 5.92 |
| Growth | -0.60 | -0.24 | -2.89 | -3.98 | -1.96 | 0.55 |
| **Total Return** | **-0.26** | **0.80** | **6.93** | **5.67** | **5.24** | **6.47** |

* **Past performance is not a reliable indicator of future performance.** 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 fees and costs and assume all distributions are reinvested. As the inception date for Class R is 5 December 2014, past performance is reported using Class K fees up to 5 December 2014, and the Class R fees thereafter. The fees for Class K and Class R are the same. The inception date for Class K units was 31 May 2010.

| TOP HOLDINGS IN AUSTRALIAN SHARES | WEIGHT % |
|---|---|
| Commonwealth Bank of Australia | 2.31 |
| BHP Group Ltd | 2.16 |
| TELSTRA GROUP LTD | 1.36 |
| Westpac Banking Corp | 1.14 |
| Wesfarmers Ltd | 1.10 |
| National Australia Bank Ltd | 1.06 |
| Australia & New Zealand Banking Group Ltd | 1.02 |
| QBE Insurance Group Ltd | 0.95 |
| Medibank Pvt Ltd | 0.94 |
| CSL Ltd | 0.85 |

## COMBINING ASSETS TO DELIVER SUSTAINABLE INCOME



February Allocation

- Australian Shares - 33.2%
- Global Shares - 8.8%
- Global Listed Infrastructure - 2.1%
- Unlisted Infrastructure - 8.7%
- Alternatives - 4.0%
- Australian Bonds - 42.2%
- Global Bonds - 0.0%
- Cash - 1.0%

## FUND DETAILS

| | |
|---|---|
| Inception date | 31 May 2010 |
| Strategy size | $601.34 million |
| Distribution frequency | Monthly |
| APIR code | IPA0174AU |
| Buy/Sell spread | 0.10/-0.12% |
| Suggested minimum investment timeframe | 5 years |
| Investment objective | The Fund seeks to:- Deliver a return in excess of CPI +4.0% (before tax, after investment fees) over 10 years. - Perform in line with the internal performance benchmark (before tax and fees), i.e. the returns of the given market indices weighted by the SAA. |

# Portfolio Managers



### Stuart Eliot
Head of Portfolio Management

Stuart brings more than 30 years of diverse financial markets experience to the stewardship of our client's funds. Before joining AMP in April 2022 he spent 12 years with Pendal Group where he was Senior Portfolio Manager, Multi-Asset Investments since 2016, and previously Portfolio Manager, Diversified Funds since 2009. Prior to joining Pendal, he held senior investment banking, trading and quantitative research roles, encompassing multiple asset classes, at several leading investment banks. Stuart holds a BCom (Actuarial Studies) from Macquarie University.



### Jeronimo Harrison
Senior Portfolio Manager

Jeronimo joined AMP in 2016. His responsibilities include research, risk management, portfolio construction and generating trade recommendations. Prior to joining AMP, Jeronimo was an Investment Analyst within the AMP Group corporate venture capital fund. Jeronimo holds a double degree in Commerce (Finance) and Mechanical Engineering (Hons. Class 1) from the University of Sydney and is a CFA Charterholder.

## 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**