

# Plato Australian Shares Income

Quarterly Investment Option Update

30 September 2020

## Aim and Strategy

To provide an annual gross yield (including franking) that exceeds the gross yield of the S&P/ASX200 Franking Credit Adjusted Daily Total Return Index (Tax Exempt). The fund also aims to outperform the benchmark before fees. The fund is a long-only equity income fund managed specifically for pension and superannuation investors. The fund takes advantage of income opportunities available in the Australian tax system that can specifically benefit low tax investors such as franking credits, special dividends and off market buy-backs.

The portfolio will invest in ASX listed entities and listed SPI futures and will typically hold between 50 and 120 stocks, with +/- 5% of the weight in the benchmark.

## Investment Option Performance

To view the latest investment performances for each product please visit:

[www.amp.com.au/performance](http://www.amp.com.au/performance)

## Investment Option Overview

<b>Investment Category</b>	Australian Shares
<b>Suggested Investment timeframe</b>	5 to 7 years
<b>Relative risk rating</b>	6 / High
<b>Investment style</b>	Value
<b>Manager style</b>	Single Manager

Asset Allocation	Benchmark (%)	Actual (%)
Australian Shares	100	97.4
Cash	0	2.6

Sector Allocation	%
Energy	3.28
Industrials	9.17
Materials	22.54
Consumer Discretionary	6.97
Consumer Staples	7.09
Healthcare	10.41
Financials (ex Property)	26.59
Property	5.21
Information Technology	1.31
Telecommunications Services	3.41
Utilities	1.37

Top Holdings	%
BHP Group	8.9
Westpac	7.1
CSL	6.5
ANZ	6.4
Woolworths	5.0
Macquarie Group	4.7
Fortescue Metals	4.0
Commonwealth Bank	3.2
Telstra Corporation	2.9
Northern Star	1.9

## Portfolio Summary

- The Australian market was flat in the September quarter with September erasing the gains of July and August. Central banks and governments around the world continued to pump liquidity and stimulus into financial markets and the broader economy which was positive for markets. However, this was offset later in the quarter by a second wave of Covid-19 cases occurring in Europe and the United States which slowed the recovery in economic activity.
- The Fund remains actively positioned to deliver superior income / franking whilst also being able to allocate to companies who are providing solid capital returns.

## Investment Option Commentary

Plato's proprietary long-term factors were neutral in Q3 despite there being significant swings from value to momentum over the quarter. Their run-up model was positive during the quarter resulting in net positive alpha. In total, their Income Strategies outperformed the benchmark by 0.6% after tax during the quarter.

In terms of sector performance, they gained alpha in the Financials and Consumer Discretionary sectors but lost relative performance in the Information Technology sector.

Overweight positions in Rio Tinto, JB Hi-fi and Charter Hall as well as underweight positions in A2 Milk and Insurance Australia Group aided relative returns. In contrast, their overweight positions in Telstra and Aurizon as well as underweights in Afterpay Touch and James Hardie detracted from relative fund performance. The strategy has added 1.19% more franking credits than the S&P/ASX 200 Index over the last 12mths and 1.20% p.a. more franking credits since inception.

## Market Commentary

The Australian market was flat in the September quarter with September erasing the gains of July and August. Central banks and governments around the world continued to pump liquidity and stimulus into financial markets and the broader economy which was positive for markets. However, this was offset later in the quarter by a second wave of Covid-19 cases occurring in Europe and the United States which slowed the recovery in economic activity. The Victorian second wave was brought under control through severe lockdown measures which significantly slowed economic activity in Victoria but this did not appear to have stopped the recovery across the rest of Australia. The best performing industries during the quarter were Information Technology, Consumer Discretionary and Property Trusts in contrast to the underperformance of Energy, Utilities and Telecoms.

## Outlook

The strategy remains actively positioned to deliver superior income / franking whilst also being able to allocate to companies who are providing solid capital returns

## Availability

Product name	APIR
Flexible Super – Choice (Retirement)	AMP1872AU
Flexible Super – Choice (Super)	AMP1868AU
Flexible Lifetime – Allocated Pension	AMP1856AU
Flexible Lifetime – Super	AMP1852AU
Signature Super	AMP1860AU
Signature Super – Allocated Pension	AMP1864AU

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