

# Plato Australian Shares Income

Quarterly Investment Option Update

30 September 2021

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

## Investment Option Overview

<b>Investment Category</b>	Australian Shares
<b>Suggested Investment timeframe</b>	3 to 5 years
<b>Relative risk rating</b>	7 / Very high
<b>Investment style</b>	Value
<b>Manager style</b>	Single Manager

Asset Allocation	Benchmark (%)	Actual (%)
Australian Shares	100	99.7
Cash	0	0.3

Sector Allocation	%
Energy	4.61
Industrials	4.07
Materials	18.20
Consumer Discretionary	9.87
Consumer Staples	6.75
Healthcare	9.57
Financials (ex Property)	36.16
Property	4.30
Information Technology	1.31
Telecommunications Services	4.42
Utilities	0.42

Top Holdings	%
Commonwealth Bank	12.0
Westpac	6.5
Macquarie Group	5.2
CSL	4.7
Telstra Corporation	4.3
BHP Group	4.0
ANZ	3.9
Woolworths	3.6
Fortescue Metals	3.4
Aristocrat Leisure	2.7

## Portfolio Summary

- Plato's proprietary long-term factors were slightly negative in Q2 as value underperformed and quality, earnings revisions and price momentum performed in line. Plato's run-up model was negative during the quarter.
- The Australian market was up 2.3% (including franking credits) in the September quarter despite lockdowns reducing economic activity in NSW and Victoria throughout most of the quarter.
- 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 slightly negative in Q2 as value underperformed and quality, earnings revisions and price momentum performed in line. Plato's run-up model was negative during the quarter. In total, Plato's Income Strategy underperformed the benchmark by 1.0% after tax during the quarter.

The largest contributors to active performance during the quarter were over-weights in Macquarie, Commonwealth Bank, South32 and Suncorp as well as an underweight position in Cochlear. The largest detractors to active performance were over-weights in Fortescue, Ansell and JB Hi-fi as well as underweight positions in Sydney Airport which received a takeover offer and Woodside Petroleum. The fund outperformed in the Financials and Utilities sectors but underperformed in the Consumer Discretionary and Mining sectors.

The Fund has added 1.27% 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 up 2.3% (including franking credits) in the September quarter despite lockdowns reducing economic activity in NSW and Victoria throughout most of the quarter. The quarter saw a significant divergence in commodity prices with iron ore falling 44% after the Chinese government instructed its steel producers to reduce output. In contrast, natural gas and thermal coal rose 61% and 57% as weather events such as reduced wind in Europe over summer and hurricanes in the U.S. reduced energy supply at the same time that reopening economic activity and a warmer than normal European Summer was demanding higher energy input. Concerns the Chinese property developer Evergrande and the wider impacts on the Chinese property market spooked equity markets temporarily until the Chinese central bank increased liquidity to reduce the fallout. The best performing sectors during the quarter were Energy, Telecommunications and Industrials in contrast to Mining, Consumer Discretionary and Healthcare.

## Outlook

The Fund 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 Code
AMP Flexible Super - Super	AMP1868AU
AMP Flexible Super - Retirement	AMP1872AU
CustomSuper	AMP1852AU
Flexible Lifetime - Super	AMP1852AU
Flexible Lifetime - Allocated Pension	AMP1856AU
SignatureSuper	AMP1860AU
SignatureSuper - Allocated Pension	AMP1864AU

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