

Plato Australian Shares Income

Quarterly Investment Option Update

31 December 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

Investment Option Overview

Investment Category	Australian Shares
Suggested investment timeframe	3 to 5 years
Relative risk rating	7 / Very High
Investment style	Value
Manager style	Single Manager

Asset Allocation	Benchmark (%)	Actual (%)
Australian Shares	100	99.8
Cash	0	0.2

Sector Allocation	%
Energy	4.69
Industrials	5.50
Materials	21.03
Consumer Discretionary	10.74
Consumer Staples	5.99
Healthcare	9.34
Financials (ex Property)	32.03
Property	4.36
Information Technology	1.53
Telecommunications Services	4.39
Utilities	0.23

Top Holdings	%
Commonwealth Bank	7.8
Westpac	6.1
Macquarie Group	5.4
BHP Group	5.1
CSL	5.0
Telstra Corporation	4.4
NAB	4.3
Wesfarmers	3.0
South32	2.3
Aristocrat Leisure	2.2

Portfolio Summary

- Plato's proprietary long-term factors were positive in Q4 as value, earnings revisions and price momentum logged small gains in contrast to quality which underperformed. Plato's run-up model was also positive during the quarter.
- The Australian market was up 2.3% (including franking credits) in the December quarter as lockdowns ended in NSW and Victoria but a new more infectious but less deadly Covid-19 variant, Omicron emerged.
- 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 positive in Q4 as value, earnings revisions and price momentum logged small gains in contrast to quality which underperformed. Plato's run-up model was also positive during the quarter. In total, Plato's Income Strategy outperformed the benchmark during the quarter.

The largest contributors to active performance during the quarter were overweights in Macquarie, Mineral Resources and Charter Hall as well as underweight positions in Afterpay Touch and Commonwealth Bank. The largest detractors to active performance were overweights in Westpac, Santos and Pandal as well as underweight positions in Lynas and Pilbara Minerals. Plato outperformed in the Information Technology and Consumer Staples sectors but underperformed in the Financials and Energy sectors.

The Fund has added 1.72% more franking credits than the S&P/ASX 200 Index over the last 12mths (distributing 5.05% more gross income) and 1.23% p.a. more franking credits since inception (3.85% p.a. additional gross income).

Market Commentary

The Australian market was up 2.3% (including franking credits) in the December quarter as lockdowns ended in NSW and Victoria but a new more infectious but less deadly Covid-19 variant, Omicron emerged. The best performing sectors during the quarter were Materials, Utilities and Real Estate in contrast to Energy, IT and Financials. Energy stocks followed a fall in natural gas prices in contrast to most of the metals prices which rose. The Australian 10yr bond yield increased 18bps as the economy improved and inflation continued to tick up, despite the RBA remaining dovish in their statements and still forecasting that interest rates are unlikely to rise before the latter months of 2023.

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
SignatureSuper*	AMP1860AU
SignatureSuper - Allocated Pension*	AMP1864AU

*Closed to new investors

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