

# Plato Australian Shares Income

Quarterly Investment Option Update

30 June 2022

## 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>	High
<b>Investment style</b>	Active / Quantitative

Asset Allocation	Benchmark (%)	Actual (%)
Australian Shares	100	99.5
Cash	0	0.5

Sector Allocation	%
Communication Services	5.29
Consumer Discretionary	6.76
Consumer Staples	5.63
Energy	8.47
Financials	28.43
Health Care	9.28
Industrials	3.67
Information Technology	2.24
Materials	24.01
Real Estate	5.30
Utilities	0.00

Top Holdings	%
Commonwealth Bank	10.7
BHP Group	8.7
CSL	6.7
Woodside Energy	6.2
National Australia Bank	5.9
Rio Tinto	5.4
Telstra Corporation	4.7
Macquarie Group	3.5
Suncorp Group	2.3
Goodman Group	2.2

## Portfolio Summary

- Plato's proprietary long-term factors were positive in Q2 as value, quality and momentum performed strongly and catalyst and growth factors logged small gains. Our run-up model was also positive during the quarter and we gained by participating in the JB Hi-fi off market buyback.
- The Australian market was down 11.8% (including franking credits) in the June quarter as market worries rose that the tightening cycle of reserve banks, designed to dampen inflation would in the process push economies into recession.
- 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 Q2 as value, quality and momentum performed strongly and catalyst and growth factors logged small gains. Our run-up model was also positive during the quarter and we gained by participating in the JB Hi-fi off market buyback. In total, our Income Strategy outperformed the benchmark by 1.4% after tax during the quarter and distributed 3.5% more gross income.

The largest contributors to active performance during the quarter were overweights in Woodside, Amcor and QBE Insurance as well as underweight positions in Block (formerly Afterpay) and Evolution Mining. The largest detractors to active performance were overweights in Charter Hall, JB Hi-fi, Macquarie and CSR as well as an underweight position in Transurban. The Fund outperformed in the Information Technology, Energy and Materials sectors but underperformed in the Industrials and Utilities sectors.

The Fund has added 3.21% more franking credits than the S&P/ASX 200 Index over the last 12mths (distributing 10.07% more gross income) and 1.36% p.a. more franking credits since inception (4.23% p.a. additional gross income).

## Market Commentary

The Australian market was down 11.8% (including franking credits) in the June quarter as market worries rose that the tightening cycle of reserve banks, designed to dampen inflation would in the process push economies into recession. The Australian 10yr bond yield rose 0.82% as the RBA and US Fed began their process of increasing interest rates. The best performing sectors during the quarter were Utilities, Energy and Industrials in contrast to IT, Real Estate and Materials which underperformed. These sector moves reflected both a move towards defensive quality and also the move in bond yields and inflation. Energy prices maintained their strength as the Russia-Ukraine conflict continued but base metal commodity prices fell as global recession fears rose and particular Chinese cities went into various stages of lockdown, dampening demand.

## 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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