

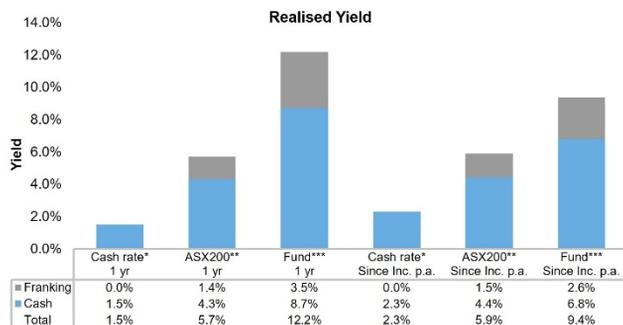
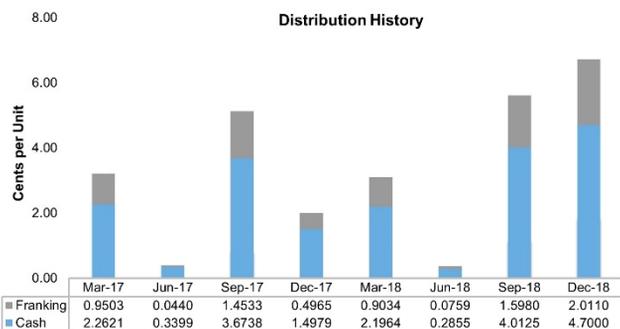
Plato Australian Shares Income Fund (Class A)

ARSN 152 590 157 APIR WHT0039AU mFund Code PL101

At a glance, as at 31 December 2018, the Fund achieved:

- 9.4% p.a. Yield² since inception¹
- 11.6% p.a. total return since inception^{1,2}
- 1.1% p.a. excess total return since inception^{1,2}

Performance	1 mth %	3 mth %	1 yr %	3 yrs % p.a.	5 yrs % p.a.	Inception ¹ % p.a.
Fund total return²	0.8	-6.6	1.3	7.5	7.4	11.6
Income ²	5.2	5.2	12.2	10.2	9.7	9.4
Capital growth	-4.4	-11.8	-10.9	-2.7	-2.3	2.2
Benchmark total return ² ^	-0.1	-8.0	-1.4	8.2	7.2	10.5
Excess total return²	0.9	1.4	2.7	-0.7	0.2	1.1
Excess income²	5.0	4.1	6.5	4.4	3.8	3.5
Excess franking	1.6	1.3	2.1	1.5	1.2	1.1



Summary

As at 31 December 2018, the Plato Australian Shares Income Fund ('Fund') delivered a total return of 11.6% p.a.² and a yield of 9.4% p.a.² (incl. franking) since inception¹ compared to the S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt) ('Benchmark') return of 10.5% p.a.² and a yield of 5.9% p.a.²

Global markets fell sharply in December but the Australian market held up well, with the falling AUD (-3.6%) aiding our market. Resources rebounded after falling in November as the iron ore price rallied 10%. During the month BHP completed its off-market buyback which was significantly profitable for low-tax investors and contributed towards boosting the gross yield of the Fund to 12.2% for 2018! Whilst total returns for equities has been weak in the last quarter, negating the return for the first three quarters of the year, income levels have been strong and the Fund has outperformed the market by 2.7% in 2018.

The largest positive contributors to the Fund during the month were overweight positions in Northern Star and Regis Resources (which benefited from a rally in the gold price) as well as an underweight position in QBE Insurance which fell 10% after announcing an efficiency program with lower savings than the market was expecting. However, overweight positions in Macquarie and Caltex which is struggling with lower than normal

refining margins, underperformed.

The Fund remains actively positioned to deliver superior income and franking whilst also being able to allocate to companies that are expected to provide solid capital returns.

Top 10 Holdings	Top 10 Yielding	Yield% p.a. ²
ANZ	Alumina	14.7
BHP Billiton	CSR	13.0
Commonwealth Bank	NAB	11.8
CSL	Telstra	11.0
Insurance Australia	Westpac	10.7
Macquarie Group	ANZ	9.3
Wesfarmers	Whitehaven Coal	9.3
Westpac	Commonwealth Bank	8.5
Woodside Petroleum	Magellan Financial	8.2
Woolworths	Insurance Australia	8.1

¹ Inception date 9 September 2011.

² Including franking credits.

³ Includes accrued but not yet distributed dividends and franking credits as income.

[^] Benchmark is the S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt)

* RBA cash rate.

** S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt)

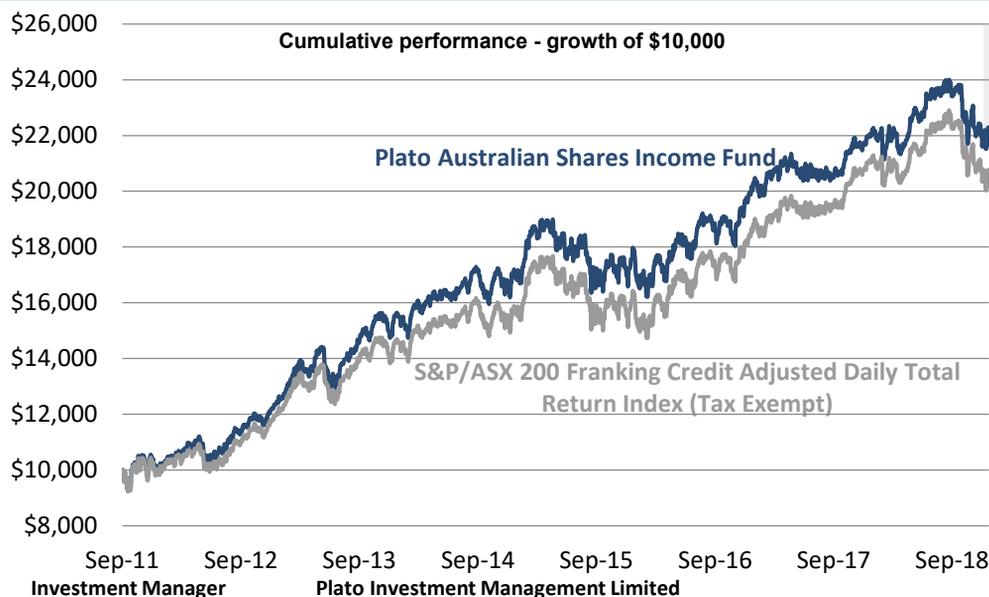
*** Plato Australian Shares Income Fund.

All data is as at 31 December 2018 unless indicated otherwise.

Fund returns are after applicable fees, costs and taxes. Past performance is not a reliable indicator of future performance.

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Assets under management:	\$1404M
Platform availability:	
AMP FS	AMP North
Asgard	BT Wrap
Colonial First Wrap	HUB24
Macquarie Wrap	MLC Wrap
OneVue	mFund
WealthSolutions	Netwealth
uXchange	

Objective	<ul style="list-style-type: none"> To provide an annual gross yield (including franking) that exceeds the gross yield of the Benchmark after fees The Fund also aims to outperform the Benchmark after fees.
Benchmark	S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt)
Investment approach	<ul style="list-style-type: none"> The Fund is intended to be managed for low tax investors who can utilise franking credits. These investors include, but are not limited to, superannuation funds and charities. The investment process aims to maximise the value gained from franked dividends, primarily via holding stocks which pay franked dividends and participating in off-market buy-backs.
Management costs	0.90% p.a. (inclusive of the net effect of GST and RITC).
Buy/sell spread	+0.20% / -0.20%.
Minimum investment	<ul style="list-style-type: none"> Indirect investors: refer to the operator of your service. Direct investors: minimum initial investment \$100,000.

This strategy is specifically managed for low tax investors, thus providing an aligned investment strategy for pension and charity investors. The Fund aims to generate higher income (including franking credits) than its Benchmark. A distinguishing feature of the strategy is that it aims to deliver higher yield without taking on large sector biases, such as overweighting banks.



For more information, please contact Pinnacle Investment Management Limited on 1300 010 311 or, email distribution@pinnacleinvestment.com.au

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